

**Beaver Lake Cree Nation**  
**Consolidated Financial Statements**  
**March 31, 2021**

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**Beaver Lake Cree Nation****Consolidated Financial Statements**

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**March 31, 2021**

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## Beaver Lake Cree Nation

### **Management's Responsibility for Financial Reporting**

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**March 31, 2021**

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The accompanying consolidated financial statements of Beaver Lake Cree Nation are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Beaver Lake Cree Nation and meet when required.

On behalf of Beaver Lake Cree Nation:

Original signed by  
Chief

September 8, 2021  
Date

Original signed by  
Administrator

September 8, 2021  
Date

## **Independent Auditors' Report**

### **To the Members of Beaver Lake Cree Nation**

#### *Opinion*

We have audited the consolidated financial statements of Beaver Lake Cree Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

## Independent Auditors' Report (continued)

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada  
September 8, 2021

*Crove Mackay CPA*  
Chartered Professional Accountants

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**Beaver Lake Cree Nation****Consolidated Statement of Financial Position**

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<b>March 31</b>	<b>2021</b>	<b>2020</b>
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**Financial Assets**

Cash (Note 3)	\$ 15,246,482	\$ 9,439,764
Accounts receivable (Note 4)	903,009	489,035
Long-term investments (Note 5)	5,334,311	4,753,487
Trust funds held by Ottawa (Note 6)	1,027,291	989,507
Other trust funds (Note 7)	3,640,546	3,399,556
	<hr/>	<hr/>
	<b>26,151,639</b>	<b>19,071,349</b>

**Liabilities**

Accounts payable and accrued liabilities	572,757	470,818
Deferred revenue (Note 8)	9,389,049	4,903,639
Long-term debt (Note 9)	1,108,377	1,701,440
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	<b>11,070,183</b>	<b>7,075,897</b>

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**Non-financial Assets**

Capital assets (Note 10)	15,068,611	11,082,920
Prepaid expenses	29,279	29,279
Inventory (Note 11)	176,376	176,376
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	<b>15,274,266</b>	<b>11,288,575</b>

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**Accumulated Surplus (Note 12)****\$ 30,355,722****\$ 23,284,027**

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Contingent liabilities (Note 13)

**Approved on behalf of the Chief and Council**Original signed by \_\_\_\_\_, ChiefOriginal signed by \_\_\_\_\_, Councillor

## Beaver Lake Cree Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada	\$ 4,375,294	\$ 10,928,874	\$ 6,970,039
ISC - Health Canada	3,072,190	3,206,490	3,569,696
Canada Mortgage and Housing Corporation	106,200	123,818	123,928
Human Resource Development Canada	113,523	225,786	555,501
Interest	-	11,735	21,441
Resource revenue	-	26,048	91,804
First Nation Development Funds	-	351,563	559,833
Other revenue	2,158,349	7,116,347	12,941,029
	<b>9,825,556</b>	<b>21,990,661</b>	24,833,271
<b>Expenses (Note 14)</b>			
Education	3,210,063	2,543,683	3,188,934
Health	3,046,700	3,353,836	3,484,302
Economic Development	55,513	2,961,001	5,019,320
Housing	1,131,710	373,312	399,860
Social Services	798,533	678,399	1,011,172
Band Government	811,170	1,652,684	1,956,472
Employment Programs	-	97,471	262,233
Public Works	625,254	1,603,132	2,020,807
Amortization	1,187,572	1,187,572	1,068,279
Government and Industry Relations	-	467,876	838,984
	<b>10,866,515</b>	<b>14,918,966</b>	19,250,363
<b>Excess of revenue over expenses</b>	<b>(1,040,959)</b>	<b>7,071,695</b>	5,582,908
<b>Accumulated surplus, beginning of year</b>	<b>23,284,027</b>	<b>23,284,027</b>	17,701,119
<b>Accumulated surplus, end of year</b>	<b>\$ 22,243,068</b>	<b>\$ 30,355,722</b>	<b>\$ 23,284,027</b>

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**Beaver Lake Cree Nation****Consolidated Statement of Change in Net Financial Assets**

