

**Beaver Lake Cree Nation**  
**Consolidated Financial Statements**  
**March 31, 2022**

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

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## Beaver Lake Cree Nation

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

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**March 31, 2022**

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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:

<u>Original signed by</u> Chief	July 28, 2022 Date
<u>Original signed by</u> Administrator	July 28, 2022 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, 2022, 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, 2022, 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.

#### *Other Matter*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the First Nation taken as a whole. The supplementary information included on the schedules on pages 24 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### *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  
July 28, 2022

*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>2022</b>	<b>2021</b>
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**Financial Assets**

Cash (Note 3)	\$ 20,056,056	\$ 15,246,482
Accounts receivable (Note 4)	3,647,551	903,009
Long-term investments (Note 5)	5,454,776	5,334,311
Trust funds held by Ottawa (Note 6)	1,066,833	1,027,291
Other trust funds (Note 7)	4,112,349	3,640,546
	<hr/>	<hr/>
	34,337,565	26,151,639

**Liabilities**

Accounts payable and accrued liabilities	1,039,256	572,757
Deferred revenue (Note 8)	15,522,762	9,389,049
Long-term debt (Note 9)	979,409	1,108,377
	<hr/>	<hr/>
	17,541,427	11,070,183
<b>Net financial assets</b>	<b>16,796,138</b>	<b>15,081,456</b>

**Non-financial Assets**

Capital assets (Note 10)	22,184,368	15,068,611
Prepaid expenses	60,012	29,279
Inventory (Note 11)	176,376	176,376
	<hr/>	<hr/>
	22,420,756	15,274,266

<b>Accumulated Surplus (Note 12)</b>	<b>\$ 39,216,894</b>	<b>\$ 30,355,722</b>
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Contingent liabilities (Note 13)

**Approved on behalf of the Chief and Council**

Original signed by \_\_\_\_\_, Chief

Original signed by \_\_\_\_\_, Councillor

## Beaver Lake Cree Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada	\$ 4,643,430	\$ 16,079,688	\$ 10,928,874
ISC - Health Canada	3,087,711	2,426,283	3,206,490
Canada Mortgage and Housing Corporation	106,200	140,079	123,818
Human Resource Development Canada	113,523	582,624	225,786
Interest	-	19,905	11,735
Resource revenue	-	19,637	26,048
First Nation Development Funds	-	441,135	351,563
Other revenue	2,248,769	5,984,510	7,431,847
	<b>10,199,633</b>	<b>25,693,861</b>	<b>22,306,161</b>
<b>Expenses (Note 14)</b>			
Education	3,546,619	3,094,548	2,543,683
Health	3,073,700	2,454,468	3,353,836
Economic Development	55,513	3,026,442	2,961,001
Housing	1,131,710	426,311	373,312
Social Services	798,533	942,406	678,399
Band Government	811,170	2,628,705	1,652,684
Employment Programs	-	309,411	97,471
Public Works	625,254	1,668,988	1,603,132
Amortization	1,472,733	1,472,733	1,187,572
Government and Industry Relations	-	808,677	783,376
	<b>11,515,232</b>	<b>16,832,689</b>	<b>15,234,466</b>
<b>Excess of revenue over expenses</b>	<b>(1,315,599)</b>	<b>8,861,172</b>	<b>7,071,695</b>
<b>Accumulated surplus, beginning of year</b>	<b>30,355,722</b>	<b>30,355,722</b>	<b>23,284,027</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 29,040,123</b>	<b>\$ 39,216,894</b>	<b>\$ 30,355,722</b>

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

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For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
<b>Excess of revenue over expenses</b>	<b>\$ (1,315,599)</b>	<b>\$ 8,861,172</b>	<b>\$ 7,071,695</b>
Acquisition of tangible capital assets	-	(8,588,491)	(5,173,263)
<u>Amortization of tangible capital assets</u>	<u>1,472,734</u>	<u>1,472,734</u>	<u>1,187,572</u>
	1,472,734	(7,115,757)	(3,985,691)
Acquisition of prepaid asset	(30,733)	(30,733)	-
<b>Increase in net financial assets</b>	<b>126,402</b>	<b>1,714,682</b>	<b>3,086,004</b>
<b>Net financial assets, beginning of year</b>	<b>15,081,456</b>	<b>15,081,456</b>	<b>11,995,452</b>
<b>Net financial assets, end of year</b>	<b>\$ 15,207,858</b>	<b>\$ 16,796,138</b>	<b>\$ 15,081,456</b>

