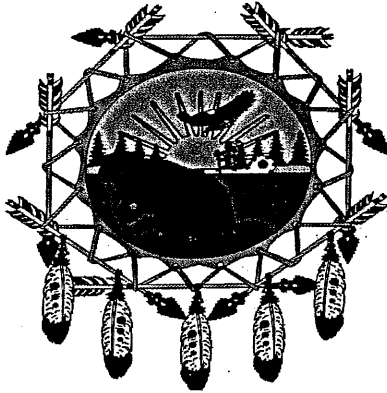


Beaver First Nation
Consolidated Financial Statements
For The Year Ended March 31, 2016

Beaver First Nation
Consolidated Financial Statements
For The Year Ended March 31, 2016

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BEAVER FIRST NATION
BOX 270
HIGH LEVEL, AB
T0H 1Z0

Year Ended March 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Beaver First Nation are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.


The First Nation maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members.



Chief



Administrator

Allan J. Grykuliak, C.A.*
Scott T. Mockford, C.A.*

* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITORS' REPORT

To the Chief and Council
Beaver First Nation

We have audited the accompanying financial statements of Beaver First Nation, which comprise the statement of financial position as at March 31, 2016 and the statements of changes in accumulated surplus, equity in trust funds, operations, changes in net financial assets and cash flows for the year then ended and notes to the financial statements and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

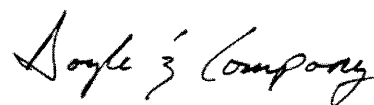
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Beaver First Nation as at March 31, 2016, its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Accountants

July 27, 2016

Beaver First Nation
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	877,737	280,337
Accounts receivable (Note 3)	442,029	344,855
Advances due from members	-	11,889
Investment in affiliated companies (Note 4)	-	293,394
Funds held in trust	387,229	379,185
Investment in UFA Cooperative Ltd.	33,265	37,042
	1,740,260	1,346,702
LIABILITIES		
Accounts payable (Note 6)	332,084	454,223
Source deductions and penalties payable (Note 6)	698,223	590,925
Deferred revenue (Note 7)	268,566	385,756
	1,298,873	1,430,904
NET FINANCIAL ASSETS	441,387	(84,202)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5 & Schedule 2)	15,464,709	16,011,577
ACCUMULATED SURPLUS		
ACCUMULATED SURPLUS	15,518,867	15,548,190
EQUITY IN TRUST FUNDS	387,229	379,185
	15,906,096	15,927,375

Approved by the First Nation:

 Chief

 Administrator

The accompanying notes form part of these financial statements.

Beaver First Nation

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2016

	Operating Fund	Business Enterprises	Capital Assets	2016 \$	2015 \$
BALANCE, BEGINNING OF YEAR	(756,781)	293,394	16,011,577	15,548,190	16,648,965
Excess of revenue over expenditures	(29,323)	-	-	(29,323)	(1,100,775)
Acquisition of tangible capital assets	(343,995)	-	343,995	-	-
Transfer tangible capital assets from Cha Services Inc.	-	(293,394)	293,394	-	-
Annual amortization expense	1,184,257	-	(1,184,257)	-	-
Change in Accumulated Surplus	810,939	(293,394)	(546,868)	(29,323)	-
BALANCE, END OF YEAR	54,158	-	15,464,709	15,518,867	15,548,190

The accompanying notes form part of these financial statements.

Beaver First Nation
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED MARCH 31, 2016

	Capital \$	Revenue \$	Total \$
<u>EQUITY IN TRUST FUNDS</u>			
Balance - Beginning of year	214,806	164,379	379,185
Trust income	-	8,044	8,044
	-	-	-
Balance - end of year	214,806	172,423	387,229

The accompanying notes form part of these financial statements.

