

Louis Bull Tribe
Consolidated Financial Statements
March 31, 2022

Louis Bull Tribe**Consolidated Financial Statements**

March 31, 2022

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Louis Bull Tribe

Management's Responsibility for Financial Reporting

March 31, 2022

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
Chief

December 15, 2022
Date

Original signed by
Tribal Administrator

December 15, 2022
Date

Independent Auditors' Report

To the Members of Louis Bull Tribe

Qualified 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, 2022, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Tribe as at March 31, 2022, 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 Qualified Opinion

The current year's financial information for a specific entity controlled by Louis Bull Tribe was not available for satisfactory audit verification. We were unable to obtain appropriate audit evidence specific to the financial information of this entity, which should be consolidated into the financial statements of the Tribe. As a result, the financial information of the specific entity have not been included in the Tribe's consolidated financial statements as at March 31, 2022.

The opinion on the consolidated financial statements for the year ended March 31, 2022 was modified because of the possible effects of the limitations in scope.

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 qualified 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
December 15, 2022

Cawse Mackay LLP
Chartered Professional Accountants

Louis Bull Tribe**Consolidated Statement of Financial Position**

<u>March 31</u>	<u>2022</u>	<u>2021</u>
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Financial Assets

Cash (Note 3)	\$ 19,790,278	\$ 13,215,701
Accounts receivable (Note 4)	448,583	934,320
Long-term investments (Note 5)	3,945,220	3,711,210
Federal Trust Funds (Note 6)	873,360	726,066
	<hr/> 25,057,441	<hr/> 18,587,297

Liabilities

Accounts payable and accrued liabilities (Note 7)	2,414,824	2,540,195
Deferred revenue (Note 8)	17,245,847	10,437,277
Long-term debt (Note 9)	7,015,443	6,670,445
	<hr/> 26,676,114	<hr/> 19,647,917
Net debt	(1,618,673)	(1,060,620)

Non-financial Assets

Tangible Capital assets (Note 10)	21,831,725	18,781,661
Prepaid expenses	33,236	33,631
Inventory	102,106	110,309
	<hr/> 21,967,067	<hr/> 18,925,601

Accumulated Surplus (Note 11)	\$ 20,348,394	\$ 17,864,981
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Contingent liabilities (Note 13)

Approved on behalf of the Louis Bull TribeOriginal signed by _____, ChiefOriginal signed by _____, Councilor

Louis Bull Tribe

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 6,981,727	\$ 24,177,771	\$ 17,543,488
First Nation Development Funds	80,000	444,855	395,905
CMHC subsidies	422,000	476,635	461,457
Resource revenue	50,000	102,403	81,074
Interest income	25,000	55,341	31,699
Rental income	816,076	449,810	608,910
Indigenous Skills and Employment Training Strategy	659,931	762,882	849,736
Louis Bull Services revenue	-	2,919,843	2,599,358
Net earnings (loss) from Louis Bull Tribe entities	-	234,010	486,666
Other revenue	2,865,915	3,348,851	2,999,117
	11,900,649	32,972,401	26,057,410
Expenses (Note 19)			
Education	764,670	1,153,951	1,163,129
Health	1,534,315	5,693,066	6,434,259
Economic Development	590,424	994,957	670,898
Housing	924,676	799,161	928,827
Community Services	2,240,622	8,582,324	2,947,070
Social Services	3,711,561	4,574,955	4,639,523
Band Government	2,353,347	2,613,515	2,397,991
Public Works	409,767	835,459	1,810,826
Other	67,000	3,304,572	2,707,404
Amortization	-	1,937,028	1,896,168
	12,596,382	30,488,988	25,596,095
Excess of revenue over expenses	(695,733)	2,483,413	461,315
Accumulated surplus, beginning of year	17,864,981	17,864,981	17,403,666
Accumulated surplus, end of year	\$ 17,169,248	\$ 20,348,394	\$ 17,864,981

