

Lubicon Lake Band No. 453
Consolidated Financial Statements
March 31, 2021

Lubicon Lake Band No. 453

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Lubicon Lake Band No. 453

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the **Lubicon Lake Band No. 453** are the responsibility of management and have been approved by the Chief and Council.

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

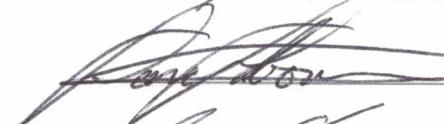
The Lubicon Lake Band No. 453 maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

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

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.



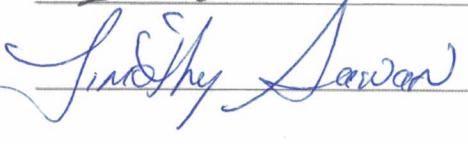
Chief



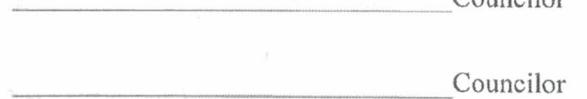
Councilor



Councilor



Councilor



Councilor

Allan J. Grykuliak, CPA, CA*
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INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Opinion

We have audited the consolidated financial statements of **Lubicon Lake Band No. 453** (the Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the results of its operations, changes in its net financial assets and cash flows for the years 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 financial position of the Lubicon Lake Band No. 453 as at March 31, 2021, the results of its operations, changes in its net financial assets and its 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

INDEPENDENT AUDITORS' REPORT - continued

- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA.

11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

June 15, 2022

Chartered Professional Accountants

Lubicon Lake Band No. 453
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	561,714	1,196,420
Restricted cash and cash equivalents (Note 2)	10,642,639	11,113,193
Investments (Note 3)	92,522,259	82,841,181
Accounts receivable (Note 4)	4,686,946	6,877,264
Investment in First Nation controlled entities (Note 5)	3,107,020	905,819
	111,520,578	102,933,877
LIABILITIES		
Accounts payable (Note 6)	2,028,078	1,195,198
Deferred contributions (Note 7)	18,732,805	19,992,460
Long-term liability (Note 8)	429,047	-
	21,189,930	21,187,658
NET FINANCIAL ASSETS	90,330,648	81,746,219
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	32,568,056	20,293,882
Prepaid expenses	54,423	113,918
	32,622,479	20,407,800
ACCUMULATED SURPLUS (Schedule 1 and Note 12)	122,953,127	102,154,019

Approved by the First Nation:



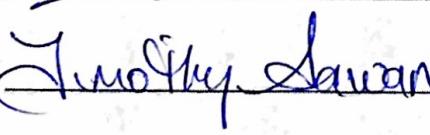
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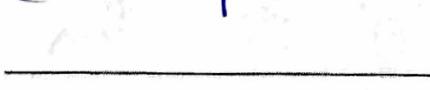
Councilor



Councilor



Councilor



Councilor



Councilor

The accompanying notes form part of these financial statements.

