

**Hatchet Lake Denesuline Nation
Consolidated Financial Statements
March 31, 2023**

Hatchet Lake Denesuline Nation
Consolidated Financial Statements
March 31, 2023

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Hatchet Lake Denesuline Nation
Management's Responsibility for Financial Reporting
March 31, 2023

To the Members of Hatchet Lake Denesuline Nation:

The accompanying consolidated financial statements of Hatchet Lake Denesuline Nation 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.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Chalupiak & Associates CPA Professional Corporation, 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 Hatchet Lake Denesuline Nation and meet when required.

On behalf of Hatchet Lake Denesuline Nation:

Signature on file

Hatchet Lake Denesuline Nation

October 30, 2024

Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants

3261 Saskatchewan Drive

Regina, Saskatchewan S4T 6S4

Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of
Hatchet Lake Denesuline Nation

Opinion

We have audited the consolidated financial statements of Hatchet Lake Denesuline Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, accumulated surplus, change in net financial assets 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 Denesuline Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated accumulated surplus, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Denesuline Nation 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 Denesuline Nation'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 Denesuline Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (TCWG) are responsible for overseeing the Denesuline Nation's financial reporting process.

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 Denesuline Nation'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 Denesuline Nation'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 Denesuline Nation 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.
- ◆ 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.

Regina, Saskatchewan
November 4, 2024

Chalupiak & Associates
CPA Professional Corporation
Chartered Professional Accountants

Hatchet Lake Denesuline Nation
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Financial Assets		
Cash & cash equivalents (Note 3)	\$ 5,657,568	\$ 3,489,708
Restricted cash - capital projects (Note 3)	8,839,763	13,604,170
Restricted cash - CMHC reserves (Note 3)	963,822	959,852
Trust funds held by federal government (Notes 3 and 4)	24,017	23,664
Accounts receivable (Notes 5 and 6)	2,658,830	2,437,863
Due from Hatchet Lake Development Limited Partnership (Note 12)	652	-
Investments in government business enterprises (Notes 7 and 8)	38,855,364	35,509,190
	<hr/> 57,000,016	<hr/> 56,024,447
Liabilities		
Bank indebtedness (Note 9)	57,099	-
Accounts payable (Note 10)	1,870,212	4,675,899
Deferred revenue (Note 11)	18,590,897	16,503,433
Due to Hatchet Lake Development Limited Partnership (Note 12)	-	5,863
Loans payable (Note 13)	1,546,245	1,973,470
Current portion of long-term debt (Note 14)	23,237	98,119
Current portion of CMHC mortgages (Note 15)	514,049	463,400
Long-term debt (Note 14)	43,326	248,526
CMHC mortgages (Note 15)	5,778,892	5,868,216
	<hr/> 28,423,957	<hr/> 29,836,926
Net financial assets	<hr/> 28,576,059	<hr/> 26,187,521
Non-financial Assets		
Capital assets (Note 16)	64,411,972	53,665,961
Prepaid expenses (Note 17)	77,470	137,823
Inventory (Note 18)	405,797	390,934
	<hr/> 64,895,239	<hr/> 54,194,718
Accumulated Surplus (Note 19)	<hr/> \$ 93,471,298	<hr/> \$ 80,382,239

Approved on behalf of the Hatchet Lake Denesuline Nation:

Signature of file

Signature on file

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 14,153,263	\$ 25,989,133	\$ 26,805,463
Canada Mortgage and Housing Corporation (CMHC)	597,884	625,453	1,327,199
Prince Albert Grand Council (PAGC)	403,519	2,289,281	1,570,969
First Nations Trust (FNT)	668,500	706,749	311,484
Federation of Sovereign Indigenous Nations (FSIN)	-	17,000	33,000
Athabasca Denesuline Education Authority (ADEA)	-	345,047	494,317
Government of Saskatchewan	-	25,000	-
Northern Lights Community Development Corp. (NLCDC)	-	107,500	35,000
Northern Sport Culture & Recreation District	56,055	55,918	40,362
Equity pickup (losses) - government business enterprises	-	3,386,174	3,577,780
Impact Benefit Agreement (IBA)	-	107,760	44,396
User fees	-	8,027	9,189
Rental revenue	232,400	261,777	254,690
Other revenue	11,671,158	1,304,930	924,394
Deferred revenue - prior year	5,378,724	16,503,433	12,537,593
Deferred revenue - current period	-	(18,590,897)	(16,503,433)
	<hr/> 33,161,503	<hr/> 33,142,285	<hr/> 31,462,403
Expenses			
Treaties and Indigenous Government (Schedule 1)	285,000	338,561	-
Community Infrastructure (Schedule 2)	14,970,511	2,007,291	1,794,565
Economic Development (Schedule 3)	84,959	41,432	76,411
Education (Schedule 4)	145,919	1,505,218	1,478,950
Indigenous Government Support (Schedule 5)	1,146,314	2,953,156	3,880,404
Land Management (Schedule 6)	12,464	12,464	12,464
Social Development (Schedule 7)	2,570,017	6,606,908	4,763,213
Registration & Membership (Schedule 8)	19,974	19,974	14,974
Governance and Institutions of Governance (Schedule 9)	250,181	196,115	196,206
Health Services (Schedule 10)	973,173	2,223,671	1,981,576
CMHC Housing (Schedule 11)	-	319,283	260,881
Other Band Programs (Schedule 12)	-	1,909,473	294,689
Amortization (Schedule 13)	-	1,919,682	1,795,470
	<hr/> 20,458,512	<hr/> 20,053,228	<hr/> 16,549,803
Current surplus	\$ 12,702,991	\$ 13,089,057	\$ 14,912,602

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2023

	2023	2022
Surplus at beginning of year	\$ 80,382,239	\$ 65,469,637
Current surplus	<u>13,089,057</u>	<u>14,912,602</u>
Surplus at end of year	<u>\$ 93,471,296</u>	<u>\$ 80,382,239</u>

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Current surplus	\$ 12,702,991	\$ 13,089,057	\$ 14,912,602
Acquisition of capital assets	- (12,665,691)	(11,790,336)	
Amortization of capital assets	- 1,919,682	1,795,471	
	-	(10,746,009)	(9,994,865)
Acquisition of prepaid asset	- (77,470)	(137,823)	
Use of prepaid asset	- 137,823	11,902	
	-	60,353	(125,921)
Acquisition of inventory	- (405,797)	(390,934)	
Use of inventory	- 390,934	277,907	
	-	(14,863)	(113,027)
Increase (decrease) in net financial assets	12,702,991	2,388,538	4,678,789
Net financial assets at beginning of year	26,187,521	26,187,521	21,508,732
Net financial assets at end of year	\$ 38,890,512	\$ 28,576,059	\$ 26,187,521

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash flows from Operating activities		
Current surplus	\$ 13,089,057	\$ 14,912,602
Items not affecting cash		
Amortization	1,919,682	1,795,470
Loss (earnings) from investment in business partnerships	(3,386,091)	(3,577,741)
Loss (earnings) from investment in incorporated businesses	(83)	(39)
	<u>11,622,565</u>	<u>13,130,292</u>
Change in non-cash operating working capital		
Accounts receivable	(220,967)	(1,719,321)
Inventory	(14,863)	(113,027)
Prepaid expenses	60,353	(125,921)
Accounts payable	(2,805,686)	3,493,189
Deferred revenue	2,087,464	3,983,717
Trust funds held by federal government	(353)	(447)
Due from Hatchet Lake Development Limited Partnership	(652)	-
Due to Hatchet Lake Development Limited Partnership	(5,863)	(22,941)
	<u>10,721,998</u>	<u>18,625,541</u>
Capital activities		
Acquisition of capital assets	(12,665,692)	(11,790,336)
Financing activities		
Long-term debt - repayment	(280,082)	(88,617)
Long-term debt - proceeds	-	97,763
CMHC mortgages - repayment	(485,397)	(437,889)
CMHC mortgages - advances	446,722	778,712
Loans payable - repayment	(427,225)	(1,107,224)
	<u>(745,982)</u>	<u>(757,255)</u>
Investing activities		
Withdrawals from business partnerships	40,000	60,000
Restricted cash - CMHC	(3,970)	(98,356)
	<u>36,030</u>	<u>(38,356)</u>
Increase in cash and cash equivalents	(2,653,646)	6,039,594
Cash, beginning of year	17,093,878	11,054,284
Cash, end of year	\$ 14,440,232	\$ 17,093,878
Represented by		
Cash & cash equivalents	\$ 5,657,568	\$ 3,489,708
Restricted cash - capital projects	8,839,763	13,604,170
Bank indebtedness	(57,099)	-
	<u>\$ 14,440,232</u>	<u>\$ 17,093,878</u>