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

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Excess of revenue over expenses	\$ (695,733)	\$ 2,483,413	\$ 461,315
Acquisition of tangible capital assets	-	(4,987,091)	(1,698,765)
Amortization of tangible capital assets	-	1,937,028	1,896,168
	-	(3,050,063)	197,407
Use of prepaid asset	-	395	2,489
Use of inventory	-	8,203	14,360
Increase (decrease) in net financial assets	(695,733)	(558,052)	675,571
Net debt, beginning of year	(1,060,620)	(1,060,620)	(1,736,191)
Net debt, end of year	\$ (1,756,353)	\$ (1,618,673)	\$ (1,060,620)

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

For the year ended March 31	2022	2021
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 2,483,413	\$ 461,315
Items not affecting cash		
Amortization	1,937,028	1,896,168
Equity pickup of investment in related parties	(234,010)	(486,666)
	4,186,431	1,870,817
Change in non-cash operating working capital		
Accounts receivable	485,737	(207,173)
Inventory	8,203	14,360
Prepaid expenses	395	2,488
Accounts payable	(125,372)	1,500,424
Deferred revenue	6,808,570	5,445,046
	11,363,964	8,625,962
Financing activities		
Repayment of long-term debt	(563,006)	(567,219)
Proceeds from long-term debt	908,004	307,598
	344,998	(259,621)
Investing and capital activities		
Long-term investments	-	(188,863)
Purchase of tangible capital assets	(4,987,091)	(1,698,765)
Income earned from Trust Funds	(147,294)	(102,134)
	(5,134,385)	(1,989,762)
Increase in cash and cash equivalents	6,574,577	6,376,579
Cash and cash equivalents, beginning of year	13,215,701	6,839,122
Cash and cash equivalents, end of year	\$ 19,790,278	\$ 13,215,701

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

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 (not included in the current year Financial Statements)

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, 2022

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	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, 2022

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

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions, including assumptions about the future effects of the COVID-19 pandemic, 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.

The COVID-19 pandemic is considered an indication of impairment and has impacted the assumptions underlying the forecasted cash flows used in performing the Tribe's impairment analysis of its long-lived assets. Actual impairment and other results could differ from these and other estimate.

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, \$4,673,684 (2021 - \$7,550,209) in additional funding to assist with implementation of public health measures, income assistance initiatives, costs related to reopening as well as flexible funding through the Indigenous Community Support Fund.

The 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.

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

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

March 31, 2022

3. Cash

	2022	2021
Externally restricted cash		
CMHC Replacement Reserve	\$ 502,648	\$ 502,648
Unrestricted cash		
General accounts	19,287,630	12,713,053
	\$ 19,790,278	\$ 13,215,701

A line of credit has been authorized in the amount of \$300,000 bearing interest at prime plus 1%. At March 31, 2022, \$nil had been drawn upon (2021: \$nil).

4. Accounts receivable

	2022	2021
Indigenous Services Canada	\$ 185,285	\$ 518,862
Other	263,298	415,458
	\$ 448,583	\$ 934,320

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

March 31, 2022

5. Long-term investments

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

	2022	2021
Advances	\$ 33,788,605	\$ 33,788,605
Accumulated losses	(29,843,385)	(30,077,395)
	\$ 3,945,220	\$ 3,711,210

677626 Alberta Ltd. - Balance sheet

	2022	2021
Cash	\$ 1,117,059	\$ 939,768
Accounts receivable	315,594	318,501
Inventory	1,200	1,200
Capital assets	2,980,882	2,971,583
 Total assets	 \$ 4,414,735	 \$ 4,231,052
 Accounts payable	 \$ 48,071	 \$ 72,801
Due to related parties	33,788,605	33,788,605
Unearned revenue	421,444	447,041
 Total liabilities	 34,258,120	 34,308,447
 Equity (deficit)	 (29,843,385)	 (30,077,395)
 Total liabilities and equity	 \$ 4,414,735	 \$ 4,231,052