Lubicon Lake Band No. 453
Consolidated Statement of Financial Activities
For the year ended March 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
REVENUE			
Indigenous Services Canada	2,580,779	12,728,992	23,095,794
Land Claim Trust Funds	-	6,357,972	3,746,825
Alberta Government Grant	110,000	130,671	32,707
First Nations Development Fund	-	239,702	395,261
Health Canada	-	3,253,700	1,860,892
Aboriginal Skills and Employment Training Strategy	-	104,596	135,344
Other revenue	30,000	1,763,085	1,816,018
Investment income (loss)	-	-	(2,181,541)
Revenue deferred from previous period	-	19,992,460	8,130,603
Revenue deferred to subsequent period	-	(18,732,806)	(19,992,460)
	2,720,779	25,838,372	17,039,443
EXPENDITURES			
Administration and Governance	1,823,112	3,983,191	3,566,322
Alberta Government Programs	-	47,331	446,908
Consultation	140,000	126,794	135,046
Capacity Build	-	857	497
Covid-19	-	788,052	123,304
Economic Development	90,000	1,155,618	89,145
Education	702,233	1,004,552	701,886
First Nations Development Fund	-	241,858	446,760
Gas Bar Feasibility	-	-	41,021
Health	-	3,306,203	1,804,339
Housing	-	1,879,949	1,240,795
Indigenous Skills Employment & Training	-	115,427	82,056
Integrated Employment Training Program	-	-	592,642
Leadership Program	-	130,667	152,779
Professional and Institutional Development Program	-	28,192	82,411
Public Works	-	849,707	825,697
Sawmill/Tiny Homes Feasibility	-	-	99,498
Social Services	-	939,305	1,221,550
Ventures Training Centre	-	578,973	509,301
Work Camp Feasibility	-	-	39,246
Trust fund expenditures	-	-	4,658,116
	2,755,345	15,176,676	16,859,319
Excess of Revenue Over Expenditures			
- Before Other Revenue (Expenditures)	(34,566)	10,661,696	180,124
Other Revenue (Expenditures)			
Amortization	-	(1,487,004)	(1,196,765)
EXCESS OF REVENUE OVER EXPENDITURES	(34,566)	9,174,692	(1,016,641)

The accompanying notes form part of these financial statements.

Lubicon Lake Band No. 453
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
EXCESS OF REVENUE OVER EXPENDITURES	-	20,799,108	(802,841)
Acquisition of tangible capital assets	-	(15,328,163)	(8,779,251)
Proceeds on disposal of tangible capital assets	-	1,589,495	297,785
Amortization of tangible capital assets	-	1,643,702	1,196,769
Gain on disposal of tangible capital assets	-	(179,208)	-
	-	(12,274,174)	(7,284,697)
Acquisition of prepaid assets	-	(54,421)	(113,918)
Use of prepaid assets	-	113,918	268,692
	-	59,497	154,774
INCREASE (DECREASE)IN NET FINANCIAL ASSETS	-	8,584,431	(7,932,764)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	81,746,219	81,746,219	89,678,983
NET FINANCIAL ASSETS, END OF YEAR	81,746,219	90,330,650	81,746,219

Lubicon Lake Band No. 453

Consolidated Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	36,261,769	26,986,805
Cash paid to suppliers and employees	(12,175,129)	(15,936,117)
	24,086,640	11,050,688
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term liability obtained	450,000	-
Long-term liability repaid	(20,953)	(7,959,658)
	429,047	(7,959,658)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments	(9,681,078)	(71,468,269)
Increase in investment in First Nation controlled entities	(2,201,201)	(161,971)
Tangible capital assets acquired	(15,328,163)	(8,779,251)
Proceeds on disposal of capital assets	1,589,495	-
	(25,620,947)	(80,409,491)
DECREASE IN CASH DURING THE YEAR	(1,105,260)	(77,318,461)
CASH, BEGINNING OF YEAR	12,309,613	89,628,074
CASH, END OF YEAR	11,204,353	12,309,613
Cash if comprised of:		
Cash	561,714	1,196,420
Restricted cash	10,642,639	11,113,193
	11,204,353	12,309,613

Lubicon Lake Band No. 453

Consolidated Statement of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2021

	2021	2020				
	Unrestricted Surplus	Equity in Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	2021	2020
Balance, Beginning of Year	(896,621)	20,293,882	905,818	81,850,940	102,154,019	102,956,860
Excess of revenue over expenditures	9,174,692	-	181,156	2,006	9,357,854	(802,841)
Excess of revenue over expenditures - Trust Funds	-	-	-	15,492,734	15,492,734	-
Investment funds transferred to operations	1,948,520	-	-	(6,000,000)	(4,051,480)	-
Current years funds used for tangible capital assets	(15,328,163)	15,328,163	-	-	-	-
Disposal of tangible capital assets	1,410,287	(1,410,287)	-	-	-	-
Annual amortization expense	1,643,702	(1,643,702)	-	-	-	-
Long-term liabilities obtained	450,000	(450,000)	-	-	-	-
Long-term liabilities repaid	(20,953)	20,953	-	-	-	-
Transfer	(2,020,046)	-	2,020,046	-	-	-
Change in accumulated surplus	(2,741,961)	11,845,127	2,201,202	9,494,740	20,799,108	(802,841)
Balance, End of Year	(3,638,582)	32,139,009	3,107,020	91,345,680	122,953,127	102,154,019