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<b>For the year ended March 31</b>	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Excess of revenue over expenses</b>	<b>\$ (1,040,959)</b>	<b>\$ 7,071,695</b>	<b>\$ 5,582,908</b>
Acquisition of tangible capital assets	-	(5,173,263)	(2,501,586)
Amortization of tangible capital assets	<b>1,187,572</b>	<b>1,187,572</b>	<b>1,068,279</b>
	<b>1,187,572</b>	<b>(3,985,691)</b>	<b>(1,433,307)</b>
Use of prepaid asset	-	-	12,850
Acquisition of inventory	-	-	(53,217)
<b>Increase in net financial assets</b>	<b>146,613</b>	<b>3,086,004</b>	<b>4,109,234</b>
<b>Net financial assets, beginning of year</b>	<b>11,995,452</b>	<b>11,995,452</b>	<b>7,886,218</b>
<b>Net financial assets, end of year</b>	<b>\$ 12,142,065</b>	<b>\$ 15,081,456</b>	<b>\$ 11,995,452</b>

**Beaver Lake Cree Nation**

**Consolidated Statement of Cash Flow**

<b>For the year ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 7,071,695	\$ 5,582,908
Items not affecting cash		
Amortization	1,187,572	1,068,279
Equity pickup	(580,824)	(27,296)
	<b>7,678,443</b>	<b>6,623,891</b>
Change in non-cash operating working capital		
Accounts receivable	(413,974)	290,184
Inventory	-	(53,215)
Prepaid expenses	-	12,850
Other trust funds	(240,990)	(437,304)
Accounts payable and accrued liabilities	101,938	(95,163)
Deferred revenue	<b>4,485,410</b>	<b>3,034,745</b>
	<b>11,610,827</b>	<b>9,375,988</b>
<b>Capital activities</b>		
Purchase of capital assets	<b>(5,173,263)</b>	<b>(2,501,586)</b>
<b>Financing activities</b>		
Repayment of long term debt	(593,062)	(619,294)
Proceeds from long term debt	-	118,000
Net funds drawn from Trust Funds held in Ottawa	-	800,000
	<b>(593,062)</b>	<b>298,706</b>
<b>Investing activities</b>		
Change in long-term investments	<b>(37,784)</b>	<b>(113,246)</b>
<b>Increase in cash and cash equivalents</b>	<b>5,806,718</b>	<b>7,059,862</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>9,439,764</b>	<b>2,379,902</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 15,246,482</b>	<b>\$ 9,439,764</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 1. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

##### (a) Reporting entity principles of financial reporting

The Beaver Lake Cree Nation reporting entity includes the Beaver Lake Cree Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the Beaver Lake Cree Nation.

The consolidated financial statements include the following entities:

Beaver Lake Cree Nation

Beaver Lake Education Authority - Amisk Community School

Beaver Lake Wah - Pow Treatment Centre

Beaver Lake Health Services

Beaver Lake Government and Industry Relations (Formerly Beaver Lake Intergovernmental Affairs and Industrial Relations)

Inter-entity balances have been eliminated on consolidation.

##### (b) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Income from investments is recorded on the accrual basis.

##### (c) Cash

Cash and cash equivalents include cash on hand and balances in bank accounts, net of bank overdrafts.

##### (d) Investments

Investments are recorded using the modified equity method where statements are provided and recorded at cost when no statements are available. Investments are written down where there has been a loss in value that is other than a temporary decline.

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 1. Basis of Presentation and Significant Accounting Policies (continued)

##### (e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Beaver Lake Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years Straight-line
Automotive equipment	4 years Straight-line
Computer equipment	4 years Straight-line
Equipment	10 years Straight-line
Leasehold improvements	5 years Straight line
Infrastructure	10 years Straight-line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Beaver Lake Cree Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets, including recognized interest in reserve lands and natural resources, as well as assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

##### (f) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the First Nation are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

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## **Beaver Lake Cree Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2021**

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#### **1. Basis of Presentation and Significant Accounting Policies (continued)**

##### **(g) Use of estimates and COVID-19 measurement uncertainty**

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nation's operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nation's financial results, conditions and cash flows.

