

Louis Bull Tribe
Consolidated Financial Statements
March 31, 2021

Louis Bull Tribe**Consolidated Financial Statements**

March 31, 2021

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Louis Bull Tribe

Management's Responsibility for Financial Reporting

March 31, 2021

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 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.

The 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 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:

Original signed by _____ August 17, 2021 _____
Chief Date

Original signed by _____ August 17, 2021 _____
Tribal Administrator Date

Independent Auditors' Report

To the Members of Louis Bull Tribe

Opinion

We have audited the consolidated financial statements of Louis Bull Tribe (the "Tribe"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net debt 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 Tribe as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated net debt, 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 Tribe in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Tribe'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 Tribe or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Tribe'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 Tribe'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 Tribe'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 Tribe 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 consolidated entities or business activities, 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
August 17, 2021

Crowe Mackay LLP
Chartered Professional Accountants

Louis Bull Tribe

Consolidated Statement of Financial Position

March 31	2021	2020
Financial Assets		
Cash (Note 3)	\$ 13,215,701	\$ 6,839,122
Accounts receivable (Note 4)	934,320	727,147
Long-term investments (Note 5)	3,711,210	3,035,681
<u>Federal Trust Funds (Note 6)</u>	<u>726,066</u>	<u>623,932</u>
	18,587,297	11,225,882
Liabilities		
Accounts payable and accrued liabilities (Note 7)	2,540,195	1,039,776
Deferred revenue (Note 8)	10,437,277	4,992,231
<u>Long-term debt (Note 9)</u>	<u>6,670,445</u>	<u>6,930,066</u>
	19,647,917	12,962,073
<u>Net debt</u>	(1,060,620)	(1,736,191)
Non-financial Assets		
Capital assets (Note 10)	18,781,661	18,979,067
Prepaid expenses	33,631	36,119
<u>Inventory</u>	<u>110,309</u>	<u>124,669</u>
	18,925,601	19,139,855
<u>Accumulated Surplus (Note 11)</u>	\$ 17,864,981	\$ 17,403,664

Contingent liabilities (Note 13)

Approved on behalf of the Louis Bull Tribe

Original signed by _____, Chief

Original signed by _____, Councillor

Louis Bull Tribe

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 7,439,613	\$ 17,543,486	\$ 10,979,519
First Nation Development Funds	591,100	395,905	565,066
CMHC subsidies	422,000	461,457	463,122
Resource revenue	50,000	81,074	91,386
Interest income	25,000	31,699	59,109
Rental income	816,076	608,910	739,812
Indigenous Skills and Employment Training Strategy	671,091	849,736	620,819
Louis Bull Services revenue	-	2,599,358	2,445,017
Net earnings (loss) from Louis Bull Tribe entities	-	486,666	(89,895)
Other revenue	2,218,647	2,999,119	4,481,977
	12,233,527	26,057,410	20,355,932
Expenses (Note 19)			
Education	784,649	1,163,129	1,027,257
Health	1,593,311	6,434,259	2,096,921
Economic Development	586,584	670,898	633,793
Housing	1,063,176	928,827	1,162,775
Community Services	1,044,900	2,947,070	2,112,868
Social Services	4,227,612	4,639,523	5,447,801
Band Government	2,100,035	2,397,991	2,936,368
Public Works	548,591	1,810,826	1,827,384
Other	107,000	2,707,404	2,872,826
Amortization	-	1,896,168	1,705,891
	12,055,858	25,596,095	21,823,884
Excess (deficiency) of revenue over expenses	177,669	461,315	(1,467,950)
Accumulated surplus, beginning of year	17,403,664	17,403,664	18,871,614
Accumulated surplus, end of year	\$ 17,581,333	\$ 17,864,981	\$ 17,403,664

Louis Bull Tribe**Consolidated Statement of Change in Net Debt**

For the year ended March 31	2021 Budget	2021 Actual	2020
Excess (deficiency) of revenue over expenses	\$ 177,669	\$ 461,315	\$ (1,467,950)
Acquisition of tangible capital assets	-	(1,698,760)	(518,810)
Amortization of tangible capital assets	-	1,896,168	1,705,892
	-	197,408	1,187,084
(Acquisition) use of prepaid asset	-	2,488	(7,927)
(Acquisition) use of inventory	-	14,360	(51,930)
Increase (decrease) in net financial assets	177,669	675,571	(340,723)
Net debt, beginning of year	(1,736,191)	(1,736,191)	(1,395,468)
Net debt, end of year	\$ (1,558,522)	\$ (1,060,620)	\$ (1,736,191)