Lubicon Lake Band No. 453

Consolidated Statement of Tangible Capital Assets - Schedule 2

For the year ended March 31, 2021

	Land	Automotive	Buildings & Infrastructure	Housing	Furniture & Equipment	2021	2020
	\$	\$	\$	\$	\$	\$	\$
COST:							
Balance, Beginning of Year	-	968,984	5,366,929	13,700,614	3,773,505	23,810,032	15,467,294
Acquisition of tangible capital assets	2,383,681	52,123	10,349,887	2,148,494	-	15,328,163	8,779,251
Disposal of tangible capital assets	-	-	-	-	(1,566,986)	(1,566,986)	(436,513)
Balance, End of Year	2,383,681	1,021,107	15,716,816	15,849,108	2,600,497	37,571,209	23,810,032
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	-	646,870	579,522	1,608,527	681,231	3,516,150	2,458,107
Annual amortization	-	104,452	576,116	569,623	393,511	1,643,702	1,196,769
Accumulated amortization on disposals	-	-	-	-	(156,699)	(156,699)	(138,726)
Balance, End of Year	-	751,322	1,155,638	2,178,150	918,043	5,003,153	3,516,150
NET BOOK VALUE	2,383,681	269,785	14,561,178	13,670,958	1,682,454	32,568,056	20,293,882
2020 NET BOOK VALUE	-	322,114	4,787,407	12,092,087	3,092,274	20,293,882	

The accompanying notes form part of these financial statements.

Lubicon Lake Band No. 453

Consolidated Statement of Financial Activities by Program - Schedule 3

For the year ended March 31, 2021

	ISC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2020 Surplus (Deficit) \$
Administration and Governance	1,344,610	4,956,023	6,300,633	3,983,191	2,317,442	1,066,719
Alberta Government Programs - Consultation	-	126,210	126,210	126,794	(584)	(54,546)
Alberta Government Programs - Integrated Employment Training Program	-	-	-	-	-	(268,765)
Alberta Government Programs - Other	7,224,474	1,751,377	8,975,851	47,331	8,974,994	92,994
Capital Build	1,537,964	(749,912)	788,052	857	-	5,662,746
Covid-19	55,434	500,000	555,434	788,052	-	-
Economic Development	187,154	726,876	914,030	1,155,618	(600,184)	(33,711)
Education	-	289,199	289,199	1,004,552	(90,522)	7,259
First Nation Development Fund	-	-	-	241,858	47,341	-
Gas Bar Feasibility	-	-	-	-	-	(21)
Health Services	496,580	3,232,044	3,306,203	(74,159)	3,620	-
Housing	-	1,391,284	1,887,864	1,879,949	7,915	(404,042)
Indigenous Employment & Training Services	-	104,617	104,617	115,427	(10,810)	(442)
Leadership Program	-	150,000	150,000	130,667	19,333	97,221
Professional and Institutional Development Program	384,035	22,719	22,719	28,192	(5,473)	-
Public Works	-	321,049	705,084	849,707	(144,623)	1,240,549
Sawmill/Tiny Homes Feasibility	1,498,741	(559,436)	939,305	939,305	-	(23)
Social Services	-	800,000	800,000	578,973	221,027	120,170
Ventures Training Centre	-	-	-	-	-	(509,301)
Work Camp Feasibility	-	-	-	-	-	(646)
Land Settlement Trust	-	-	-	-	-	(6,839,657)
	12,728,992	13,109,381	25,838,373	15,176,676	10,661,697	180,124

The accompanying notes form part of these financial statements.

