

(0439) 30 - 0005-13.14 PRA

Louis Bull Tribe

Consolidated Financial Statements

March 31, 2014

RECEIVED

JUL 29 2014

ABORIGINAL AFFAIRS & NORTHERN
DEVELOPMENT CANADA
ALBERTA REGION

Louis Bull Tribe**Consolidated Financial Statements**

March 31, 2014**Page**

| | |
|--|---------|
| Management's Responsibility for Financial Reporting | 4 |
| Independent Auditors' Report | 5 |
| Financial Statements | |
| Consolidated Statement of Financial Position | 6 |
| Consolidated Statement of Operations and Accumulated Surplus | 7 |
| Consolidated Statement of Change in Net Financial Assets (Debt) | 8 |
| Consolidated Statement of Cash Flow | 9 |
| Notes to Consolidated Financial Statements | 10 - 22 |
| Consolidated Schedules of Operations by Program | |
| Consolidated Summary Schedule of Operations by Program | 23 - 24 |
| Consolidated Excess (Deficiency) of Funding over Expenses and Capital Asset Purchases by Program | 25 |
| Bussing | 26 |
| Education | 27 |
| Education - Post Secondary | 28 |
| Indian Residential School | 29 |
| Kiseputinow School | 30 |
| Medical Services | 31 |
| Medical Transportation | 32 |
| Economic Development | 33 |
| Human Resource Development | 34 |
| CMHC Housing | 35 |
| Housing | 36 |
| Capacity | 37 |
| Community Services | 38 |
| Fire Department | 39 |
| Membership | 40 |
| Recreation | 41 |
| Security | 42 |

Louis Bull Tribe**Consolidated Financial Statements**

March 31, 2014**Page****Consolidated Schedules of Operations by Program (continued)**

| | |
|---|----|
| Summer Student | 43 |
| Youth Skills Link | 44 |
| Alberta Human Services | 45 |
| Daycare | 46 |
| Social Development | 47 |
| Administration | 48 |
| Alberta Government - Consultation | 49 |
| Chief and Council | 50 |
| Consultation - Industry | 51 |
| Finance | 52 |
| Public Works | 53 |
| Louis Bull Convenience Store | 54 |
| Louis Bull New Gas Bar and Convenience Store | 55 |
| First Nation Development Funds | 56 |
| Oil & Gas, Land, Recovery | 57 |
| Enterprise Fund | 58 |
| Capital Asset Fund - Louis Bull Convenience Store | 59 |
| Capital Asset Fund | 60 |
| Ottawa Trust Fund | 61 |

Louis Bull Tribe

Management's Responsibility for Financial Reporting

March 31, 2014

The accompanying consolidated financial statements of Louis Bull Tribe are the responsibility of management and have been approved by Chief and 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 Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

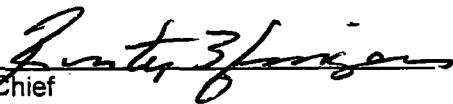
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and 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.

The Chief and 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 Louis Bull Tribe and meet when required.

On behalf of Louis Bull Tribe:



Chief


Tribal Administrator

JULY 25, 2014
Date
July 25/14
Date



Independent Auditors' Report

To the Members of Louis Bull Tribe

We have audited the accompanying consolidated financial statements of Louis Bull Tribe, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the First Nation's preparation and fair presentation of the consolidated 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 First Nation'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 consolidated 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, the consolidated financial statements present fairly, in all material respects, the financial position of Louis Bull Tribe as at March 31, 2014, and the results of its operations, the changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Canada
July 25, 2014

Crowe MacKay LLP
Member Crowe Horwath International
705 Highfield Place, 10010-106 Street
Edmonton, AB T5J 3L8
+1.780.420.0626 Tel
+1.780.425.8780 Fax
+1.800.622.5293 Toll Free
www.crowemackay.ca