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

1. Operations

The Hatchet Lake Denesuline Nation (the "Denesuline Nation") is located in the province of Saskatchewan, Canada and provides various services to its members. These financial statements include Hatchet Lake Denesuline Nation's government and all related entities that are accountable to the Denesuline Nation and are either owned or controlled by the Denesuline Nation.

The office of the Denesuline Nation is physically located on Lac la Hache I.R. 220 and their mailing address is P.O. Box 183, Wollaston Lake, Saskatchewan, S0J 3C0, Canada.

2. 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.

(a) Reporting entity

The Hatchet Lake Denesuline Nation's reporting entity includes the Hatchet Lake Denesuline Nation's government and all related entities that are controlled by the Denesuline Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Hatchet Lake Denesuline Nation's investment in the government business enterprise and the enterprise's net income (loss) and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Hatchet Lake Denesuline Nation.

Organizations accounted for on a modified equity basis include:

Hatchet Lake Denesuline First Nation Economic Development Corporation;
Hatchet Lake Development Limited Partnership;
Waterfound Development Limited Partnership; and,
Waterfound Development Corporation.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale.

(d) Net financial assets

The financial statements are presented so as to highlight the net financial assets as the measurement of financial position. The net financial assets are determined by its financial assets less liabilities. Net financial assets do not include non-financial assets. Non-financial assets include capital assets, prepaid expenses and inventory.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(e) Other economic interests

The Denesuline Nation does not share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Hatchet Lake Denesuline Nation.

The Denesuline Nation is a member of the Prince Albert Grand Council (PADC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The Denesuline Nation is a member of the Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. (Athabasca Denesuline Child and Family Services Inc. or "ADCFS"). ADCFS is an organization of three Nations. The mandate of ADCFS is to provide child and family protection and prevention services on reserve to the three member Nations.

The Denesuline Nation is a member of the Athabasca Enterprise Region Corporation ("AERC"; previously Athabasca Economic Development and Training Corporation). The AERC is an organization of three Nations and four municipalities. The AERC is mandated to maximize economic capacity and achieve business competitiveness for the region.

The Denesuline Nation is a member of the Athabasca Denesuline Education Authority ("ADEA"). ADEA is an organization representing the three Denesuline Nation Bands in the Athabasca Region of Saskatchewan, Canada. ADEA is mandated to provide all educational services from Pre-Kindergarten to Grade 12 for communities and schools.

The Denesuline Nation is a member of the Athabasca Denesuline Ne Ne Land Corporation (North of 60 or "ADNLC"). ADNLC is an organization formed to negotiate the settlement of a land claim North of the 60th parallel on behalf of three Nations.

The Denesuline Nation is a member of the Ya' thi Néné Lands and Resources Office ("Ya' thi Néné"). Ya' thi Néné is an organization formed to protect the lands and waters of the Athabasca Basin for the long-term benefit of its Denesuline First Nations and Athabasca communities.

(f) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Denesuline Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023. No contaminated sites have been identified as at March 31, 2023.

(g) Cash & cash equivalents

Cash & cash equivalents include balances with banks (net of bank overdrafts) and redeemable GIC's which are used to facilitate day to day operations.

(h) Restricted cash

Restricted cash consists of cash & cash equivalents held for specific purposes as defined by various agreements.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(i) Trust funds held by federal government

Funds earned and held in trust on behalf of Denesuline Nation members by the Government of Canada. Trust moneys consist of:

- Capital Trust moneys are Trust moneys that come from the sale of the First Nation's surrendered lands, from an interest in the land or from the sale of the First Nation's non-renewable resources; and,
- Revenue Trust moneys generated primarily through land leasing transactions or interest earned on deposits held in Trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

(j) 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 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 Hatchet Lake Denesuline Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives.