Beaver First Nation
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUE			
Indigenous and Northern Affairs Canada (INAC)	2,222,706	2,668,570	2,595,670
Tribal Council Funding	-	1,505,844	1,561,715
Health and Welfare Canada	578,115	766,398	714,463
ASETS	264,291	264,923	-
First Nation Development Fund	534,500	579,368	546,017
Other	757,040	1,050,650	903,985
INAC - 2014/2015 funding recovery	-	(17,625)	-
Revenue carried forward to 2014/2015	-	-	304,809
Revenue carried forward to 2015/2016	-	385,756	(385,756)
Revenue carried forward to 2016/2017	-	(268,566)	-
	4,356,652	6,935,318	6,240,903
EXPENSES			
Administration	608,779	331,606	262,249
Specific and Special Claims	-	25,113	10,626
PID	-	65,411	-
Education	214,764	1,641,637	1,668,204
Economic Development	75,216	186,861	68,138
Public Works	675,972	609,267	1,016,636
Fire Protection	11,088	68,555	43,382
Fuel Storage Tanks	-	-	-
Housing	249,600	1,899	225,068
Social Services	645,594	750,521	689,601
Social Services - Delivery	75,000	87,670	75,000
Health Canada Summary	578,115	729,643	660,803
ASETS - CRF and EI	153,390	149,866	217,891
ASETS - Child Care	120,901	115,929	108,619
FNIYES	19,723	20,711	38,725
Alberta Future Leaders	-	35,464	33,535
Prescription Misuse	45,699	10,557	-
Family and Community Safety	88,703	34,919	-
Child Welfare Designate	-	37,403	-
Livelihood and Needs Assessment	-	13,765	-
Youth Initiative	30,000	4,425	-
Treaty Land Entitlement	35,000	39,455	66,888
Consultation	81,637	107,253	119,471
First Nation Development Fund	534,500	485,806	520,337
Band Enterprises and Other	112,971	226,648	67,423
Alberta Capacity Proposal	-	-	13,471
	4,356,652	5,780,384	5,906,067
EXCESS OF REVENUE OVER EXPENSES			
BEFORE OTHER	-	1,154,934	334,836
Amortization	-	(1,184,257)	(1,435,611)
	-	(29,323)	(1,100,775)

The accompanying notes form part of these financial statements.

Beaver First Nation

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
	\$	\$
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	(29,323)	(1,100,775)
Acquisition of tangible capital assets	(637,389)	(257,684)
Amortization of tangible capital assets	1,182,957	1,435,611
Decrease (Increase) in net equity funds	9,344	-
	554,912	1,177,927
INCREASE (DECREASE) IN NET ASSETS	525,589	77,152
NET FINANCIAL ASSETS, BEGINNING OF YEAR	(84,202)	(161,354)
NET FINANCIAL ASSETS, END OF YEAR	441,387	(84,202)

The accompanying notes form part of these financial statements.

Beaver First Nation
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from funding agencies and customers	6,660,429	6,878,785
Cash paid to suppliers and employees	(5,614,706)	(6,171,986)
Interest paid	(116,217)	(12,515)
	929,506	694,284
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (Decrease) in bank indebtedness	-	-
Decrease (Increase) in loans and advances receivable	11,889	6,716
	11,889	6,716
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of capital assets	(637,389)	(419,154)
Decrease (Increase) in advances to affiliated companies	293,394	-
	(343,995)	(419,154)
NET DECREASE IN CASH	597,400	281,846
CASH AND TERM DEPOSITS - Beginning of year	280,337	(1,509)
CASH AND TERM DEPOSITS - End of year	877,737	280,337

The accompanying notes form part of these financial statements.

Beaver First Nation
SCHEDULE 1- INDIVIDUAL PROGRAMS
FOR THE YEAR ENDED MARCH 31, 2016