Crowe MacKay LLP
Chartered Accountants

Louis Bull Tribe

Consolidated Statement of Financial Position

| March 31 | 2014 | 2013 |
|---|----------------------|----------------------|
| Financial Assets | | |
| <hr/> | | |
| Cash (Note 2) | \$ 331,589 | \$ 2,996,691 |
| Short-term investments (Note 3) | 1,500,000 | 1,500,000 |
| Accounts receivable (Note 4) | 1,439,345 | 1,115,718 |
| Long-term investments (Note 5) | 3,052,825 | 3,042,580 |
| Ottawa Trust Funds (Note 6) | 4,458,290 | 7,248,574 |
| | <hr/> | <hr/> |
| | 10,782,049 | 15,903,563 |
| Liabilities | | |
| <hr/> | | |
| Accounts payable and accrued liabilities (Note 8) | 1,320,298 | 824,841 |
| Deferred revenue (Note 9) | 1,031,415 | 1,410,063 |
| Long-term debt (Note 10) | 9,378,847 | 7,514,673 |
| | <hr/> | <hr/> |
| | 11,730,560 | 9,749,577 |
| Net financial assets (debt) | (948,511) | 6,153,986 |
| Non-financial Assets | | |
| <hr/> | | |
| Capital assets (Note 11) | 20,178,933 | 18,183,692 |
| Prepaid expenses | 283,452 | 306,573 |
| Inventory | 66,233 | 58,666 |
| | <hr/> | <hr/> |
| | 20,528,618 | 18,548,931 |
| Accumulated Surplus (Note 12) | \$ 19,580,107 | \$ 24,702,917 |

Contingent liabilities (Note 14)

Approved on behalf of the Chief and Council

Anthony James, Chief
Anthony James, Councilor

Louis Bull Tribe

Consolidated Statement of Operations and Accumulated Surplus

| For the year ended March 31 | 2014 Budget | 2014 Actual | 2013 Actual |
|--|-----------------------|----------------------|----------------------|
| Revenue | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 10,508,887 | \$ 10,078,618 | \$ 12,303,322 |
| Health Canada | 932,619 | 1,400,679 | 1,075,892 |
| First Nation Development Funds | 975,445 | 980,380 | 409,855 |
| CMHC subsidies | 361,000 | 456,851 | 446,129 |
| HRDC | 467,343 | 451,830 | 451,305 |
| Rental Income | 1,090,000 | 918,558 | 676,732 |
| Resource revenue | - | 305,546 | 357,311 |
| Interest income | 125,000 | 330,391 | 315,128 |
| Louis Bull Services revenue | - | 2,336,315 | 2,303,498 |
| Net earnings from Louis Bull Entities | - | (657,703) | (39,442) |
| Other revenue | 1,804,042 | 2,225,590 | 1,780,234 |
| | 16,264,336 | 18,827,055 | 20,079,964 |
| Expenses | | | |
| Education | 6,570,020 | 6,054,776 | 5,938,645 |
| Health | 778,771 | 1,117,027 | 934,359 |
| Economic Development | 679,877 | 693,363 | 823,812 |
| Housing | 1,958,554 | 1,501,999 | 1,267,345 |
| Community Services | 1,561,445 | 1,233,810 | 1,447,337 |
| Social Services | 3,642,389 | 4,004,018 | 4,212,014 |
| Band Government | 3,268,080 | 3,732,433 | 3,568,899 |
| Public Works | 931,898 | 677,863 | 1,098,682 |
| Other | 464,000 | 3,033,227 | 2,442,210 |
| Amortization | - | 1,901,349 | 2,190,734 |
| | 19,855,034 | 23,949,865 | 23,924,037 |
| Deficiency of revenue over expenses | (3,590,698) | (5,122,810) | (3,844,073) |
| Accumulated surplus, beginning of year | - | 24,702,917 | 28,546,990 |
| Accumulated surplus, end of year | \$ (3,590,698) | \$ 19,580,107 | \$ 24,702,917 |

Louis Bull Tribe**Consolidated Statement of Change in Net Financial Assets (Debt)**

| For the year ended March 31 | 2014 Budget | 2014 Actual | 2013 |
|---|------------------------|------------------------|-----------------------|
| Deficiency of revenue over expenses | \$ (3,590,698) | \$ (5,122,810) | \$ (3,844,073) |
| Acquisition of capital assets | (3,896,590) | (3,896,590) | (2,444,656) |
| Amortization of capital assets | 1,901,349 | 1,901,349 | 2,190,734 |
| | (1,995,241) | (1,995,241) | (253,922) |
| Acquisition of prepaid asset | 20,643 | 20,643 | (251,538) |
| Use of prepaid asset | 2,478 | 2,478 | - |
| | 23,121 | 23,121 | (251,538) |
| Acquisition of inventory | (7,567) | (7,567) | (23,382) |
| Decrease in net financial assets | (5,570,385) | (7,102,497) | (4,372,915) |
| Net financial assets, beginning of year | 6,153,986 | 6,153,986 | 10,526,901 |
| (Net debt) net financial assets, end of year | \$ 583,601 | \$ (948,511) | \$ 6,153,986 |