Buildings	10-25 years Straight line
Vehicles	3-10 years Straight line
Computer equipment	2-3 years Straight line
Heavy equipment	10 years Straight line
Equipment and furnishings	5 years Straight line
Infrastructure	25-40 years Straight line
Band housing	25 years Straight line
CMHC housing	25 years Straight line
Major renovations	10 years Straight line

Capital assets are written down when conditions indicate that they no longer contribute to Hatchet Lake Denesuline Nation's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(k) Asset retirement obligation

Accounting standard PS 3280, *Asset Retirement Obligation*, came into effect for fiscal years beginning after April 1, 2022.

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset at the financial statement date when there is a legal obligation for the Denesuline Nation to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Denesuline Nation reviews the carrying amount of the liability. The Denesuline Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset. The Denesuline Nation continues to review the possibility of a liability until it would be settled or otherwise extinguished. Disbursements made to settle the liability would be deducted from the reported liability when they are made.

(l) 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.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

2. Basis of presentation and significant accounting policies, continued

(m) Financial instruments

The Denesuline Nation recognizes its financial instruments when the Denesuline Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. The Denesuline Nation subsequently measures all financial instruments at cost. Transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost.

Financial instruments includes cash & cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities.

(n) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services, some funding agreements allow for a percentage of revenue to be allocated to cover these expenses. At the discretion of the Denesuline Nation, a corresponding revenue and expense may be recorded and referred to as "Administration fees - internal allocation."

(o) Use of estimates

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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 capital assets.

(p) Segment accounting

The Denesuline Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the Denesuline Nation's long-term objectives, aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

3. Cash & cash equivalents

Unrestricted cash: Bank accounts used to facilitate day to day normal operations.

Restricted cash: Bank accounts that are restricted to a specific purpose as per the terms of an existing agreement. In some cases, these accounts are controlled by a project manager.

Restricted cash - CMHC: Under the terms of an agreement with Canada Mortgage and Housing Corporation, Hatchet Lake Denesuline Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund and the Operating Reserve Fund.

Trust funds held by federal government: Revenues generated from land leases and/or head leases of reserve land are held in trust by the federal government for the benefit of the Hatchet Lake Denesuline Nation.

The Denesuline Nation holds multiple GIC's with CIBC ranging in value between \$10,000 and \$1.8 million, earning interest from 1.00% to 4.15%, maturing July 2023 to March 2024.

	2023	2022
Unrestricted cash		
General operations	\$ 143,691	\$ 1,801,624
General operations - GIC's	3,779,156	1,024,050
CMHC operations	989,804	236,989
Social development	744,917	427,045
	<hr/> 5,657,568	3,489,708
Restricted cash - capital projects		
School renovations	102,188	550,000
Subdivision	348,567	2,023,284
Teacherage assessment and renovations	153,283	-
High school renovations	306,566	-
Lagoon upgrade	1,423,849	1,841,439
Propane system study	682	665
School assessments	26,539	25,882
Solid waste new landfill	3,013,274	1,687,298
Seasonal road	3,464,815	7,475,602
	<hr/> 8,839,763	13,604,170
Restricted cash - CMHC		
CMHC replacement reserve - GIC's	963,822	959,852

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

3. Cash & cash equivalents, continued

Trust funds held by federal government			
Capital account	87	87	
Revenue account	23,930	23,577	
	<hr/>	<hr/>	
	24,017	23,664	
	<hr/>	<hr/>	
	\$ 15,485,170	\$ 18,077,394	
	<hr/>	<hr/>	

4. Trust funds held by federal government

The Trust funds held by federal government 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 are primarily governed by Sections 63 to 69 of the Indian Act.

	2023	2023	2023	2022
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 23,577	\$ 87	\$ 23,664	\$ 23,217
Interest earnings	353	-	353	447
Surplus, end of year	\$ 23,930	\$ 87	\$ 24,017	\$ 23,664