**Beaver Lake Cree Nation**

**Consolidated Statement of Cash Flow**

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 8,861,172	\$ 7,071,695
Items not affecting cash		
Amortization	1,472,734	1,187,572
Equity pickup	(120,465)	(580,824)
	<b>10,213,441</b>	7,678,443
Change in non-cash operating working capital		
Accounts receivable	(2,744,542)	(413,974)
Prepaid expenses	(30,733)	-
Other trust funds	(471,803)	(240,990)
Accounts payable and accrued liabilities	466,499	101,938
Deferred revenue	6,133,713	4,485,410
	<b>13,566,575</b>	11,610,827
<b>Capital activities</b>		
Purchase of capital assets	(8,588,491)	(5,173,263)
<b>Financing activities</b>		
Repayment of long term debt	(128,968)	(593,062)
<b>Investing activities</b>		
Change in long-term investments	(39,542)	(37,784)
<b>Increase in cash and cash equivalents</b>	<b>4,809,574</b>	5,806,718
<b>Cash and cash equivalents, beginning of year</b>	<b>15,246,482</b>	9,439,764
<b>Cash and cash equivalents, end of year</b>	<b>\$ 20,056,056</b>	\$ 15,246,482

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2022

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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 Centre  
Beaver Lake Government and Industry 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, 2022

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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, 2022**

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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, 2022. 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 \$7,316,744 (2021 - \$2,654,769) in additional funding to assist with implementation of public health measures and costs related to reopening.

At the time of approval of these financial statements, in response to the COVID-19 pandemic, the First Nation has implemented remote work arrangements for those able to do so and has implemented stringent health and safety procedures. The management of the First Nation has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the entity.

The effects 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, 2022

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#### 3. Cash

	2022	2021
Externally restricted		
Province of Alberta	\$ 450,431	\$ 132,272
Canada Mortgage and Housing Corporation reserves	<u>369,014</u>	<u>220,000</u>
	<u>819,445</u>	<u>352,272</u>
Unrestricted		
General accounts	<u>19,236,611</u>	<u>14,894,210</u>
	<u><b>\$ 20,056,056</b></u>	<u><b>\$ 15,246,482</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, 2022 the amount in the replacement Reserve account was underfunded by \$94,514 (2021 underfunded by \$210,695).

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, 2022, the accounts were overdrawn by \$Nil (2021 - \$Nil).

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 4. Accounts receivable

	2022	2021
<b>Federal government funding</b>		
Indigenous Services Canada	\$ 3,014,986	\$ 40,100
<b>Band members</b>		
Loans and advances	168,841	166,841
Allowance for doubtful accounts	<u>(166,841)</u>	<u>(166,841)</u>
	2,000	-
<b>Other</b>		
Miscellaneous receivables	630,565	862,909
	<u>\$ 3,647,551</u>	<u>\$ 903,009</u>

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

### 5. Long-term investments

	2022	2021
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	119,473	108,612
Equity - Pimee Well Servicing Ltd.	883,525	885,721
Pimee Limited Partnership Units	110	110
Equity - Pimee Limited Partnership	1,978,472	1,978,472
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	2,472,784	2,360,984
1678902 Alberta Ltd. (100%)	100	100
Beaver Lake Cree Nation Holdings GP Inc. (100%)	100	100
	<u>\$ 5,454,776</u>	<u>\$ 5,334,311</u>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2022

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#### 6. Trust funds held by Ottawa

	2022 Opening balance		2022 Additions		2022 Closing balance
Capital	\$ 546,291	\$ 53	\$ 546,344		
Revenue	481,000	39,489	520,489		
	\$ 1,027,291	\$ 39,542	\$ 1,066,833		

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:

	2022 Cost	2022 Market	2021 Cost	2021 Market
Pooled funds	\$ 2,791,830	\$ 2,882,235	\$ 2,510,370	\$ 2,733,067
Canadian equities	711,617	1,067,525	740,213	942,227
Cash and cash equivalents	608,902	608,957	389,963	389,976
	\$ 4,112,349	\$ 4,558,717	\$ 3,640,546	\$ 4,065,270