Oil and gas royalties and surface rights payments related to oil and gas exploration and development activities are administered directly by the Government of Canada ("Canada") under the provisions of the Indian Oil and Gas Act. The First Nation records receipts based on currently available information supplied by Canada. Royalty payments from oil and gas producers are subject to periodic revision. Adjustments are recorded by the First Nation in the period that the information becomes available.

#### **2. COVID-19 Pandemic**

The COVID-19 pandemic has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in an economic slowdown.

In response, the First Nation received from Indigenous Services Canada \$2,654,769 in additional funding to assist with implementation of public health measures, income assistance initiatives, costs related to reopening as well as flexible funding through the Indigenous Community Support Fund.

The First Nation has closed certain facilities to customers since April 2020 and they remained closed subsequent to year end. The First Nation has temporarily terminated employees and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic on the First Nation's operations and programs.

Effective July 1, 2021, the province of Alberta entered into stage 3 of the Alberta's Open for Summer Plan whereby all public health measures have now been lifted except for isolation/quarantine requirements and masking requirements in health care settings and public transit.

While recovery is underway, the efficacy of COVID-19 vaccines and longevity of the COVID-19 pandemic remains uncertain and as such it is not possible to estimate the length and severity of the pandemic and the impact on the financial results and condition on the First Nation and its operations in future periods..

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 3. Cash

	2021	2020
Externally restricted		
Province of Alberta	\$ 132,272	\$ 332,304
Canada Mortgage and Housing Corporation reserves	<u>220,000</u>	<u>250,869</u>
	<u>352,272</u>	<u>583,173</u>
Unrestricted		
General accounts	<u>14,894,210</u>	<u>8,856,591</u>
	<u><b>\$ 15,246,482</b></u>	<u><b>\$ 9,439,764</b></u>

Under the terms of agreements with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Fund. As at March 31, 2021 the amount in the replacement Reserve account was underfunded by \$210,695 (2020 underfunded by \$178,826).

Funds received under the First Nation Development Fund program administered by the Province of Alberta are restricted to eligible uses outlined in the Host First Nation Charitable Casino Policies Handbook and administered by Alberta Gaming, Liquor and Cannabis. These funds are held in a separate bank account.

The Beaver Lake Cree Nation entities have overdraft facilities totaling \$275,000 bearing interest at prime rate + 3% (5.95%). The facilities are secured by a redirection of funds, as authorized by First Nation Council Resolutions acknowledged by the Department of Indigenous Services Canada. At March 31, 2021, the accounts were overdrawn by \$Nil (2020 - \$Nil).

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 4. Accounts receivable

	2021	2020
<b>Federal government funding</b>		
Indigenous Services Canada	\$ 40,100	\$ 221,866
<b>Band members</b>		
Loans and advances	166,841	164,341
Allowance for doubtful accounts	(166,841)	(110,608)
	-	53,733
<b>Other</b>		
Miscellaneous receivables	862,909	213,436
	<b>\$ 903,009</b>	<b>\$ 489,035</b>

Loans and advances receivable from band members are non-interest bearing and are unsecured.

### 5. Long-term investments

	2021	2020
Pimee Well Servicing Ltd. (17% ownership)		
10 Class A voting shares	\$ 10	\$ 10
309 Class B voting shares	13	13
Advances - bearing interest at 15% per annum	108,612	98,738
Equity - Pimee Well Servicing Ltd.	885,721	899,896
Pimee Limited Partnership Units	110	110
Equity - Pimee Limited Partnership	1,978,472	1,742,403
Akuna Drilling Trust (1,000 units)	188	188
Seven Lakes Oilfield Services Limited Partnership (8.33% ownership)	1	1
Equity - Seven lakes Oilfield Services Limited Partnership	2,360,984	2,011,928
1678902 Alberta Ltd. (100%)	100	100
Beaver Lake Cree Nation Holdings GP Inc. (100%)	100	100
	<b>\$ 5,334,311</b>	<b>\$ 4,753,487</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 6. Trust funds