Louis Bull Tribe

Consolidated Statement of Cash Flow

| For the year ended March 31, 2014 | 2014 | 2013 |
|---|----------------|----------------|
| Cash flows from Operating activities | | |
| Deficiency of revenue over expenses | \$ (5,122,810) | \$ (3,844,073) |
| Items not affecting cash | | |
| Amortization | 1,901,349 | 2,190,734 |
| | | |
| | (3,221,461) | (1,653,339) |
| Change in non-cash operating working capital | | |
| Accounts receivable | (323,627) | (335,685) |
| Inventory | (7,567) | (23,382) |
| Prepaid expenses | 23,121 | (251,538) |
| Accounts payable | 495,457 | (524,864) |
| Deferred revenue | (378,648) | 604,421 |
| | | |
| | (3,412,725) | (2,184,387) |
| Financing activities | | |
| Repayment of long-term debt | (321,940) | (360,463) |
| Proceeds from long-term debt | 2,186,114 | 1,243,944 |
| Cash received from Trust funds | 3,394,177 | 3,838,656 |
| Income earned from Trust Funds | (603,893) | (565,681) |
| | | |
| | 4,654,458 | 4,156,456 |
| Investing activities | | |
| Increase in long-term investments | (10,245) | (170,107) |
| Purchase of capital assets | (3,896,590) | (2,444,657) |
| | | |
| | (3,906,835) | (2,614,764) |
| Decrease in cash and cash equivalents | (2,665,102) | (642,695) |
| Cash and cash equivalents, beginning of year | 4,496,691 | 5,139,386 |
| Cash and cash equivalents, end of year | \$ 1,831,589 | \$ 4,496,691 |
| Represented by | | |
| Cash | \$ 331,589 | \$ 2,996,691 |
| Short-term investments | 1,500,000 | 1,500,000 |
| | | |
| | \$ 1,831,589 | \$ 4,496,691 |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

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 Canadian Institute of Chartered Accountants.

(a) Reporting entity principles of financial reporting

These financial statements report only on the activities of the Louis Bull Tribe and all related entities that are accountable to the First Nation and are either owned or controlled by the Louis Bull Tribe.

Enterprises accounted for by the modified equity basis include:

- (a) 677626 Alberta Ltd.

Enterprises accounted for by full consolidation include:

- (b) Kiseputinow Holdings (1996) Ltd.

All inter-entity balances have been eliminated on consolidation.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform with those of the First Nation. Thus, the First Nation's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses.

(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.

(c) Cash

Cash and cash equivalents include cash held on deposit at financial institutions.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

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

(d) Capital assets

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 Louis Bull Tribe's incremental cost of borrowing.

Amortization is provided on the straight-line basis over the estimated useful life of the asset as follows:

| | |
|-------------------------|----------------------|
| Buildings and houses | 7% straight line |
| Automotive equipment | 30% straight line |
| Computer equipment | 30% straight line |
| Furniture and equipment | 20% straight line |
| Service equipment | 20-30% straight line |
| Infrastructure | 5% Straight line |
| Farm equipment | 20% Straight line |

Capital assets are written down when conditions indicate that they no longer contribute to providing goods and services, or when the value of future economic benefits associated with the 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 which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(e) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity 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.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Louis Bull Tribe**Notes to Consolidated Financial Statements****March 31, 2014****2. Cash**

| | 2014 | 2013 |
|-----------------------------------|-------------------|---------------------|
| Externally restricted cash | | |
| First Nation Development Funds | \$ 87,607 | \$ 362,904 |
| CMHC Replacement Reserve | <u>317,012</u> | <u>311,542</u> |
| | 404,619 | 674,446 |
| Unrestricted cash | | |
| General accounts | <u>(73,030)</u> | <u>2,322,245</u> |
| | \$ 331,589 | \$ 2,996,691 |

3. Short-term investments

Short-term investments include a Guaranteed Investment Certificate (GIC) which earns interest at 1.6% with interest paid in August 2015, the date of maturity.