677626 Alberta Ltd. - Statement of Operations

	2022	2021
Revenue	\$ 1,828,323	\$ 1,519,352
Expenses	1,594,313	1,032,687
Net income (loss)	\$ 234,010	\$ 486,665

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

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, 2021	Income	March 31, 2022
Capital funds held in trust	\$ 226,978	\$ 44,891	\$ 271,869
Revenue funds held in trust	499,088	102,403	601,491
	\$ 726,066	\$ 147,294	\$ 873,360

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

	2022	2021
Trade payables and accrued liabilities	\$ 1,972,098	\$ 2,097,469
Provision for landfill closure and post closure costs	442,726	442,726
	\$ 2,414,824	\$ 2,540,195

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, 2021	Funding received	Revenue recognized	March 31, 2022
Indigenous Services Canada	\$ 8,138,128	\$ 30,307,330	\$ (24,177,771)	\$ 14,267,687
First Nation Development Funds	-	589,923	(444,855)	145,068
Other	2,299,149	3,882,794	(3,348,851)	2,833,092
	\$ 10,437,277	\$ 34,780,047	\$ (27,971,477)	\$ 17,245,847

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

March 31, 2022

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.

\$ 5,920,443 \$ 5,404,796

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.

1,095,000 1,265,649

\$ 7,015,443 \$ 6,670,445

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

2023	\$ 651,455
2024	656,513
2025	657,816
2026	626,899
2027 and thereafter	4,422,760
	\$ 7,015,443

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

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	2022 net book value
Land	\$ 6,183,201	\$ -	\$ 6,183,201	\$ -	\$ -	\$ -	\$ 6,183,201
Buildings	31,147,160	1,121,563	32,268,723	24,802,116	1,111,898	25,914,014	6,354,709
Automotive equipment	2,991,526	119,882	3,111,408	2,427,817	321,521	2,749,338	362,070
Computer equipment	120,348	-	120,348	120,348	-	120,348	-
Office furniture and equipment	1,819,126	-	1,819,126	1,692,178	112,827	1,805,005	14,121
Service equipment	238,740	-	238,740	233,403	4,093	237,496	1,244
Computer equipment	43,985	-	43,985	43,985	-	43,985	-
Infrastructure	16,670,918	-	16,670,918	11,146,444	372,750	11,519,194	5,151,724
Equipment	655,444	-	655,444	622,496	13,939	636,435	19,009
Asset under construction	-	3,745,647	3,745,647	-	-	-	3,745,647
	\$ 59,870,448	\$ 4,987,092	\$ 64,857,540	\$ 41,088,787	\$ 1,937,028	\$ 43,025,815	\$ 21,831,725

	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

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

11. Accumulated surplus

	2022	2021
Unrestricted operating surplus	\$ 713,532	\$ 1,316,489
Equity in tangible capital assets	14,816,282	12,111,216
Equity in trust funds	873,360	726,066
Equity in enterprises	3,945,220	3,711,210
	<hr/> \$ 20,348,394	<hr/> \$ 17,864,981

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. 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. The Nation has received \$2,830,000 from Indigenous Services Canada to complete the reclamation of the land.

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

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, 2022

19. Expenses by object

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Expenses			
Administration fees	\$ 100,273	\$ 758,083	\$ 364,387
Amortization	-	1,937,028	1,896,168
Bad debts	-	101,598	203,255
Cost of sales - Louis Bull Services	-	2,605,482	2,001,068
Cultural events	140,000	60,416	122,396
Education and tuition fees	468,600	621,567	711,549
Insurance	195,380	272,626	258,205
Interest and bank charges	-	12,139	8,546
Interest on long-term debt	421,000	158,782	150,827
Meeting and travel	207,625	362,748	311,442
Office expenses	108,461	100,544	695,655
Professional fees	698,400	908,022	830,521
Program costs	2,395,756	10,533,189	3,775,720
Property taxes	67,000	107,341	78,450
Public works	-	188,585	142,967
Rent	82,062	15,180	65,146
Repairs and maintenance	601,072	565,420	2,240,549
Social Assistance	2,058,365	2,906,202	2,711,444
Supplies	61,700	819,831	658,487
Tipping fees	24,000	9,461	17,914
Training	801,883	589,549	977,797
Utilities and telephone	624,434	1,199,931	902,395
Vehicle	50,000	148,792	206,942
Wages and benefits	3,490,371	5,506,472	6,264,265
	\$ 12,596,382	\$ 30,488,988	\$ 25,596,095