	2021 Opening balance		2021 Additions	2021 Closing balance
Capital	\$ 546,291	\$ -	\$ 546,291	
Revenue	443,216	37,784	481,000	
	\$ 989,507	\$ 37,784	\$ 1,027,291	

The trust funds accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

#### 7. Other trust funds

Funds held by the corporate trustee are invested in Canada bonds and equities. The allocation of investments at March 31 was as follows:

	2021 Cost	2021 Market	2020 Cost	2020 Market
Pooled funds	\$ 2,510,370	\$ 2,733,067	\$ 2,267,773	\$ 1,913,928
Canadian equities	740,213	942,227	804,463	696,913
Cash and cash equivalents	389,963	389,976	327,320	327,775
	\$ 3,640,546	\$ 4,065,270	\$ 3,399,556	\$ 2,938,616

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 8. Deferred revenue

	March 31, 2020	Funding received, 2021	Revenue recognized, 2021	March 31, 2021
<b>Federal Government</b>				
ISC - Health Centre	\$ 183,478	\$ 1,342,568	\$ (1,187,855)	\$ 338,191
ISC - Health Centre FNIHB Covid Funding	-	748,639	(495,486)	253,153
ISC - Treatment Centre	44,397	438,869	(44,397)	438,869
ISC - Post Secondary	100,000	355,465	(162,595)	292,870
ISC - School Programs	92,150	479,058	(92,150)	479,058
ISC - School O&M	-	21,852	-	21,852
ISC - Administration	125,000	1,853,442	(616,573)	1,361,869
ISC - Social Services	307,829	639,757	(675,459)	272,127
ISC - School Transportation	-	69,234	(59,500)	9,734
ISC - Adult in Home Care	11,821	-	(11,821)	-
ISC - Tuition	59,045	245,834	(59,045)	245,834
ISC - Water Treatment Plant	-	600,000	(43,405)	556,595
ISC - Administration - Lagoon	3,827,500	-	(3,431,058)	396,442
ISC - Technical Services	-	4,018,630	-	4,018,630
	4,751,220	10,813,348	(6,879,344)	<b>8,685,224</b>
<b>Provincial Government</b>				
First Nation Development Funds	77,419	-	(77,419)	-
<b>Other</b>				
Health Centre - Daycare	-	269,869	(128,315)	141,554
ASETS-CRF	-	185,983	(75,525)	110,458
ASETS-EI	-	87,616	(21,946)	65,670
Beaver Store Expansion project	75,000	-	(75,000)	-
Government and Industry Relations	-	1,000,000	(613,857)	386,143
	75,000	1,543,468	(914,643)	<b>703,825</b>
	\$ 4,903,639	\$ 12,356,816	\$ (7,871,406)	<b>\$ 9,389,049</b>

## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

March 31, 2021

#### 9. Long-term debt

	2021	2020
Canada Mortgage and Housing Corporation mortgage with payments of \$809 per month including interest at 0.69% maturing April 2025, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	\$ 39,099	\$ 48,429
Canada Mortgage and Housing Corporation mortgage with payments of \$1,155 per month including interest at 0.45% maturing September 2025, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	61,737	75,053
Canada Mortgage and Housing Corporation mortgage with payments of \$1,031 per month including interest at 2.50% maturing June 2028, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	81,972	92,168
Canada Mortgage and Housing Corporation mortgage with payments of \$972 per month including interest at 1.86% maturing February 2029, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	85,825	95,802
Canada Mortgage and Housing Corporation mortgage with payments of \$1,078 per month including interest at 1.43% maturing March 2032, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	131,675	142,658
Canada Mortgage and Housing Corporation mortgage with payments of \$1,233 per month including interest at 2.52% maturing July 2028, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	99,017	111,172
Canada Mortgage and Housing Corporation mortgage with payments of \$2,847 per month including interest at 2.21% maturing February 2039, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	505,490	528,290
Settlement repaid in full during the year.	-	416,667
Canada Mortgage and Housing Corporation mortgage with payments of \$1,160 per month including interest at 1.05% maturing June 2026, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	71,083	84,187
National Leasing finance contract loan repaid in full during the year.	-	34,840
John Deere equipment loan with payments of \$3,609 per month including interest at 0.00% maturing November 2021.	<u>32,479</u>	<u>72,174</u>
	<hr/> <b>\$ 1,108,377</b>	<hr/> <b>\$ 1,701,440</b>