4. Accounts receivable

| | 2014 | 2013 |
|--|---------------------|---------------------|
| Trade accounts receivable | \$ 75,242 | \$ 71,175 |
| Aboriginal Affairs and Northern Development Canada | 1,189,726 | 683,961 |
| First Nation Development Fund | 174,377 | 337,762 |
| CMHC | - | 22,820 |
| Band member receivables | 7,477,786 | 7,477,786 |
| Allowance for doubtful accounts | <u>(7,477,786)</u> | <u>(7,477,786)</u> |
| | \$ 1,439,345 | \$ 1,115,718 |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

5. Long-term investments

Investments in and advances to 677626 Alberta Ltd, include the following:

| | 2014 | 2013 |
|---------------------------------------|---------------------|---------------------|
| Advances to Louis Bull Tribe Entities | \$ 42,566,227 | \$ 41,898,279 |
| Accumulated losses | (39,513,402) | (38,855,699) |
| | \$ 3,052,825 | \$ 3,042,580 |

677626 Alberta Ltd. - Balance sheet

| | 2014 | 2013 |
|-------------------------------------|---------------------|---------------------|
| Cash | \$ 47,383 | \$ 232,225 |
| Accounts receivable | 58,893 | 238,846 |
| Inventory | 2,443 | 2,683 |
| Capital assets | 3,345,349 | 3,396,349 |
| Total assets | \$ 3,454,068 | \$ 3,870,103 |
| | | |
| Accounts payable | \$ 108,828 | \$ 63,039 |
| Long-term debt | 169,415 | 293,484 |
| Due to related parties | 42,566,227 | 41,898,279 |
| Other liabilities | 123,000 | 471,000 |
| Total liabilities | 42,967,470 | 42,725,802 |
| Equity (deficit) | (39,513,402) | (38,855,699) |
| Total liabilities and equity | \$ 3,454,068 | \$ 3,870,103 |

677626 Alberta Ltd. - Statement of Operations

| | 2014 | 2013 |
|-----------------|---------------------|--------------------|
| Revenue | \$ 1,348,035 | \$ 1,558,486 |
| Expenses | 2,005,738 | 1,597,928 |
| Net loss | \$ (657,703) | \$ (39,442) |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

6. Ottawa Trust Funds

The Ottawa Trust Funds include funds held by the Government of Canada for the use and benefit of the Louis Bull Tribe. These funds are accounted for as received and the release of such funds is subject to Ministerial approval

| | March 31, 2013 | Income | Withdrawals | March 31, 2014 |
|-----------------------------|----------------|------------|----------------|-------------------|
| Capital funds held in trust | \$ 4,541,365 | \$ 305,545 | \$ (2,534,820) | \$ 2,312,090 |
| Revenue funds held in trust | 2,707,209 | 298,348 | (859,357) | 2,146,200 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ 7,248,574 | \$ 603,893 | \$ (3,394,177) | \$ 4,458,290 |

The trust fund 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. Bank indebtedness

An overdraft lending facility has been authorized to a maximum of \$100,000 with interest at prime plus 1.25%. At the year end date the full amount of the overdraft had been utilized.

8. Accounts payable and accrued liabilities

| | 2014 | 2013 |
|---|--------------|------------|
| Trade payables | \$ 489,500 | \$ 8,949 |
| Accrued liabilities | 330,797 | 315,892 |
| Provision for landfill closure and post closure costs | 500,000 | 500,000 |
| | <hr/> | <hr/> |
| | \$ 1,320,298 | \$ 824,841 |

The provision for landfill closure and post closure costs represents the estimated closure and post closure costs to be incurred over the next ten years. During the year no reclamation expenditures were incurred.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

9. Deferred Revenue

Deferred revenue represents funds received that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been fulfilled.

| | March 31, 2013 | Funding received | Revenue recognized | March 31, 2014 |
|-------------------------------|---------------------|----------------------|----------------------|---------------------|
| AANDC | \$ 209,000 | \$ 10,471,110 | \$ 10,078,618 | \$ 601,492 |
| First Nation Development Fund | 487,558 | 689,750 | 980,380 | 196,928 |
| Health Canada | - | 1,570,010 | 1,400,679 | 169,331 |
| Capital band funds | 389,000 | 2,534,820 | 2,923,820 | - |
| Other | 324,505 | 1,964,749 | 2,225,590 | 63,664 |
| | \$ 1,410,063 | \$ 17,230,439 | \$ 17,609,087 | \$ 1,031,415 |