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

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 as follows:

	2022 Budget	Education 2022 Actual	2021 Actual	2022 Budget	Health 2022 Actual	2021 Actual	2022 Budget	Economic Development 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 735,282	\$ 1,150,446	\$ 1,127,711	\$ 1,443,616	\$ 5,284,330	\$ 6,886,122	\$ 95,390	\$ 452,222	\$ 217,484
First Nation Development Funds	-	30,376	14,240	-	-	-	-	-	-
Other revenue	-	(26,871)	21,178	85,699	339,845	531,696	495,034	542,735	452,877
Total revenue	735,282	1,153,951	1,163,129	1,529,315	5,624,175	7,417,818	590,424	994,957	670,361
Expenses									
Wages and benefits	86,105	268,468	256,474	748,700	2,340,483	2,965,409	168,248	156,544	140,218
Supplies	3,500	9,830	2,913	-	737,967	590,351	11,000	22,898	16,427
Repairs and maintenance	7,500	7,820	10,516	34,000	72,051	315,724	-	-	-
Program costs	70,175	75,925	63,439	486,782	1,605,728	1,717,857	-	156,523	70,000
Education and tuition fees	468,600	620,547	711,549	-	-	-	-	-	-
Other expenses	128,790	171,361	118,238	264,833	936,837	844,918	411,176	658,992	444,253
Total expenses	764,670	1,153,951	1,163,129	1,534,315	5,693,066	6,434,259	590,424	994,957	670,898
Annual surplus (deficit)	\$ (29,388)	\$ -	\$ -	\$ (5,000)	\$ (68,891)	\$ 983,559	\$ -	\$ -	\$ (537)

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

20. Segmented information, continued

	Housing		Community Services			Social Services			2021 Actual
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	
Revenues									
Indigenous Services Canada	\$ 111,600	\$ 777,726	\$ 484,635	\$ 110,463	\$ 6,603,020	\$ 1,978,598	\$ 3,183,823	\$ 4,055,742	\$ 3,759,664
First Nation Development Funds	-	102,323	117,169	-	167,878	133,531	-	-	-
Other revenue	813,076	836,148	674,283	1,333,144	1,811,426	834,941	524,897	519,213	676,605
Total revenue	924,676	1,716,197	1,276,087	1,443,607	8,582,324	2,947,070	3,708,720	4,574,955	4,436,269
Expenses									
Wages and benefits	114,704	26,800	92,473	265,349	425,268	815,641	838,000	759,922	785,498
Supplies	-	1,148	-	5,700	5,393	15,408	32,500	18,371	24,919
Repairs and maintenance	308,272	276,695	341,889	53,800	23,669	31,652	16,000	37,056	182,928
Program costs	-	240,171	288,356	1,742,500	7,748,509	1,093,133	96,299	447,101	72,646
Social Assistance	-	-	-	-	-	-	2,058,365	2,906,202	2,711,444
Other expenses	501,700	254,347	206,109	173,273	379,485	991,236	670,397	406,303	862,088
Total expenses	924,676	799,161	928,827	2,240,622	8,582,324	2,947,070	3,711,561	4,574,955	4,639,523
Annual surplus (deficit)	\$ -	\$ 917,036	\$ 347,260	\$ (797,015)	\$ -	\$ -	\$ (2,841)	\$ -	\$ (203,254)