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

5. Accounts receivable

	2023	2022
Due from members		
Loans and advances to members - band general	\$ 191,648	\$ 165,416
Loans and advances to members - social development	277,302	271,021
Total due from members	468,950	436,437
Due from others		
Prince Albert Grand Council	1,600,283	807,959
Social development - rent, user fees & wood hauling	300	94,146
Athabasca Denesuline Education Authority	413,459	84,296
Northern Lights Community Development Corporation	105,000	42,477
Other receivables	68,033	55,017
GST receivable	22,133	262,951
Total due from others	2,209,208	1,346,846
Due from Government and other government organizations		
Indigenous Services Canada	341,332	225,500
CMHC - subsidy	50,374	47,071
CMHC - special contribution	-	760,000
Total due from government and other government organizations	391,706	1,032,571
Less: allowance for doubtful accounts	3,069,864	2,815,854
Total accounts receivable	\$ 2,658,830	\$ 2,437,863

6. Accounts receivable - ISC

	2023	2022
Service Delivery Infrastructure - PAYE	\$ 4,858	\$ -
SA Basic Needs - PAYE	318,094	-
SA Employment and Training - PAYE	-	225,500
Medical Transportation - PAYE	7,500	-
Medical Transportation	7,500	-
RLEMP - PAYE	1,035	-
Prenatal	2,345	-
Total accounts receivable - ISC	\$ 341,332	\$ 225,500

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

7. Investments in government business enterprises

Commercial enterprises are those organizations that meet the definition of a government business enterprise as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the Denesuline Nation's government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the Denesuline Nation government.

	2023	2022		
Hatchet Lake Denesuline First Nation Economic Development Corporation (HLDFNEDC) - 100%	\$ 198,788	\$ 198,756		
Waterfound Development Corp. (WDC) - 33.33%	1,912	1,861		
Hatchet Lake Development Limited Partnership (HLDLP) - 99.99%	37,311,315	34,092,870		
Waterfound Development LP (WDLP) - 33.33%	1,343,349	1,215,703		
	<hr/> <u>\$ 38,855,364</u>	<hr/> <u>\$ 35,509,190</u>		
	Investment, start of year	Withdrawals	Share of earnings	Investment, end of year
HLDFNEDC	\$ 198,756	\$ -	\$ 32	\$ 198,788
WDC	1,861	-	51	1,912
HLDLP	34,092,870	-	3,218,445	37,311,315
WDLP	1,215,703	(40,000)	167,646	1,343,349
	<hr/> <u>\$ 35,509,190</u>	<hr/> <u>\$ (40,000)</u>	<hr/> <u>\$ 3,386,174</u>	<hr/> <u>\$ 38,855,364</u>

The investment in Hatchet Lake Development Limited Partnership and its general partner, Hatchet Lake Denesuline First Nation Economic Development Corporation was established for the purposes of managing, evaluating and building its investments and operating its for-profit enterprises. Waterfound Development Limited Partnership and its general partner, Waterfound Development Corp. was established to hold investments with two other Denesuline Nation Partners.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

8. Investments in government business entities - summary

	March 31, 2023		December 31, 2022		Total 2023
	HL Economic Development Corporation	Hatchet Lake Development LP	Waterfound Development LP	Waterfound Development Corp	
	100%	99.99%	33.33%	33.33%	
Cash	\$ -	\$ 1,020,937	\$ 136,156	\$ -	\$ 1,157,093
Marketable securities	- -	31,510	-	-	31,510
Accounts receivable	- -	1,897,186	-	150	1,897,336
Inventory	- -	1,712,526	-	-	1,712,526
Prepaid expenses	- -	14,345	-	-	14,345
Property, plant and equipment	- -	5,423,417	-	-	5,423,417
Investments	198,788	29,931,050	3,901,903	8,236	34,039,977
Advances to related parties	- -	8,990	-	-	8,990
Total assets	\$ 198,788	\$ 40,039,961	\$ 4,038,059	\$ 8,386	\$ 44,285,194
Accounts payable and accruals	\$ - -	\$ 1,166,939	\$ 5,395	\$ 351	\$ 1,172,685
Deferred revenue	- -	31,740	-	-	31,740
Current portion of long-term debt	- -	583,080	-	-	583,080
Term loans due on demand	- -	248,181	-	-	248,181
Long-term debt	- -	500,000	-	-	500,000
Advances from related parties	- -	- -	- -	2,300	2,300
Total liabilities	- -	2,529,940	5,395	2,651	2,537,986
Share capital	- -	- -	- -	150	150
Equity	198,788	37,510,021	4,032,664	5,585	41,747,058
Total liabilities and equity	\$ 198,788	\$ 40,039,961	\$ 4,038,059	\$ 8,386	\$ 44,285,194