Lubicon Lake Band No. 453
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2021

	2021	2020
	\$	\$
EXPENDITURES		
Advertising	-	524
Bank charges	15,468	20,970
Contractors	1,521,125	1,733,486
Community special events	184,692	303,915
Equipment	128,839	87,319
Honorarium	92,780	95,655
Insurance	392,076	208,987
Material and supplies	1,359,786	566,856
Meeting costs	40,042	43,986
Office	67,836	59,198
Professional fees	344,706	664,192
Program expense	2,179,802	7,092,176
Rent	-	73,587
Repairs and maintenance	600,578	185,879
Training	1,323,388	95,707
Travel	786,812	1,210,521
Telephone and utilities	737,199	699,530
Wages and employee benefits	5,401,547	3,716,831
TOTAL EXPENDITURES	15,176,676	16,859,319

Lubicon Lake Band No. 453
Notes to the Consolidated Financial Statements
March 31, 2021

NATURE OF OPERATIONS

Lubicon Lake Band provides local government, education and social development services to its members and was established under the Indian Act (Canada)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements include the assets, liabilities, and results of operations of Lubicon Lake Band (the "Band") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Band members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

(a) Fund Accounting

The Lubicon Lake Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Lubicon Lake Band maintains the following funds:

- The Operating Fund which reports the general activities of the Band Administration.
- The Tangible Capital Assets Fund which reports the capital assets of the Band, together with their related financing.
- The Trust Fund which reports on trust funds owned by the Band and held by third parties.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

(c) Investment in Controlled Entities

Investments in wholly-owned incorporated subsidiaries of Lubicon Lake Band are accounted for by the equity method. The equity method initially records the investment at cost and the carrying value thereafter is adjusted for the investor's pro-rata share of post acquisition earnings or losses of the subsidiary. Lubicon Lake Band owns the following subsidiary:

- 1769919 Alberta Ltd.
- Lubicon Lake Forestry

(d) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

Lubicon Lake Band No. 453
Notes to the Consolidated Financial Statements
March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Revenue Recognition

Government transfers and grant revenue are recognized as the Band becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

	Rate
Automotive	30%
Buildings and infrastructure	4%
Housing	4%
Furniture and equipment	20%

Annual amortization is charged in the year of acquisition and not in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(g) Trust Funds

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Band trust funds are included as revenue in these statements only to the extent they have been received from the Band's trust funds. The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

(h) Financial Instruments

The Band initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

Lubicon Lake Band No. 453
Notes to the Consolidated Financial Statements
March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Financial Instruments - continued

Credit Risk

The Band is exposed to credit risk to the extent of non-collection of accounts receivable. Management is of the opinion that the risk of non-collection of accounts receivable is low since the majority of accounts receivable are from the Government of Canada.

Market Risk

The Band is exposed to risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Band has reduced this risk with the development of detailed investment risk policy and the use of several investment managers.

Currency Risk

The Band is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Interest Rate Risk

The Band is exposed to risk that the fair value of financial instruments or future cashflows associated with the instrument will fluctuate due to changes in market interest rates.

(i) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible and intangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the revenue and expenses in the years in which they become known. Actual results could differ from those estimates.

Lubicon Lake Band No. 453

Notes to the Consolidated Financial Statements

March 31, 2021

2. RESTRICTED CASH AND CASH EQUIVALENT

	2021 \$	2020 \$
Trust Funds		
Band Capital	29,392	29,392
Band Revenue	132,305	130,298
Funds in trust with lawyer	977,057	668,104
RBC - Capital Build bank account	<u>9,503,885</u>	<u>10,285,399</u>
	<u>10,642,639</u>	<u>11,113,193</u>

3. INVESTMENTS

	2021 \$	2020 \$
RBC Investor and Treasury Services	90,191,159	77,488,956
Royal Bank of Canada - GIC - School Enhancement	-	1,514,625
Royal Bank of Canada - GIC	500,000	2,006,500
Water share purchase - at cost	<u>1,831,100</u>	<u>1,831,100</u>
	<u>92,522,259</u>	<u>82,841,181</u>

The Royal Bank of Canada - GIC is earning interest at 0.30% per annum, maturing on January, 2022.