Louis Bull Tribe**Consolidated Statement of Cash Flow**

For the year ended March 31	2021	2020
Cash flows from Operating activities		
Excess (deficiency) of revenue over expenses	\$ 461,315	\$ (1,467,950)
Items not affecting cash		
Amortization	1,896,168	1,705,892
	2,357,483	237,942
Change in non-cash operating working capital		
Accounts receivable	(207,173)	570,125
Inventory	14,360	(51,930)
Prepaid expenses	2,488	(7,927)
Accounts payable	1,500,420	(108,898)
Deferred revenue	5,445,046	2,596,258
	9,112,624	3,235,570
Financing activities		
Repayment of long-term debt	(567,219)	(560,289)
Proceeds from long-term debt	307,598	-
	(259,621)	(560,289)
Investing and capital activities		
Long-term investments	(675,529)	140,083
Purchase of capital assets	(1,698,761)	(518,810)
Income earned from Trust Funds	(102,134)	(144,854)
	(2,476,424)	(523,581)
Increase in cash and cash equivalents	6,376,579	2,151,700
Cash and cash equivalents, beginning of year	6,839,122	4,687,422
Cash and cash equivalents, end of year	\$ 13,215,701	\$ 6,839,122

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

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

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

Enterprises accounted for by the modified equity basis include:

- (1) 677626 Alberta Ltd.

Entities accounted for by full consolidation include:

- (1) Kiseputinow Holdings (1996) Ltd.
- (2) Asikiw Mostos O'pikinawasiwin Society

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 Tribe. Thus, the Tribe'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, 2021

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

(d) Tangible 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 for on a straight-line basis over their estimated useful lives 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% Straight line
Infrastructure	5% Straight line
Equipment	20% Straight line

Capital assets are written down when conditions indicate that they no longer contribute to Louis Bull Tribe'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.

(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.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

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

(f) 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 Tribe's operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Impact of 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 Tribe received from Indigenous Services Canada, \$7,550,209 in additional funding to assist with implementation of public health measures, income assistance initiatives, and costs related to reopening.

The Tribe implemented remote work arrangements for those able to do so, and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to mitigate the spread of COVID-19 and the impact of the pandemic on the Tribe's operations and programs.

Effective July 1, 2021, the province of Alberta entered into stage 3 of the Alberta's Open for Summer Plan whereby majority of public health measures have now been lifted. While recovery is underway, the effect 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 Tribe and its operations in future periods.

Louis Bull Tribe**Notes to Consolidated Financial Statements**

March 31, 2021

3. Cash

	2021	2020
Externally restricted cash		
CMHC Replacement Reserve	\$ 502,648	\$ 502,195
Unrestricted cash		
General accounts	<u>12,713,053</u>	<u>5,382,776</u>
	<u><u>\$ 13,215,701</u></u>	<u><u>\$ 6,839,122</u></u>

A line of credit has been authorized in the amount of \$300,000 bearing interest at prime plus 1%. At March 31, 2021, \$nil had been drawn upon (2020: \$nil).

4. Accounts receivable

	2021	2020
Indigenous Services Canada	\$ 518,862	\$ 547,926
Other	<u>415,458</u>	<u>179,221</u>
	<u><u>\$ 934,320</u></u>	<u><u>\$ 727,147</u></u>

Louis Bull Tribe**Notes to Consolidated Financial Statements**

March 31, 2021

5. Long-term investments

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

	2021	2020
Advances	\$ 33,788,605	\$ 33,599,741
Accumulated losses	(30,077,395)	(30,564,060)
	\$ 3,711,210	\$ 3,035,681

677626 Alberta Ltd. - Balance sheet

	2021	2020
Cash	\$ 939,768	\$ 375,351
Accounts receivable	318,501	2,585
Inventory	1,200	1,200
Capital assets	2,971,583	2,972,962
 Total assets	 \$ 4,231,052	 \$ 3,352,098
 Accounts payable	 \$ 72,801	 \$ 82,122
Due to related parties	33,788,605	33,599,741
Unearned revenue	447,041	234,295
 Total liabilities	 34,308,447	 33,916,158
 Equity (deficit)	 (30,077,395)	 (30,564,060)
 Total liabilities and equity	 \$ 4,231,052	 \$ 3,352,098