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**Beaver Lake Cree Nation****Notes to Consolidated Financial Statements**

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**March 31, 2021**

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**9. Long-term debt (continued)**

Principal portion of long-term debt due within the next five years:

2022	\$ 135,427
2023	104,634
2024	106,354
2025	108,108
<u>2026 and thereafter</u>	<u>653,854</u>
	<hr/>
	<b>\$ 1,108,377</b>

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 10. Tangible Capital Assets

	Cost				Accumulated amortization				2021 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Buildings	13,444,673	379,889	-	13,824,562	6,595,351	439,777	-	7,035,128	6,789,434
Automotive equipment	1,719,757	391,968	-	2,111,725	1,344,293	209,955	-	1,554,248	557,477
Computer equipment	133,829	50,717	-	184,546	101,552	22,630	-	124,182	60,364
Equipment	4,025,811	160,325	-	4,186,136	3,399,068	144,747	-	3,543,815	642,321
Leasehold improvements	31,013	-	-	31,013	6,203	6,202	-	12,405	18,608
Infrastructure	7,004,591	4,190,364	-	11,194,955	3,855,287	364,261	-	4,219,548	6,975,407
	\$ 26,384,674	\$ 5,173,263	\$ -	\$ 31,557,937	\$ 15,301,754	\$ 1,187,572	\$ -	\$ 16,489,326	\$ 15,068,611

	Cost				Accumulated amortization				2020 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Buildings	12,617,777	826,896	-	13,444,673	6,154,107	441,244	-	6,595,351	6,849,322
Automotive equipment	1,474,020	345,427	(99,690)	1,719,757	1,315,442	128,541	(99,690)	1,344,293	375,464
Computer equipment	111,619	22,210	-	133,829	91,482	10,070	-	101,552	32,277
Equipment	3,831,578	194,233	-	4,025,811	3,228,513	170,555	-	3,399,068	626,743
Leasehold improvements	-	31,013	-	31,013	-	6,203	-	6,203	24,810
Infrastructure	5,922,784	1,081,807	-	7,004,591	3,543,623	311,664	-	3,855,287	3,149,304
	\$ 23,982,778	\$ 2,501,586	\$ (99,690)	\$ 26,384,674	\$ 14,333,167	\$ 1,068,277	\$ (99,690)	\$ 15,301,754	\$ 11,082,920

\$3,918,585 (2020 - \$780,131) of infrastructure is under construction and has not been amortized as at March 31, 2021.

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 11. Inventory

Inventory consisting of fuel, tobacco and confectionaries for resale are recorded at the lower of cost and net realizable value, on a first-in first-out basis.

#### 12. Accumulated surplus

	2021	2020
Operating fund	\$ 5,962,645	\$ 3,912,635
Capital fund	13,960,234	9,798,147
Replacement reserve fund	430,695	430,695
Trust funds	4,667,837	4,389,063
Investment fund	5,334,311	4,753,487
	<hr/> <b>\$ 30,355,722</b>	<hr/> <b>\$ 23,284,027</b>

#### 13. Contingent liabilities

Government contributions related to programs of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records are subject to audit by the funding agencies. Should any instances be identified in which the amounts charged to the projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these ministerial audits will be recorded in the period in which they become known.