10. Long-term debt

| | 2014 | 2013 |
|---|---------------------|---------------------|
| Housing mortgages repayable in combined monthly instalments of \$38,335 including interest rates from 1.64% to 2.69%, renewable at various dates. The mortgages are secured by ministerial guarantees. | \$ 6,950,253 | \$ 7,229,960 |
| Bank of Montreal demand loan for the construction of a Gas Bar and Convenience Store. Interest at prime plus 1.5%. Repayable in monthly principal and interest payments of \$20,833 over 10 years, secured by a promissory note in the amount of \$2,500,000. | 2,397,690 | 239,328 |
| Equipment lease due January 2016, repayable in blended monthly installments of \$1,673 including interest at 14%, secured by equipment. | 30,904 | 45,385 |
| | \$ 9,378,847 | \$ 7,514,673 |

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

| | |
|---------------------|---------------------|
| 2015 | \$ 461,295 |
| 2016 | 472,031 |
| 2017 | 471,539 |
| 2018 | 482,719 |
| 2019 and thereafter | 7,491,263 |
| | \$ 9,378,847 |

Louis Bull Tribe**Notes to Consolidated Financial Statements****March 31, 2014****11. Capital Assets****Accumulated amortization**

| | Cost | | | | | | |
|--------------------------------|----------------------|---|---|----------------------------------|---------------------|---------------------------------|--------------------------------|
| | | Balance, beginning of year | Balance, end of year | beginning of year | Amortization | Balance, end of year | 2014 net book value |
| Land | \$ 6,183,201 | \$ 6,183,201 | \$ 6,183,201 | \$ 6,183,201 | \$ - | \$ - | \$ 6,183,201 |
| Buildings | 24,781,882 | 3,389,329 | 28,171,211 | 15,140,387 | 1,492,257 | 16,632,644 | 11,538,567 |
| Automotive equipment | 1,834,957 | 127,740 | 1,962,697 | 1,514,130 | 182,414 | 1,696,544 | 266,153 |
| Computer equipment | 120,348 | - | 120,348 | 112,332 | 8,015 | 120,348 | - |
| Office furniture and equipment | 867,590 | 41,005 | 908,595 | 750,782 | 42,186 | 792,968 | 115,627 |
| Service equipment | 224,259 | - | 224,259 | 154,042 | 15,415 | 169,457 | 54,802 |
| Infrastructure | 2,811,710 | 338,517 | 3,150,227 | 980,594 | 149,049 | 1,129,643 | 2,020,584 |
| Farm equipment | 612,081 | - | 612,081 | 600,069 | 12,012 | 612,081 | - |
| | | | | | | | |
| | \$ 37,436,028 | \$ 3,896,591 | \$ 41,332,619 | \$ 19,252,336 | \$ 1,901,348 | \$ 21,153,685 | \$ 20,178,934 |

Accumulated amortization

| | Cost | | | | | | |
|--------------------------------|----------------------|---|---|----------------------------------|---------------------|---------------------------------|--------------------------------|
| | | Balance, beginning of year | Balance, end of year | beginning of year | Amortization | Balance, end of year | 2013 Net book value |
| Land | \$ 6,183,201 | \$ 6,183,201 | \$ 6,183,201 | \$ 6,183,201 | \$ - | \$ - | \$ 6,183,201 |
| Buildings | 24,090,981 | .690,901 | 24,781,882 | 13,544,928 | 1,595,459 | 15,140,387 | 9,641,495 |
| Automotive equipment | 1,581,068 | 253,889 | 1,834,957 | 1,234,020 | 280,110 | 1,514,130 | 320,827 |
| Computer equipment | 120,348 | - | 120,348 | 88,283 | 24,049 | 112,332 | 8,016 |
| Office furniture and equipment | 831,498 | 36,092 | 867,590 | 697,587 | 53,195 | 750,782 | 116,808 |
| Service equipment | 209,298 | 14,961 | 224,259 | 137,243 | 16,799 | 154,042 | 70,217 |
| Infrastructure | 1,362,897 | 1,448,813 | 2,811,710 | 876,229 | 104,365 | 980,594 | 1,831,116 |
| Farm equipment | 612,081 | - | 612,081 | 483,313 | 116,756 | 600,069 | 12,012 |
| | | | | | | | |
| | \$ 34,991,372 | \$ 2,444,656 | \$ 37,436,028 | \$ 17,061,603 | \$ 2,190,733 | \$ 19,252,336 | \$ 18,183,692 |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

12. Accumulated surplus

| | 2014 | 2013 |
|-----------------|----------------------|----------------------|
| Operating fund | \$ 1,268,906 | \$ 3,742,744 |
| Capital fund | 10,800,086 | 10,669,019 |
| Trust fund | 4,458,290 | 7,248,574 |
| Enterprise fund | 3,052,825 | 3,042,580 |
| | \$ 19,580,107 | \$ 24,702,917 |

13. CMHC Replacement Reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are to be credited to interest first and then to the principal. At the year-end date the reserve is under funded by \$79,555 (2013: \$26,552).