The amounts of unrealized gains (losses) included in these fair values are \$9,750,043 (2020 - (\$5,770,405)). The difference between the opening and closing unrealized amounts are a gain of \$15,520,449 and have been recorded to income.

The investment portfolio consist mainly of common stocks and equivalents and a small amount of cash. Trust funds can only be invested in approved bonds or securities,

The trust agreement allows the Band to access up to 85% of the net income earned in trust investment accounts and use these funds for the Band's operations.

The Water share purchase represents a 12% investment in NEW Water Ltd. which aims to provide clean drinking water to the community through a collaboration of several surrounding municipalities and First Nations communities.

4. ACCOUNTS RECEIVABLE

	2021 \$	2020 \$
Kee Tas Kee Now Tribal Council	3,544,150	6,566,287
Kee Tas Kee Now Tribal Council - Child & Family Services	152,205	-
Alberta Government grant	219,337	116,803
Community members	71,609	22,420
Other	<u>699,645</u>	<u>171,754</u>
	<u>4,686,946</u>	<u>6,877,264</u>

The accompanying notes form part of these financial statements.

Lubicon Lake Band No. 453
Notes to the Consolidated Financial Statements
March 31, 2021

5. INVESTMENTS IN BAND CONTROLLED ENTITIES

	2021	2020
	\$	\$
1769919 Alberta Ltd. (Venture) - 100% interest		
Shares	100	100
Advances	3,080,982	1,060,937
Accumulated surplus (deficit) in earnings	50,897	(130,350)
	3,131,979	930,687
Lubicon Lake Forestry - 100% interest		
Shares	100	100
Accumulated surplus (deficit) in earnings	(25,059)	(24,968)
	(24,959)	(24,868)
Total investment in controlled entities	3,107,020	905,819

Unaudited financial information for each of the entities for their respective March 31, 2021 years ended are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Lubicon Lake Band Ventures Ltd.	5,193,365	5,142,368	5,988,685	181,247
1987889 Alberta Ltd. - Forestry	145	25,104	-	(91)

6. ACCOUNTS PAYABLE

	2021	2020
	\$	\$
Trade	1,538,078	705,198
Trust distributions	490,000	490,000
	2,028,078	1,195,198

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Notes to the Consolidated Financial Statements

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7. DEFERRED CONTRIBUTIONS

	2021 \$	2020 \$
Administration and Governance		
Trust funds	3,320,500	3,149,388
Alberta Government		
Alberta Government Programs - Other		
Climate leadership project	52,462	99,793
Capacity Build		
KTC - Housing	3,717,600	5,793,595
KTC - Environmental remediation	1,575,890	-
KTC - Cultural access road	6,695,449	7,954,404
KTC - Gas Feasibility study	23,000	23,000
Indigenous Services Canada	810,895	750,000
Covid - 19		
Indigenous Services Canada	1,161,608	401,696
First Nation Development Fund		49,498
Health Canada		
Jordan's Principle	237,539	287,293
Maternal Child Health	110,363	-
Covid-19	256,898	-
Canada Prenatal Nutrition Program	7,526	-
Communicable Disease Emergencies Initiative	4,172	-
Housing		
KTC - Little Buffalo lot purchase	50,000	1,080,000
Aboriginal Skills and Employment Training Strategy		
KTC - ISETS	149,466	89,487
Professional and Institutional Development		
Indigenous Services Canada	-	22,718
Public Works		
KTC - New Water share purchase	-	68,900
KTC - Public Works equipment	-	222,688
Social Services		
Basic Needs	521,646	-
Special Needs	30,679	-
Child out of Parental Home	100	-
In-Home Care	100	-
Service Delivery	1,480	-
Case Management Capacity	5,432	-
	18,732,805	19,992,460

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8. LONG-TERM LIABILITY

	2021 \$	2020 \$
RBC loan is repayable in monthly installments of \$8,096 with interest at 3.05%, due December 2025.	429,047	-
Interest paid on long-term liabilities amounted to \$3,335 (2020 - \$nil) during the year.		