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

20. Segmented information, continued

	Band Government		Public Works		Other		2021 Actual	
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2021 Actual	2022 Budget	2022 Actual	
Revenues								
Indigenous Services Canada	\$ 753,032	\$ 1,255,919	\$ 724,572	\$ 548,521	\$ 4,130,960	\$ 2,039,462	\$ 467,407	\$ 267,293
First Nation Development Funds	80,000	120,000	84,339	-	-	-	24,278	46,626
Other revenue	1,037,072	1,237,596	1,593,673	-	37,675	141,281	550,000	2,904,713
Total revenue	1,870,104	2,613,515	2,402,584	548,521	4,168,635	2,180,743	550,000	3,396,398
Expenses								
Wages and benefits	1,032,247	1,024,164	838,762	237,018	308,885	195,187	-	195,938
Supplies	5,000	15,135	6,417	4,000	1,353	2,051	-	7,736
Repairs and maintenance	71,500	45,361	41,531	110,000	88,716	1,283,708	-	14,051
Program costs	-	98,340	182,052	-	36,031	9,000	-	112,701
Education and tuition fees	-	1,020	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	2,605,482
Other expenses	1,244,600	1,429,495	1,329,229	58,749	400,474	320,880	67,000	2,001,068
Total expenses	2,353,347	2,613,515	2,397,991	409,767	835,459	1,810,826	67,000	3,304,567
Annual surplus (deficit)	\$ (483,243)	\$ -	\$ 4,593	\$ 138,754	\$ 3,333,176	\$ 369,917	\$ 483,000	\$ 91,831
								753,811

Louis Bull Tribe

Notes to Consolidated Financial Statements

March 31, 2022

20. Segmented information, continued

	2022 Budget	Amortization		2021 Actual	2022 Budget	Trust Funds		2021 Actual	2022 Budget	Consolidated totals	
		2022 Actual	2021 Actual			2022 Actual	2021 Actual			2022 Actual	2021 Actual
Revenues											
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,981,727	\$ 24,177,771	\$ 17,485,541	
First Nation Development Funds	-	-	-	-	-	-	-	\$ 80,000	\$ 444,855	\$ 395,905	
Other revenue	-	-	-	-	-	147,294	102,134	\$ 4,838,922	\$ 8,349,774	\$ 8,175,964	
Total revenue	-	-	-	-	-	147,294	102,134	11,900,649	32,972,401	26,057,410	
Expenses											
Wages and benefits	-	-	-	-	-	-	-	\$ 3,490,371	\$ 5,506,472	\$ 6,264,264	
Amortization	-	1,937,029	1,896,168	-	-	-	-	-	1,937,029	1,896,168	
Supplies	-	-	-	-	-	-	-	\$ 61,700	\$ 819,831	\$ 658,486	
Repairs and maintenance	-	-	-	-	-	-	-	\$ 601,072	\$ 565,419	\$ 2,240,548	
Program costs	-	-	-	-	-	-	-	\$ 2,395,756	\$ 10,521,029	\$ 3,775,724	
Social Assistance	-	-	-	-	-	-	-	\$ 2,058,365	\$ 2,906,202	\$ 2,711,444	
Education and tuition fees	-	-	-	-	-	-	-	\$ 468,600	\$ 621,567	\$ 711,549	
Cost of sales	-	-	-	-	-	-	-	-	\$ 2,605,482	\$ 2,001,068	
Other expenses	-	-	-	-	-	-	-	\$ 3,520,518	\$ 5,005,953	\$ 5,336,844	
Total expenses	-	1,937,029	1,896,168	-	-	-	-	12,596,382	30,488,988	25,596,095	
Annual surplus (deficit)	\$ -	\$ (1,937,029)	\$ (1,896,168)	-	\$ 147,294	\$ 102,134	\$ (695,733)	\$ 2,483,413	\$ 461,315		