14. Contingent Liabilities

Louis Bull Tribe has been named as defendant in certain legal proceedings. The Tribe is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

During the year an environmental site assessment was completed by a engineering firm in connection with a truck stop and gas bar located on off-reserve land owned by the Louis Bull Tribe. The truck stop and gas bar commenced operations in the mid-1980's and ceased operating in 2006. The environmental assessment concluded that hydrocarbon contamination as a result of the gas bar operation was present in the soil of the land, and reclamation costs are estimated to be \$3,700,000 - \$5,000,000 to bring the contaminated site back to acceptable environmental standards. The Tribe is evaluating the results of the assessment and further evaluation of the site is to be completed in the next fiscal year. Since a reasonable estimate of expenses has not been confirmed, no provision has be recorded in these financial statements.

15. Employment Retirement Plan

The Tribe has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 4% and 6% of their gross pay with the organization making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total contributions for 2014 were \$67,038 (2013: \$83,275)

16. Budget Information

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by the Chief and Council and are unaudited.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

17. Economic Dependence

Louis Bull Tribe receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada.

18. Comparative Amounts

The comparative amounts have been reclassified to conform with the current years presentation.

19. Expenditures

| For the year ended March 31 | 2014 Budget | 2014 Actual | 2013 Actual |
|-------------------------------------|----------------|----------------|----------------|
| Expenses | | | |
| Administration fees | \$ 141,145 | \$ 229,258 | \$ 142,525 |
| Advertising | 1,000 | 10,625 | 6,174 |
| Amortization | - | 1,901,349 | 2,190,734 |
| Bussing | 2,226,000 | 2,248,127 | 2,130,696 |
| CMHC Replacement reserve allocation | 174,500 | - | - |
| COGS - Louis Bull Services | - | 2,050,088 | 1,853,791 |
| Capital | 52,000 | - | - |
| Cultural events | 38,188 | 60,083 | 22,564 |
| Education and tuition fees | 708,880 | 756,992 | 728,169 |
| Fixed expenses | 44,100 | 284,206 | 284,206 |
| Insurance | 263,000 | 223,074 | 206,739 |
| Interest and bank charges | 4,000 | 9,577 | 11,913 |
| Interest on long-term debt | 441,527 | 287,213 | 120,484 |
| Janitorial | 25,000 | 18,983 | 7,465 |
| Meeting and travel | 577,498 | 657,489 | 600,351 |
| Office expenses | 382,247 | 202,111 | 241,759 |
| Per capita distribution | 600,000 | 631,700 | 618,500 |
| Professional fees | 321,500 | 723,428 | 581,768 |
| Program costs | 1,650,305 | 1,761,598 | 1,588,969 |
| Property taxes | 175,000 | 109,726 | 201,899 |
| Public works | 85,000 | 42,178 | 66,067 |
| Rent | 37,000 | 44,024 | 33,376 |
| Repairs and maintenance | 985,523 | 1,029,227 | 1,101,444 |
| Set expenses | 760,958 | 726,217 | 891,443 |
| Social Assistance | 2,771,381 | 2,545,493 | 3,067,128 |
| Subcontractor | 105,000 | 140,677 | 191,251 |
| Supplies | 223,385 | 155,301 | 203,960 |
| Training | 958,743 | 1,027,693 | 934,073 |
| Utilities and telephone | 1,044,216 | 1,004,900 | 907,669 |
| Vehicle | 131,374 | 105,988 | 123,882 |
| Wages and benefits | 4,926,564 | 4,962,540 | 4,865,038 |
| | \$ 19,855,034 | \$ 23,949,865 | \$ 23,924,037 |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