Future minimum principal repayments required to meet existing obligations are as follows:

	\$
2022	85,248
2023	87,884
2024	90,603
2025	93,405
2026	71,907
	429,047

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2021 \$	2020 \$
Tangible capital assets (Schedule 2)	37,571,209	23,810,032
Accumulated amortization (Schedule 2)	(5,003,153)	(3,516,150)
Long-term liability (Note 8)	(429,047)	-
	32,139,009	20,293,882

10. EQUITY IN ENTERPRISE FUND

	2021 \$	2020 \$
Balance, beginning of year	905,818	743,848
Surplus from subsidiary companies	181,156	210,726
Advances to (from) controlled entities	2,020,046	(48,756)
Balance, end of year	3,107,020	905,818

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Notes to the Consolidated Financial Statements

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11. EQUITY IN TRUST FUND

Federal Funds

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	29,392	130,298	159,690
Earnings	-	2,006	2,006
Balance, end of year	<u>29,392</u>	<u>132,304</u>	<u>161,696</u>

Land Claim Funds

	2021 \$	2020 \$
Balance, beginning of year	81,691,250	90,324,356
Dividend income	2,007,800	3,588,864
Realized capital gains	2,221,032	-
Unrealized capital gains (losses)	15,520,449	(6,286,554)
Foreign exchange loss	(3,410,568)	-
Expenditures	(343,175)	(279,697)
Transfer to Lubicon First Nation	(6,000,000)	(3,746,825)
Distributions to minors	(502,804)	(631,594)
Purchase of 4 plex	-	(1,277,300)
Balance, end of year	<u>91,183,984</u>	<u>81,691,250</u>
Total Trust Funds	91,345,680	81,850,940

12. ACCUMULATED SURPLUS

	2021 \$	2020 \$
Unrestricted surplus (deficit)	(3,638,582)	(896,621)
Equity in tangible capital assets	32,139,009	20,293,882
Equity in enterprise fund	3,107,020	905,818
Equity in trust funds	<u>91,345,680</u>	<u>81,850,940</u>
	122,953,127	102,154,019

13. LEASE COMMITMENTS

(a) The office lease with Williams Scotsman Canada is for five years commencing September 1, 2016 and requires monthly payments \$4,500.

(b) The 5,000 gallon water tank lease with Williams Scotsman Canada is for five years commencing September 1, 2016 and requires monthly payments \$3,100.

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14. RELATED PARTY TRANSACTIONS

During the year the Nation received management fees in the amount of \$800,000 (2020 - \$nil) from 1769919 Alberta Ltd. (Lubicon Lake Ventures).

1769919 Alberta Ltd. (Lubicon Lake Ventures) is a wholly owned subsidiary of Lubicon Lake Band.

This transaction is in the normal course of business and is measured at the exchange amount being the amount of consideration established and agreed to by the related parties.

15. CONTINGENT LIABILITIES

During the year, proceedings were instituted against the Nation in the amount of \$10,700,000,000. The Nation has contested this claim. The possible outcome and settlement amount from this claim are currently unknown. Therefore, no provision has been recognized in the financial statements.

16. FINANCIAL RISKS

As of the date of these consolidated financial statements, mandatory public health measures remain in place in Alberta to prevent the spread of COVID-19. The extent to which COVID-19 impacts the Nation's results will depend on future developments, which are highly uncertain and cannot be predicted and will be dependent upon new information such as the severity of COVID-19 and actions taken to contain this or its impact, among others.