677626 Alberta Ltd. - Statement of Operations

	2021	2020
Revenue	\$ 1,519,352	\$ 597,484
Expenses	1,032,687	687,379
Net income (loss)	\$ 486,665	\$ (89,895)

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

6. Federal 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, 2020	Income	March 31, 2021
Capital funds held in trust	\$ 205,918	\$ 21,060	\$ 226,978
Revenue funds held in trust	\$ 418,014	\$ 81,074	\$ 499,088
	\$ 623,932	\$ 102,134	\$ 726,066

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. Accounts payable and accrued liabilities

	2021	2020
Trade payables and accrued liabilities	\$ 2,097,469	\$ 597,053
Provision for landfill closure and post closure costs	\$ 442,726	\$ 442,726
	\$ 2,540,195	\$ 1,039,779

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

8. 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, 2020	Funding received	Revenue recognized	March 31, 2021
Indigenous Services Canada	\$ 4,221,202	\$ 21,460,412	\$ (17,543,486)	\$ 8,138,128
First Nation Development Funds	40,866	355,039	(395,905)	-
Other	730,163	9,682,412	(8,113,426)	2,299,149
	\$ 4,992,231	\$ 31,497,863	\$ (26,052,817)	\$ 10,437,277

Louis Bull Tribe**Notes to Consolidated Financial Statements**

March 31, 2021

9. Long-term debt

CMHC housing mortgages repayable in combined monthly instalments of \$38,593 including interest rates from 0.67% to 2.48%, renewable at various dates. The mortgages are secured by ministerial guarantees.

	2021	2020
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\$ 5,404,796	\$ 5,493,767
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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 payments of \$14,221 plus interest over 13 years, secured by a general security agreement.

1,265,649	1,436,299
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\$ 6,670,445	\$ 6,930,066
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Principal portion of long-term debt due within the next five years:

2022	\$ 570,763
2023	576,128
2024	581,544
2025	581,870
2026 and thereafter	4,360,140
	<hr/> \$ 6,670,445 <hr/>

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

10. Tangible Capital Assets

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2021 net book value
Land	\$ 6,183,201	\$ -	\$ 6,183,201	\$ -	\$ -	\$ -	\$ 6,183,201
Buildings	30,801,875	345,285	31,147,160	23,713,571	1,088,545	24,802,116	6,345,044
Automotive equipment	2,790,495	201,031	2,991,526	2,131,607	296,210	2,427,817	563,709
Computer equipment	120,348	-	120,348	120,348	-	120,348	-
Office furniture and equipment	1,650,240	168,886	1,819,126	1,569,240	122,938	1,692,178	126,948
Service equipment	238,740	-	238,740	207,634	25,769	233,403	5,337
Computer equipment	43,985	-	43,985	42,114	1,871	43,985	-
Infrastructure	15,687,359	983,559	16,670,918	10,798,283	348,161	11,146,444	5,524,474
Equipment	655,444	-	655,444	609,823	12,673	622,496	32,948
	\$ 58,171,687	\$ 1,698,761	\$ 59,870,448	\$ 39,192,620	\$ 1,896,167	\$ 41,088,787	\$ 18,781,661

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2020 Net book value
Land	\$ 6,183,201	\$ -	\$ 6,183,201	\$ -	\$ -	\$ -	\$ 6,183,201
Buildings	30,801,875	-	30,801,875	22,607,107	1,106,464	23,713,571	7,088,304
Automotive equipment	2,334,145	456,350	2,790,495	1,929,755	201,852	2,131,607	658,888
Computer equipment	120,348	-	120,348	120,348	-	120,348	-
Office furniture and equipment	1,650,240	-	1,650,240	1,513,660	55,580	1,569,240	81,000
Service equipment	238,740	-	238,740	199,857	7,777	207,634	31,106
Computer equipment	43,985	-	43,985	41,312	802	42,114	1,871
Infrastructure	15,624,899	62,460	15,687,359	10,476,272	322,011	10,798,283	4,889,076
Equipment	655,444	-	655,444	598,418	11,405	609,823	45,621
	\$ 57,652,877	\$ 518,810	\$ 58,171,687	\$ 37,486,729	\$ 1,705,891	\$ 39,192,620	\$ 18,979,067

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

11. Accumulated surplus

	2021	2020
Unrestricted operating surplus	\$ 1,316,489	\$ 1,695,050
Equity in tangible capital assets	12,111,216	12,049,001
Equity in trust funds	726,066	623,932
Equity in enterprises	3,711,210	3,035,681
	<hr/> \$ 17,864,981	<hr/> \$ 17,403,664

12. CMHC Replacement Reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Tribe 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.