20. Segmented Information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function.

| | Education | | | Health | | | Economic Development | | |
|--|------------------|------------------|------------------|----------------|------------------|----------------|----------------------|-----------------|------------------|
| | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual |
| Revenues | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | 5,220,991 | 5,014,237 | 5,167,672 | - | - | - | 95,350 | 95,390 | 95,390 |
| Capital band funds | 39,058 | 39,058 | 39,058 | - | - | - | - | - | - |
| Revenue band funds | 169,675 | 169,675 | 169,675 | 762,944 | 1,231,004 | 906,217 | 200,000 | 200,000 | 200,000 |
| Health Canada | 416,710 | 239,221 | - | - | - | - | - | - | - |
| First Nation Development Funds | 723,586 | 383,808 | 243,300 | 15,827 | 13,762 | 24,992 | 384,527 | 335,958 | 382,911 |
| Total revenue | 6,570,020 | 5,845,999 | 5,808,067 | 778,771 | 1,244,766 | 931,209 | 679,877 | 631,348 | 678,301 |
| Expenses | | | | | | | | | |
| Wages and benefits | 1,814,746 | 1,867,297 | 2,016,442 | 243,411 | 337,268 | 270,284 | 155,031 | 191,004 | 120,546 |
| Insurance | - | - | - | 6,000 | 6,585 | 6,000 | - | - | - |
| Repairs and maintenance | 130,000 | 143,998 | 91,028 | 4,472 | 44,098 | 19,167 | - | - | - |
| Program costs | 331,192 | 136,552 | 67,492 | 375,817 | 415,709 | 500,480 | 123,992 | 13,581 | 79,238 |
| Other expenses | 4,294,082 | 3,906,929 | 3,763,683 | 149,071 | 313,367 | 138,428 | 400,854 | 488,778 | 624,028 |
| Total expenses | 6,570,020 | 6,054,776 | 5,938,645 | 778,771 | 1,117,027 | 934,359 | 679,877 | 693,363 | 823,812 |
| Annual surplus (deficit) | - | (208,777) | (130,578) | - | 127,739 | (3,150) | - | (62,015) | (145,511) |

Louis Bull Tribe**Notes to Consolidated Financial Statements****March 31, 2014****20. Segmented information, continued**

| | Housing | | | Community Services | | | Social Services | | |
|--|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual |
| Revenues | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | 186,600 | 19,000 | 107,595 | 205,963 | 145,950 | 217,079 | 3,205,791 | 3,160,424 | 3,419,105 |
| Capital band funds | 1,050,954 | 904,433 | 1,050,954 | 310,878 | 310,878 | 310,878 | - | - | - |
| Revenue band funds | - | - | - | 138,757 | 138,757 | 298,353 | - | - | - |
| First Nation Development Funds | - | - | - | 304,000 | 221,488 | 247,012 | 80,000 | 12,390 | - |
| Other revenue | 721,000 | 979,860 | 619,760 | 601,847 | 371,533 | 302,968 | 356,598 | 818,347 | 792,516 |
| Total revenue | 1,958,554 | 1,903,293 | 1,778,309 | 1,561,445 | 1,188,606 | 1,376,290 | 3,642,389 | 3,991,161 | 4,211,621 |
| Expenses | | | | | | | | | |
| Wages and benefits | 158,533 | 105,523 | 63,279 | 656,104 | 519,228 | 529,814 | 593,610 | 581,306 | 534,435 |
| Insurance | 47,000 | 42,719 | 41,000 | - | - | - | - | - | - |
| Repairs and maintenance | 418,994 | 404,209 | 272,927 | 141,000 | 116,082 | 254,240 | 3,000 | 16,311 | 3,000 |
| Program costs | 630,000 | 693,030 | 626,661 | 42,554 | 139,297 | 37,924 | - | 82,593 | - |
| Other expenses | 704,027 | 256,518 | 263,478 | 721,787 | 459,203 | 625,359 | 3,045,779 | 3,323,808 | 3,674,579 |
| Total expenses | 1,958,554 | 1,501,999 | 1,267,345 | 1,561,445 | 1,233,810 | 1,447,337 | 3,642,389 | 4,004,018 | 4,212,014 |
| Annual surplus (deficit) | - | 401,294 | 510,964 | - | (45,204) | (71,047) | - | (12,857) | (393) |