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

8. Investments in government business entities - summary, continued

	March 31, 2023		December 31, 2022		Total 2023
	HL Economic Development Corporation	Hatchet Lake Development LP	Waterfound Development LP	Waterfound Development Corp	
	100%	99.99%	33.33%	33.33%	
Revenue					
Retail revenue	\$ -	\$ 15,702,719	\$ -	\$ -	\$ 15,702,719
Other revenue	- -	1,269,053	- -	- -	1,269,053
Total revenue	-	16,971,772	-	-	16,971,772
Expenses					
Cost of sales	- -	12,556,723	- -	- -	12,556,723
Expenses	- -	4,585,411	7,447	350	4,593,208
Total expenses	-	17,142,134	7,447	350	17,149,931
Other income (expenses)					
Investment income (loss)	32	3,251,969	510,889	504	3,763,394
Gain on disposal (PPE)	- -	136,873	- -	- -	136,873
Total other income (expenses)	32	3,388,842	510,889	504	3,900,771
Net income	\$ 32	\$ 3,218,480	\$ 503,442	\$ 154	\$ 3,722,612

The above information is derived from the latest available financial statements for each entity. The value of the Denesuline Nation's investments is reported at the value of its share of equity reported on the latest available financial statements.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

9. Bank indebtedness

Bank indebtedness includes balances and cheques issued in excess of deposits and approved operating lines of credit.

The Denesuline Nation has operating lines of credit with the Canadian Imperial Bank of Commerce (CIBC) authorized to \$385,000 on four accounts of the Denesuline Nation at an interest rate of prime plus 1%. Any amounts overdrawn in excess of the approved lines of credit are charged interest at a rate of 21%. The operating lines are secured by a general security agreement on all property and Band Council Resolution directing all present and future funding to CIBC for deposit to the Nation's various accounts.

- General account: \$210,000
- Social account: \$100,000
- Housing account: \$50,000
- Health account: \$25,000

As of March 31, 2023 the Denesuline Nation had drawn on the lines of credit as follows:

General account - \$nil and had issued cheques in excess of deposits totalling \$57,099 (2022 - \$nil);
Social account - \$nil (2022 - \$nil);
Housing account - \$nil (2022 - \$nil); and,
Health account - \$nil (2022 - \$nil).

10. Accounts payable

	2023	2022
Due to members		
Wages payable	\$ 26,124	\$ 12,070
Due to others		
Trade payables	1,405,922	672,796
Accrued liabilities	183,564	182,100
Co-op - propane - tank farm	-	390,934
Pension	51,217	22,619
Seasonal road	-	3,213,690
Accrued interest on CMHC mortgages	9,744	8,034
Accrued interest on other loans	1,308	6,704
Total due to others	1,651,755	4,496,877
Due to government and other government organizations		
Indigenous Services Canada	49,410	49,410
Canada Revenue Agency - payroll remittance	142,923	117,542
Total due to government and other government organizations	192,333	166,952
	<hr/> \$ 1,870,212	<hr/> \$ 4,675,899

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

11. Deferred revenue

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement, the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue" on the financial statements.