13. 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 losses, 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.

Over the past years, Chevron Canada Resources made a claim against the Federal Government of Canada, Louis Bull Tribe and other First Nations, in connection with an overpayment of royalties. On June 6, 2019, the Courts provided a decision on this matter and awarded a judgment against the Louis Bull Tribe of \$1,967,506 (principal of \$1,205,378 and interest of \$762,128), as at June 30, 2019. The Louis Bull Tribe has appealed the Courts' decision and an Appeal Hearing has been scheduled for September 2021. 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.

In 2014, an environmental site assessment was completed by an 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 is needed to bring the contaminated site back to acceptable environmental standards. Since a reasonable estimate of expenses has not been confirmed, no provision has been recorded in these financial statements.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

14. 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.

15. Financial Instruments

The Tribe's financial instruments consist of cash, accounts receivable, long-term investments, federal 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 Tribe is not exposed to significant currency risk from its financial instruments. The Tribe 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.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The Tribe 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 Tribe's operations and financial condition.

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.

17. Economic Dependence

Louis Bull Tribe receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Services Canada.

18. Comparative Amounts

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

Louis Bull Tribe**Notes to Consolidated Financial Statements**

March 31, 2021

19. Expenses by object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Expenses			
Administration fees	\$ 93,144	\$ 364,387	\$ 211,719
Amortization	-	1,896,168	1,705,891
Bad debts	-	203,255	281,159
Bussing	24,000	17,914	14,509
Cost of sales - Louis Bull Services	-	2,001,068	2,152,194
Cultural events	15,000	122,396	70,811
Education and tuition fees	468,600	711,549	543,920
Insurance	165,174	258,205	217,627
Interest and bank charges	-	8,546	11,675
Interest on long-term debt	421,000	150,827	156,727
Meeting and travel	287,002	315,727	541,111
Office expenses	165,243	695,655	155,896
Professional fees	598,500	770,521	732,505
Program costs	1,102,659	3,835,720	2,881,444
Property taxes	65,000	78,450	125,267
Public works	-	142,967	42,542
Registry events	-	-	19,175
Rent	62,918	65,146	93,263
Repairs and maintenance	826,249	2,240,549	2,278,081
Social Assistance	2,563,707	2,711,444	3,302,477
Subcontractor	-	-	63,117
Supplies	67,600	660,287	147,192
Training	973,046	977,797	1,440,501
Utilities and telephone	505,110	896,310	967,134
Vehicle	50,656	206,942	61,820
Wages and benefits	3,601,250	6,264,265	3,606,127
	\$ 12,055,858	\$ 25,596,095	\$ 21,823,884

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

20. Segmented information

The Tribe 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		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenue									
Indigenous Services Canada	723,261	1,127,711	967,371	1,484,366	6,886,122	2,139,637	95,390	217,484	155,390
First Nation Development Funds	32,000	14,240	20,760	-	-	3,000	-	-	40,000
Transfers	-	607	-	-	8,153	-	-	-	-
Other revenue	-	20,571	37,197	82,145	523,543	4,209	491,194	452,877	438,403
Total revenue	755,261	1,163,129	1,025,328	1,566,511	7,417,818	2,146,846	586,584	670,361	633,793
Expenses									
Wages and benefits	125,942	187,447	206,321	823,531	2,965,409	549,042	168,248	140,218	106,732
Insurance	2,970	2,970	2,970	27,000	27,000	27,000	-	-	-
Repairs and maintenance	7,500	10,516	7,436	48,000	315,724	285,621	-	-	-
Program costs	57,337	57,764	64,458	394,923	1,717,857	821,545	-	70,000	1,100
Other expenses	590,900	904,432	746,072	299,857	1,408,269	413,713	418,336	460,680	525,961
Total expenses	784,649	1,163,129	1,027,257	1,593,311	6,434,259	2,096,921	586,584	670,898	633,793
Annual surplus (deficit)	(29,388)	-	(1,929)	(26,800)	983,559	49,925	-	(537)	-