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2014

20. Segmented information, continued

| | Band Government | | | Public Works | | | Other | | |
|--|------------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual | 2014 Budget | 2014 Actual | 2013 Actual |
| Revenues | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | 706,224 | 674,908 | 696,908 | 887,968 | 968,709 | 2,599,573 | - | - | - |
| Capital band funds | 1,286,521 | 1,236,521 | 1,286,521 | 43,930 | 43,930 | - | - | - | - |
| Revenue band funds | 420,600 | 420,600 | 420,600 | - | - | - | 100,000 | 100,000 | - |
| First Nation Development Funds | 174,735 | 110,391 | 88,448 | - | - | - | - | 396,889 | 74,395 |
| Other revenue | 680,000 | 1,132,943 | 957,525 | - | 3,741 | 137,612 | 364,000 | 1,723,533 | 2,263,630 |
| Total revenue | 3,268,080 | 3,575,363 | 3,450,002 | 931,898 | 1,016,380 | 2,781,115 | 464,000 | 2,220,422 | 2,338,026 |
| Expenses | | | | | | | | | |
| Wages and benefits | 1,190,780 | 935,246 | 958,766 | 114,349 | 181,272 | 174,756 | - | 244,396 | 196,715 |
| Insurance | 210,000 | 173,771 | 159,739 | - | - | - | - | - | - |
| Repairs and maintenance | 60,000 | 89,913 | 102,133 | 228,057 | 190,252 | 342,095 | - | 24,365 | 16,855 |
| Program costs | 24,500 | 3,934 | 129,841 | 119,250 | 56,974 | 64,090 | 3,000 | 219,929 | 83,244 |
| Other expenses | 1,782,800 | 2,529,569 | 2,218,420 | 470,242 | 249,365 | 517,741 | 461,000 | 2,544,537 | 2,145,396 |
| Total expenses | 3,268,080 | 3,732,433 | 3,568,899 | 931,898 | 677,863 | 1,098,692 | 464,000 | 3,033,227 | 2,442,210 |
| Annual surplus (deficit) | - | (157,070) | (118,897) | - | 338,517 | 1,682,433 | - | (812,805) | (104,185) |

Louis Bull Tribe**Notes to Consolidated Financial Statements****March 31, 2014****20. Segmented information, continued**

| | Amortization | | | | | | Trust Funds | | | | | | Consolidated totals | | | |
|--|--------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------|-------------|---|
| | 2014 | | 2014 | | 2013 | | 2014 | | 2013 | | 2014 | | Budget | 2014 | 2013 | |
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Actual | Actual | Actual | |
| Revenues | | | | | | | | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | - | - | - | - | (2,731,341) | (859,357) | (2,534,820) | (859,357) | (2,731,341) | (1,107,315) | - | - | 10,508,887 | 10,078,618 | 12,303,322 | |
| Capital band funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Revenue band funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Health Canada | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| First Nation Development Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total revenue | - | - | (3,590,698) | (2,790,283) | (3,272,975) | (2,790,283) | (16,264,336) | (16,264,336) | (18,827,055) | (18,827,055) | (20,079,964) | (20,079,964) | - | - | - | - |
| Expenses | | | | | | | | | | | | | | | | |
| Wages and benefits | - | 1,901,349 | 2,190,734 | - | - | - | - | - | - | - | 4,926,564 | 4,962,540 | 4,865,037 | 4,865,037 | 4,865,037 | |
| Amortization | - | - | - | - | - | - | - | - | - | - | 1,901,349 | 1,901,349 | 2,190,734 | 2,190,734 | 2,190,734 | |
| Insurance | - | - | - | - | - | - | - | - | - | - | 263,000 | 223,075 | 206,739 | 206,739 | 206,739 | |
| Repairs and maintenance | - | - | - | - | - | - | - | - | - | - | 985,523 | 1,029,228 | 1,101,445 | 1,101,445 | 1,101,445 | |
| Program costs | - | - | - | - | - | - | - | - | - | - | 1,650,305 | 1,761,599 | 1,588,970 | 1,588,970 | 1,588,970 | |
| Other expenses | - | - | - | - | - | - | - | - | - | - | 12,029,642 | 14,072,074 | 13,971,112 | 13,971,112 | 13,971,112 | |
| Total expenses | - | 1,901,349 | 2,190,734 | - | - | - | - | - | - | - | 19,856,034 | 23,949,865 | 23,924,037 | 23,924,037 | 23,924,037 | |
| Annual surplus (deficit) | - | (1,901,349) | (2,190,734) | (3,590,698) | (2,790,283) | (3,272,975) | (3,272,975) | (3,590,698) | (3,590,698) | (3,590,698) | (5,122,810) | (3,844,073) | (3,844,073) | (3,844,073) | (3,844,073) | |