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Federal government				
Roads & Bridges	\$ 22,876	\$ 291,444	\$ (216,356)	\$ 97,964
Wastewater Systems	511,435	381,298	(540,581)	352,152
Water Systems	310,149	440,475	(411,261)	339,363
Closing the Gap Activities	-	25,000	-	25,000
Solid Waste	105,570	54,500	-	160,070
Solid Waste New Landfill	2,961,882	60,489	(11,377)	3,010,994
Immediate Needs - Construction 2021	933,800	1,255,486	(1,352,120)	837,166
Immediate Needs - Construction 2022	-	561,842	-	561,842
Lagoon Upgrade & Expansion	1,837,919	45,787	(31,092)	1,852,614
School Roof Repairs	2,148	-	-	2,148
Subdivision	568,270	25,323	(593,593)	-
Plan Design&Const - Teacherage	150,000	3,283	-	153,283
Reno/Additions - High School	300,000	6,566	-	306,566
Reno/Additions - Elementary	100,000	2,189	-	102,189
Plan&Design Construct - TB Housing	-	44,622	-	44,622
New Construction - TB Housing	-	1,721,285	(379,750)	1,341,535
Seasonal Road	4,261,915	7,211,243	(8,271,292)	3,201,866
School Assessment	25,883	656	-	26,539
Waste Diversion Program	46,640	-	-	46,640
COVID-19 LEDSP (ICBF)	43,527	-	-	43,527
CORP - Strategic Plan	38,160	-	-	38,160
Climate Change Adaptation	30,056	11,120	-	41,176
Post Secondary	179,548	896,788	(924,854)	151,482
BEB Statutory	30,592	62,542	(27,253)	65,881
BEB Non-Statutory	6,481	28,728	(13,092)	22,117
COVID-19 EMAP	164,378	612,007	(776,385)	-
COVID-19 Food Security	145,010	-	(145,010)	-
COVID-19 Wave 2 UPIP	242,300	-	(242,300)	-
Preparedness/Mitigation (EMAP)	76,560	43,720	(120,280)	-
COVID-19 Own Source Revenue	32,978	-	(32,978)	-
Response	65,691	-	(65,691)	-
Prevention	-	1,745,725	(660,883)	1,084,842
FN Representative	-	421,104	-	421,104
Service Delivery	17,318	597,887	(302,303)	312,902
Service Delivery - Infrastructure	53,059	58,318	-	111,377
Service Delivery COVID-19	347,280	-	-	347,280
Basic Needs	164,025	3,433,913	(3,597,938)	-

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

11. Deferred revenue, continued

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Basic Needs - Inflation Relief	-	1,485,871	(592,654)	893,217
Basic Needs - COVID-19	1,100,780	-	(603,935)	496,845
Special Needs	-	515,087	(267,881)	247,206
In home Care	18,985	92,287	(93,538)	17,734
Employment & Training	206,638	330,467	(212,795)	324,310
P&ID Financial Management	102,983	-	(86,127)	16,856
Community Navigator	62,198	85,000	(109,988)	37,210
Mental Wellness Program	52,391	208,616	(197,956)	63,051
JP Service Coordinator	44,033	136,530	(180,563)	-
JP Child/Life Necessities	-	255,723	(37,094)	218,629
JP MC for Renovations	-	89,239	-	89,239
Medical Transportation - Admin	27,757	90,000	(71,220)	46,537
Public Health NS & CHR	501,403	-	(306,295)	195,108
AHRRI Training	17,159	-	-	17,159
	15,909,777	23,332,160	(21,476,435)	17,765,502
Other				
Dance Program	57,775	86,693	(102,893)	41,575
Daycare	114,033	73,600	(91,389)	96,244
Daycare - IELCC	-	295,138	(123,534)	171,604
Headstart	209,417	93,773	(114,312)	188,878
Headstart - IELCC	-	295,138	(106,437)	188,701
Nutrition North	106,750	-	(106,750)	-
COVID-19 Immunization Clinic	105,681	-	(105,681)	-
Harvest Grant	-	590,000	(451,607)	138,393
	593,656	1,434,342	(1,202,603)	825,395
Total	\$ 16,503,433	\$ 24,766,502	\$ (22,679,038)	\$ 18,590,897

12. Due from (to) Hatchet Lake Development Limited Partnership

Transactions with Hatchet Lake Development Limited Partnership are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Amounts due from (to) Hatchet Lake Development Limited Partnership are unsecured, non-interest bearing and have no fixed repayment schedules.

	2023	2022
<u>Due from related party</u>		
Hatchet Lake Development Limited Partnership	\$ 652	\$ -
<u>Due to related party</u>		
Hatchet Lake Development Limited Partnership	-	(5,863)
	\$ 652	\$ (5,863)

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

13. Loans payable

CIBC prime rate as of March 31, 2023 was 6.70% (2022 - 2.70%).