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

20. Segmented information, continued

	Housing			Community Services			Social Services		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenue									
Indigenous Services Canada	111,600	484,635	328,708	139,056	2,036,545	670,264	3,631,915	3,759,664	4,071,560
First Nation Development Funds	138,500	117,169	120,000	380,600	133,531	275,770	-	-	-
Transfers	-	25,613	-	-	(74,894)	(124,850)	-	(21,065)	(27,296)
Other revenue	813,076	648,670	976,578	821,844	851,888	1,686,960	575,697	697,670	1,365,484
Total revenue	1,063,176	1,276,087	1,425,286	1,341,500	2,947,070	2,508,144	4,207,612	4,436,269	5,409,748
Expenses									
Wages and benefits	138,500	92,473	146,728	265,349	884,668	471,693	820,093	785,498	765,628
Insurance	62,700	106,054	97,771	15,000	15,957	9,064	6,504	6,703	2,500
Repairs and maintenance	416,816	341,889	591,559	53,800	31,652	51,524	21,000	182,928	59,030
Program costs	-	288,356	192,977	554,100	1,158,807	1,173,228	96,299	72,646	91,321
Other expenses	445,160	100,055	133,740	156,651	855,986	407,359	3,283,716	3,591,748	4,529,322
Total expenses	1,063,176	928,827	1,162,775	1,044,900	2,947,070	2,112,868	4,227,612	4,639,523	5,447,801
Annual surplus (deficit)	-	347,260	262,511	296,600	-	395,276	(20,000)	(203,254)	(38,053)

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

20. Segmented information, continued

	Band Government			Public Works			Other		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenue									
Indigenous Services Canada	705,434	724,572	723,574	548,591	2,039,462	1,872,800	-	267,293	50,215
First Nation Development Funds	40,000	84,339	50,000	-	-	-	-	46,626	55,536
Transfers	-	451,061	502,146	-	-	-	-	(389,475)	(350,000)
Other revenue	868,858	1,142,612	1,248,421	-	141,281	17,044	550,000	3,536,771	2,892,197
Total revenue	1,614,292	2,402,584	2,524,141	548,591	2,180,743	1,889,844	550,000	3,461,215	2,647,948
Expenses									
Wages and benefits	1,044,435	838,762	905,814	215,152	195,187	224,423	-	174,602	229,745
Insurance	51,000	66,118	53,391	-	33,403	24,931	-	-	-
Repairs and maintenance	69,000	41,531	52,925	210,133	1,283,708	1,220,088	-	32,600	9,900
Program costs	-	182,052	383,770	-	9,000	81,212	-	279,241	71,828
Other expenses	935,600	1,269,528	1,540,468	123,306	289,528	276,730	107,000	2,220,961	2,561,353
Total expenses	2,100,035	2,397,991	2,936,368	548,591	1,810,826	1,827,384	107,000	2,707,404	2,872,826
Annual surplus (deficit)	(485,743)	4,593	(412,227)	-	369,917	62,460	443,000	753,811	(224,878)

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2021

20. Segmented information, continued

	Amortization			Trust Funds			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenue									
Indigenous Services Canada	-	-	-	-	-	-	7,439,613	17,543,488	10,979,519
First Nation Development Funds	-	-	-	-	-	-	591,100	395,905	565,066
Other revenue	-	-	-	-	102,134	144,854	4,202,814	8,118,017	8,811,347
Total revenue	-	-	-	-	102,134	144,854	12,233,527	26,057,410	20,355,932
Expenses									
Wages and benefits	-	-	-	-	-	-	3,601,250	6,264,264	3,606,126
Amortization	-	1,896,168	1,705,891	-	-	-	-	1,896,168	1,705,891
Insurance	-	-	-	-	-	-	165,174	258,205	217,627
Repairs and maintenance	-	-	-	-	-	-	826,249	2,240,548	2,278,083
Program costs	-	-	-	-	-	-	1,102,659	3,835,723	2,881,439
Other expenses	-	-	-	-	-	-	6,360,526	11,101,187	11,134,718
Total expenses	-	1,896,168	1,705,891	-	-	-	12,055,858	25,596,095	21,823,884
Annual surplus (deficit)	-	(1,896,168)	(1,705,891)	-	102,134	144,854	177,669	461,315	(1,467,952)