	INAC Funds	Tribal Council Funds	Other Revenue	Deferred Revenue From Prior Year	Deferred Revenue To Next Year	Total Revenue	Operating Expenditures	Capital Expenditures and Loan Principal Repayments	Total Expenditures	Net Transfer In/(Out)	Current Year's Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration Specific and Special Claims	425,225	59,060	19,613	-	-	503,898	331,606	-	331,606	(37,747)	134,545
PID	25,113	-	-	-	-	25,113	25,113	-	25,113	-	-
Education	65,350	-	-	-	-	65,350	65,411	-	65,411	-	(61)
Economic Development	210,709	1,426,728	-	-	-	1,637,437	1,641,637	-	1,641,637	-	(4,200)
Public Works	163,302	-	-	-	-	163,302	186,861	-	186,861	22,022	(1,537)
Fire Protection	647,107	-	(14,774)	-	-	632,333	609,267	60,795	670,062	-	(37,729)
Fuel Storage Tanks	33,600	-	(2,851)	-	-	61,771	68,555	-	68,555	-	(6,784)
Housing	249,600	-	-	-	-	33,600	-	33,600	33,600	-	-
Social Services	698,942	-	-	-	-	249,600	1,899	249,600	251,499	-	(1,899)
Health Canada	85,000	-	-	-	-	698,942	750,321	-	750,321	-	(51,379)
Aboriginal Skills and Employment Training Strategy (ASETS)	-	-	766,398	-	(75,645)	690,753	87,670	-	87,670	37,468	(2,670)
ASETS - Childcare	-	-	156,304	-	-	156,304	729,643	-	729,643	(3,100)	3,338
FNIVES	-	-	110,759	-	-	110,759	149,866	-	149,866	3,100	(2,070)
Alberta Future Leaders	-	-	20,412	-	-	20,412	20,711	-	20,711	-	(299)
Prescription Misuse	-	-	22,065	-	-	22,065	35,464	-	35,464	13,399	-
Family & Community Safety	-	-	45,699	-	-	45,699	10,557	-	10,557	(33,142)	-
Child Welfare Designate	-	-	88,703	-	(53,784)	34,919	37,403	-	37,403	-	(12)
Livelihood & Needs Assessment	-	-	37,391	-	-	37,391	34,919	-	34,919	6,291	2,325
Youth Initiative	-	20,056	-	-	-	20,056	13,765	-	13,765	-	-
Treaty Land Entitlement	-	-	6,750	-	-	6,750	4,425	-	4,425	-	-
Consultation	-	-	39,455	-	-	39,455	39,455	-	39,455	-	-
First Nation Development Fund	-	-	107,134	-	-	107,134	107,253	-	107,253	-	(119)
Band Enterprises and Other	-	-	579,368	385,756	(139,137)	825,987	485,806	-	485,806	-	340,181
	-	-	661,288	-	-	661,288	226,648	-	226,648	-	434,640
	2,668,570	1,505,844	2,643,714	385,756	(268,566)	6,935,318	5,780,384	343,995	6,124,379	-	810,939

The accompanying notes form part of these financial statements.

Beaver First Nation

SCHEDULE 2 - EXPENDITURES BY OBJECT

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
	\$	\$
Salaries, wages and benefits	1,702,821	1,521,783
Contracted and general services	2,166,097	2,125,544
Materials, goods and utilities	931,749	1,496,312
Bank charges and interest	116,217	12,515
Social assistance	580,025	581,851
Travel	283,475	168,062
	5,780,384	5,906,067

The accompanying notes form part of these financial statements.

Beaver First Nation

SCHEDULE 3 - TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2016

	Buildings & Vehicles & Computers Improvements Equipment & Software				Water & Sewer	Band Housing	2016		2015	
	Roads						\$	\$	\$	\$
COST:										
Balance, Beginning of Year	2,047,021	2,371,638	25,000	22,350,000	4,549,448	15,212,035	46,555,142	46,297,458		
Acquisition of tangible capital assets	271,216	116,573	-	-	-	249,600	637,389	257,684		
Disposal of tangible capital assets	-	-	-	-	-	-	-	-		
Balance, End of Year	2,318,237	2,488,211	25,000	22,350,000	4,549,448	15,461,635	47,192,531	46,555,142		
ACCUMULATED AMORTIZATION:										
Balance, Beginning of Year	1,179,253	2,095,067	25,000	16,102,500	4,135,898	7,005,847	30,543,565	29,107,954		
Current year amortization	92,729	83,479	-	558,750	65,879	383,420	1,184,257	1,435,611		
Accumulated amortization on disposals	-	-	-	-	-	-	-	-		
Balance, End of Year	1,271,982	2,178,546	25,000	16,661,250	4,201,777	7,389,267	31,727,822	30,543,565		
NET BOOK VALUE	1,046,255	309,665	-	5,688,750	347,671	8,072,368	15,464,709	16,011,577		

The accompanying notes form part of these financial statements.

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

1. SCOPE OF FINANCIAL STATEMENTS

These financial statements consolidate the assets, liabilities, and results of operations for Beaver First Nation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

(a) Reporting Entity and Principles of Financial Reporting

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

These financial statements consolidate the assets, liabilities and results of operations for all operations of the First Nation.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

(c) Amortization

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Buildings and Improvements	25
Vehicles and Equipment	5
Computer Hardware and Software	4
Roads	40
Water and Sewer	10
Band Housing	40
Rental Units	40

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(d) Revenue Recognition

Revenue is recorded in the period specified in the funding agreements entered into with Government Agencies and other organizations. Assistance received in advance of making the related expenditures is deferred.

(e) Trust Funds

Disbursements from trust funds are included as revenue in these statements to the extent the amounts are received by the First Nation. The trust funds are on deposit with and managed by the Government of Canada.