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 14. Expenses

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Administration fees	\$ 66,000	\$ 149,946	\$ 133,491
Amortization	1,187,572	1,187,572	1,068,278
Bad debts	-	56,233	-
Cultural events	290,957	132,511	444,438
Donations and advertising	15,000	14,840	27,048
Education and tuition fees	517,000	658,311	893,091
Food and kitchen supplies	110,555	46,402	124,577
Insurance	30,790	216,222	162,343
Interest and bank charges	15,000	20,818	18,713
Loan payments	116,000	22,062	23,973
Materials and supplies	551,821	3,163,298	5,256,596
Office expenses	122,190	251,403	296,944
Professional fees	187,165	608,461	1,059,387
Program costs	223,957	1,185,659	1,154,676
Renovation	938,500	127,569	96,030
Rent	17,520	12,487	37,286
Repairs and maintenance	406,726	370,427	317,592
Social assistance	544,686	485,946	701,431
Subcontracts	114,408	59,500	308,000
Travel	279,984	323,047	581,325
Utilities and telephone	205,145	374,866	350,394
Vehicle	99,292	138,924	233,542
Wages and benefits	4,633,567	5,208,271	5,755,866
Workshops and training	192,680	104,191	205,342
	\$ 10,866,515	\$ 14,918,966	\$ 19,250,363

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 15. Segmented information

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. The segment revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounts Policies as described in Note 1. The segment results for the period are as follows:

	Education	Health	Economic Development	Social Services	Band Programs	Housing Public works	Ottawa Trust Funds	GIR	2021 Total
<b>Revenue</b>									
ISC	\$2,096,602	-	\$280,407	\$857,950	\$5,521,695	\$2,172,220	-	-	\$10,928,874
ISC - Health Canada	-	3,206,490	-	-	-	-	-	-	3,206,490
HRD Canada	-	128,315	-	-	97,471	-	-	-	225,786
CMHC	-	-	-	-	-	123,818	-	-	123,818
Resource revenue	-	-	-	-	-	-	26,048	-	26,048
Interest	-	-	-	-	-	-	11,736	-	11,736
Other Revenue	515,801	89,688	2,680,594	86,467	2,626,902	591,545	-	876,913	7,467,910
	2,612,403	3,424,493	2,961,001	944,417	8,246,068	2,887,583	37,784	876,913	21,990,662
<b>Expenses</b>									
Wages and benefits	1,342,376	2,188,868	392,574	149,894	520,948	600,968	-	12,644	5,208,272
Amortization	-	-	-	-	1,187,572	-	-	-	1,187,572
Materials and supplies	239,100	253,976	2,522,411	3,794	51,946	92,071	-	-	3,163,298
Utilities and telephone	40,583	46,516	5,190	1,764	89,472	154,379	-	36,962	374,866
Program costs	6,742	204,684	1,232	2,300	630,324	188,734	-	151,641	1,185,657
Other expenses	914,882	659,792	39,594	520,647	457,464	940,293	-	266,629	3,799,301
	2,543,683	3,353,836	2,961,001	678,399	2,937,726	1,976,445	-	467,876	14,918,966
	\$ 68,720	\$ 70,657	\$ -	\$ 266,018	\$ 5,308,342	\$ 911,138	\$ 37,784	\$ 409,037	\$ 7,071,696

## Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

## 15. Segmented information (continued)

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## **Beaver Lake Cree Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2021**

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#### **16. Employment retirement plan**

The First Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 3.5% and 7.5% of their gross pay with the First Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2021 were \$99,186 (2020 - \$92,227).

#### **17. Budget information**

The unaudited budget data presented in these consolidated financial statements is based upon information provided by management.

Amortization was not contemplated on development of the budget and has been recognized at the amount expensed in the current year.

#### **18. Comparative amounts**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

#### **19. Economic dependence**

Beaver Lake Cree Nation receives a significant portion of its revenue pursuant to funding agreements with Indigenous Services Canada.

#### **20. Financial instruments**

The First Nation's financial instruments consist of cash, accounts receivable, long-term investments, trust funds, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the First Nation is not exposed to significant currency risk from its financial instruments. The First Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfil their obligations. The large amount of annual funding received from the Government of Canada minimizes credit risk. The First Nation also has liquidity risk in respect of its accounts payable and current portions of long-term debt. The First Nation minimizes this risk by monitoring cash flows and the terms and conditions negotiated with trade creditors and lenders. The First Nation is subject to interest rate risk arising primarily from fluctuations in rates on bank overdraft facilities and long-term debt.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The First Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the First Nation's operations and financial condition.