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 8. Deferred revenue

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
<b>Federal Government</b>				
ISC - Health Centre	\$ 338,191	\$ 1,748,776	\$ (1,297,896)	\$ 789,071
ISC - Health Centre FNIHB Covid Funding	253,153	667,911	(326,896)	594,168
ISC - Treatment Centre	438,869	429,802	(212,187)	656,484
ISC - Post Secondary	292,870	351,833	(336,568)	308,135
ISC - School Programs	479,058	1,183,398	(479,058)	1,183,398
ISC - School O&M	21,852	-	(21,852)	-
ISC - Administration	1,361,869	8,282,891	(3,455,367)	6,189,393
ISC - Social Assistance	272,127	1,168,375	(827,491)	613,011
ISC - School Transportation	9,734	-	(9,734)	-
ISC - Adult in Home Care	-	182,120	(110,179)	71,941
ISC - Provincial School Tuition	245,834	170,965	(245,834)	170,965
ISC - Water Treatment Plant	556,595	3,500,000	(253,043)	3,803,552
ISC - Administration - Lagoon	396,442	-	(396,442)	-
ISC - Public Works	4,018,630	3,418,009	(6,914,046)	522,593
ISC - Housing	-	1,683,500	(1,562,063)	121,437
	8,685,224	22,787,580	(16,448,656)	<b>15,024,148</b>
<b>Provincial Government</b>				
First Nation Development Funds	-	455,510	(441,135)	<b>14,375</b>
<b>Other</b>				
Health Centre - Daycare	141,554	244,137	(273,213)	112,478
ASETS-CRF	110,458	185,983	(205,478)	90,963
ASETS-EI	65,670	86,516	(103,933)	48,253
Social Development	-	120,768	(4,735)	116,033
Government and Industry Relations	386,143	500,000	(769,631)	116,512
	703,825	1,137,404	(1,356,990)	<b>484,239</b>
	<b>\$ 9,389,049</b>	<b>\$ 24,380,494</b>	<b>\$ (18,246,781)</b>	<b>\$ 15,522,762</b>

## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

March 31, 2022

#### 9. Long-term debt

	2022	2021
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.	\$ 29,625	\$ 39,099
Canada Mortgage and Housing Corporation mortgage with payments of \$1,170 per month including interest at 1.04% maturing September 2025, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	48,230	61,737
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.	71,524	81,972
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.	75,666	85,825
Canada Mortgage and Housing Corporation mortgage with payments of \$1,123 per month including interest at 2.27% maturing March 2032, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	120,539	131,675
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.	86,561	99,017
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.	482,210	505,490
Canada Mortgage and Housing Corporation mortgage with payments of \$1,159 per month including interest at 1.01% maturing June 2026, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	57,836	71,083
John Deere equipment loan with payments of \$3,609 per month including interest at 0.00% maturing May 2022.	7,218	32,479
	<b>\$ 979,409</b>	<b>\$ 1,108,377</b>

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

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**March 31, 2022**

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

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

2023	\$ 111,292
2024	105,951
2025	107,867
2026	94,246
<u>2027 and thereafter</u>	<u>560,053</u>
	<hr/>
	\$ 979,409

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 10. Tangible Capital Assets

	Cost			Accumulated amortization			2022 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Land	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Buildings	13,824,562	42,404	13,866,966	7,035,128	430,248	7,465,376	6,401,590
Automotive equipment	2,111,725	671,561	2,783,286	1,554,248	405,918	1,960,166	823,120
Computer equipment	184,546	3,402	187,948	124,182	25,795	149,977	37,971
Equipment	4,186,136	169,541	4,355,677	3,543,815	175,879	3,719,694	635,983
Leasehold improvements	31,013	-	31,013	12,405	6,203	18,608	12,405
Infrastructure	11,194,955	7,701,583	18,896,538	4,219,548	428,691	4,648,239	14,248,299

\$31,557,937 \$8,588,491 \$40,146,428 \$16,489,326 \$ 1,472,734 \$17,962,060 \$22,184,368

	Cost			Accumulated amortization			2021 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	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

\$10,638,730 (2021 - \$3,918,585) of infrastructure is under construction and has not been amortized as at March 31, 2022.

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2022

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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

	2022	2021
Operating fund	\$ 6,914,449	\$ 5,962,645
Capital fund	21,204,959	13,960,234
Replacement reserve fund	463,528	430,695
Trust funds	5,179,182	4,667,837
Investment fund	5,454,776	5,334,311
	<hr/> <b>\$ 39,216,894</b>	<hr/> <b>\$ 30,355,722</b>

#### 13. Contingent liabilities

a) Government contributions

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.

b) Legal proceedings

The First Nation is currently involved in certain legal proceedings. The First Nation is actively defending all lawsuits. The First Nation only records a provision if it can be reasonably estimated. Should a loss be incurred, it will be expensed in the year the liability is determined.