(f) Financial Instruments

The First Nation's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

(g) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE

	2016	2015
	\$	\$
Accounts receivable consists of:		
INAC	121,802	95,442
North Peace Tribal Council	-	10,500
Government of Alberta - Consultation	13,285	-
Government of Alberta - FNDF	180,455	134,375
Trade accounts receivable	101,782	94,264
GST	24,705	10,274
	<hr/>	<hr/>
	442,029	344,855

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

4. INVESTMENT IN AFFILIATED COMPANIES

	March 2016 \$	March 2015 \$
(a) Investment in Cha Services Inc.		
100 Class A shares & 100 Class B shares (100% ownership)	-	200
Advances	-	663,536
Accumulated net earnings (loss)	-	(400,492)
	-	263,244
(b) Investment in North Country Construction Inc.		
100 Class A shares & 100 Class B shares (100% ownership)	-	100
Advances	-	188,940
Accumulated net earnings (loss)	-	(159,869)
	-	29,171
(c) Investment in Black Arch Resources Inc.		
100 Class A shares (100% ownership)	-	100
Advances	-	96,285
Accumulated net earnings (loss)	-	(96,703)
	-	(318)
(d) Investment in Black Spur Energy Inc.		
100 Class A shares (100% ownership)	-	100
Advances	-	(1,441)
Accumulated net earnings	-	2,638
	-	1,297
	-	293,394

During the year the band owned companies were dissolved and the capital assets transferred to Beaver First Nation.

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

4. INVESTMENT IN AFFILIATED COMPANIES (continued)

March 31, 2016 unaudited financial information for Cha Services Inc. is as follows:

	March 2016	March 2015
	\$	\$
Assets	-	308,969
Liabilities	-	709,265
Revenue	-	-
Net (loss) income for the year	-	-

March 31, 2016 unaudited financial information for North Country Construction Inc. is as follows:

	March 2016	March 2015
	\$	\$
Assets	-	36,106
Liabilities	-	195,905
Revenue	-	-
Net (loss) income for the year	-	-

March 31, 2016 unaudited financial information for Black Arch Resources Inc. is as follows:

	March 2016	March 2015
	\$	\$
Assets	-	4,704
Liabilities	-	100,967
Revenue	-	-
Net (loss) income for the year	-	(60)

March 31, 2016 unaudited financial information for Black Spur Energy Inc. is as follows:

	March 2016	March 2015
	\$	\$
Assets	-	19,127
Liabilities	-	-
Revenue	-	149,338
Net (loss) income for the year	-	(409)

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

5. CAPITAL ASSETS

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Building and Improvements	2,318,237	1,271,982	1,046,255	867,768
Vehicle and Equipment	2,488,211	2,178,545	309,666	276,571
Computer Hardware and Software	25,000	25,000	-	-
Roads, Streets and Bridges	22,350,000	16,661,250	5,688,750	6,247,500
Water and Sewer	4,549,448	4,201,777	347,671	413,550
Band Housing	14,461,635	7,239,268	7,222,367	7,331,188
Rental Units	1,000,000	150,000	850,000	875,000
	47,192,531	31,727,822	15,464,709	16,011,577

6. ACCOUNTS PAYABLE

	2016 \$	2015 \$
Accounts Payable consists of:		
Trade accounts payable	272,084	394,223
Audit accrual	60,000	60,000
	332,084	454,223
Receiver General - payroll deductions and penalties	698,223	590,925
	1,030,307	1,045,148

Beaver First Nation

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

7. DEFERRED REVENUE

	2016	2015
	\$	\$

The following funds have been deferred until 2016/2017 when the funding will be utilized

First Nation Development Fund

- First Nation Development Funding from Alberta Gaming	139,137	385,756
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Health Canada

- Brighter Futures	20,302	-
- Nursing	55,343	-

	75,645	-
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Family & Community Safety

- Alberta Government	53,784	-
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	268,566	385,756
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8. LEGAL MATTERS

In September 2001 the First Nation was successful in obtaining a judgment against Harvey Bulldog. The judgment includes the clarification of title and ownership of farm, automotive and construction equipment in favour of the First Nation and a claim against Harvey Bulldog in the amount of \$957,877.68 plus interest. \$15,319 of the amount due from Harvey Bulldog was collected during the fiscal year 2001-2002. Subsequent to year end, a modest repayment plan was implemented, however, the balance of the claim has not been recorded in the accounts of the First Nation as the possibility of collection is very low.

A statement of claim has been filed against the First Nation by a former employee totaling \$198,139 for failure to give proper notice and unpaid invoices. Losses, as a result of this claim, if any, are unknown at this time.