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 14. Expenses

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Administration fees	\$ 72,000	\$ 103,258	\$ 149,946
Amortization	1,472,733	1,472,734	1,187,572
Bad debts	-	-	56,233
Cultural events	258,457	214,578	132,511
Donations and advertising	10,500	14,102	14,840
Education and tuition fees	792,000	843,697	658,311
Food and kitchen supplies	115,555	-	46,402
Insurance	48,890	274,974	216,222
Interest and bank charges	15,000	20,398	20,818
Loan payments	116,000	7,845	22,062
Materials and supplies	460,079	3,359,023	3,163,298
Office expenses	130,190	328,342	269,280
Professional fees	129,644	691,823	608,461
Program costs	276,478	1,384,751	1,185,659
Renovation	938,500	103,412	127,569
Rent	17,520	19,069	12,487
Repairs and maintenance	461,726	270,547	352,550
Social assistance	544,686	690,917	485,946
Subcontracts	238,963	80,589	59,500
Travel	284,557	461,867	323,047
Utilities and telephone	223,145	367,762	374,866
Vehicle	126,292	169,241	138,924
Wages and benefits	4,595,537	5,777,283	5,523,771
Workshops and training	186,780	176,477	104,191
	<b>\$ 11,515,232</b>	<b>\$ 16,832,689</b>	<b>\$ 15,234,466</b>

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 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	2022 Total
<b>Revenue</b>									
ISC	\$2,561,056	-	\$55,513	\$937,671	\$3,796,296	\$8,729,152	-	-	<b>\$16,079,688</b>
ISC - Health Canada	-	2,426,283	-	-	-	-	-	-	<b>2,426,283</b>
HRD Canada	-	273,213	-	-	309,411	-	-	-	<b>582,624</b>
CMHC	-	-	-	-	-	140,079	-	-	<b>140,079</b>
Resource revenue	-	-	-	-	-	-	19,637	-	<b>19,637</b>
Interest	-	-	-	-	-	-	19,905	-	<b>19,905</b>
Other Revenue	659,429	73,551	2,869,477	4,735	1,240,719	685,472	-	892,262	<b>6,425,645</b>
	<b>3,220,485</b>	<b>2,773,047</b>	<b>2,924,990</b>	<b>942,406</b>	<b>5,346,426</b>	<b>9,554,703</b>	<b>39,542</b>	<b>892,262</b>	<b>25,693,861</b>
<b>Expenses</b>									
Wages and benefits	1,621,898	1,486,339	270,267	222,931	966,902	707,812	-	501,134	<b>5,777,283</b>
Amortization	-	-	-	-	1,472,734	-	-	-	<b>1,472,734</b>
Materials and supplies	166,078	282,209	2,708,421	4,562	90,195	107,558	-	-	<b>3,359,023</b>
Utilities and telephone	43,983	39,727	5,381	102	101,102	174,559	-	2,908	<b>367,762</b>
Program costs	35,651	128,121	-	132	946,121	168,681	-	106,045	<b>1,384,751</b>
Other expenses	1,226,938	518,072	42,373	714,679	833,796	936,687	-	198,591	<b>4,471,136</b>
	<b>3,094,548</b>	<b>2,454,468</b>	<b>3,026,442</b>	<b>942,406</b>	<b>4,410,850</b>	<b>2,095,297</b>	<b>-</b>	<b>808,678</b>	<b>16,832,689</b>
	<b>\$ 125,937</b>	<b>\$ 318,579</b>	<b>\$ (101,452)</b>	<b>-</b>	<b>\$ 935,576</b>	<b>\$ 7,459,406</b>	<b>\$ 39,542</b>	<b>\$ 83,584</b>	<b>\$ 8,861,172</b>

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2022

### 15. Segmented information (continued)

	Education	Economic Health Development	Social Services	Band Programs	Housing and 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	2,626,901	591,545	-	1,192,413
	2,612,403	3,424,493	2,961,001	944,417	8,246,067	2,887,583	37,784	1,192,413
								22,306,161
<b>Expenses</b>								
Wages and benefits	1,342,376	2,188,868	392,574	149,894	520,948	600,968	-	328,144
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
Program costs	6,742	204,684	1,232	2,300	630,324	188,734	-	151,641
Other expenses	914,882	659,792	39,594	520,647	457,464	940,293	-	266,629
	2,543,683	3,353,836	2,961,001	678,399	2,937,726	1,976,445	-	783,376
	\$ 68,720	\$ 70,657			\$ 266,018	\$ 5,308,341	\$ 911,138	\$ 37,784
								\$ 409,037
								\$ 7,071,695

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## **Beaver Lake Cree Nation**

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

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**March 31, 2022**

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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 2022 were \$77,373 (2021 - \$101,616).

#### **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.