	2023	2022
CIBC Term Facility (G) - 3790754 - Band hall and lot servicing Repayment on demand, until demand - annual principle payment of \$172,222 plus monthly interest payments calculated at prime plus 1.00%, secured by general security agreement over all Nation assets, BCR and assignment of ISC band based capital funding, due April 1, 2028.	\$ 1,033,333	\$ 1,205,556
CIBC Term Facility (F) - 3790657 - Housing Repayment on demand, until demand - quarterly principle payments of \$25,000 plus monthly interest payments calculated at prime plus 1.00%, secured by general security agreement over all Nation assets, BCR and assignment of First Nations Trust funding, due April 1, 2024.	125,000	225,000
CIBC Term Loan (H) - 3794555 - Church Repayment on demand, until demand - payment of \$400,000 due April 15, 2021 and a payment of \$280,000 is due July 15, 2021. The remaining balance will be amortized over 3 years with quarterly payments of \$33,334 at prime plus 1.00%, secured by general security agreement over all Nation assets and BCR, due October 1, 2024.	199,996	299,998
CIBC Term Facility (E) - 3794253 - Duplex - teacher housing Repayment on demand, until demand - monthly principle payments of \$4,583 plus monthly interest payments calculated at prime plus 1.50%, secured by general security agreement over all Nation assets and BCR, due October 1, 2026.	<u>187,916</u>	<u>242,916</u>
<u>Current portion</u>	<u>1,546,245</u>	<u>1,973,470</u>
	<u>\$ -</u>	<u>\$ -</u>

Principal portion of loans payable expected to be due in the next 5 years, as per the repayment terms:

2024	\$ 460,558
2025	318,882
2026	227,222
2027	195,137
<u>2028 and thereafter</u>	<u>344,446</u>
	<u>\$ 1,546,245</u>

	2023	2022
<u>Interest expense for the year on loans payable</u>	<u>\$ 96,626</u>	<u>\$ 75,580</u>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

14. Long-term debt

	2023	2022
FNBC - Teacherage Quarterly principle payments of \$18,750 with interest paid monthly, interest calculated at prime plus 1.00%, secured by general security agreement and assignment of dividends from Waterfound Development LP, due July 1, 2025.	\$ -	\$ 262,500

HITACHI Capital Canada - obligation under finance lease for the 2019 Caterpillar Backhoe Loader - bearing interest at 0.67% per annum, monthly lease payments of \$1,973 maturing June 1, 2026.	66,563	84,145
Current portion	23,237	98,119
	<hr/>	<hr/>
	\$ 43,326	\$ 248,526

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

2024	\$ 23,237
2025	23,392
2026	19,934
	<hr/>
	\$ 66,563

	2023	2022
Interest expense for the year on long-term debt	<hr/>	<hr/>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

15. CMHC mortgages

	Phase number	Renewal date	Interest rate	Monthly payment	2023	2022
CMHC	1	3/1/2024	0.62%	\$ 1,538	\$ 18,393	\$ 36,674
CMHC	2	10/1/2020	1.12%	319	6,001	9,739
CMHC	3	1/1/2026	0.74%	1,403	47,192	63,614
CMHC	4	9/1/2023	5.23%	1,534	78,564	93,720
CMHC	5	12/1/2024	1.83%	6,203	472,402	537,578
CMHC	6	2/1/2027	1.88%	3,440	338,743	373,331
CMHC	7	6/1/2023	2.50%	3,636	394,416	427,785
CMHC	8	10/1/2025	0.68%	2,159	300,501	324,283
CMHC	9	4/1/2026	1.30%	2,791	241,751	271,894
CMHC	10	6/1/2026	1.13%	2,005	295,966	316,561
CMHC	11	12/1/2023	2.61%	5,527	856,560	900,028
CMHC	12	4/1/2025	0.98%	7,136	975,555	1,051,246
CMHC	13	4/1/2026	1.30%	3,064	442,215	473,030
CMHC	14	4/1/2026	1.30%	3,441	665,258	697,693
CMHC	15	12/1/2026	1.57%	2,432	360,860	384,201
CMHC	16	6/1/2027	3.04%	3,307	449,789	370,239
CMHC	17	4/1/2028	3.12%	2,450	348,775	-
					6,292,941	6,331,616
<u>Current portion</u>					514,049	463,400
					<u>\$ 5,778,892</u>	<u>\$ 5,868,216</u>

Principal portion of CMHC mortgages due within the next five years:

2024	514,049
2025	503,063
2026	507,154
2027	502,167
<u>2028 and thereafter</u>	<u>4,266,508</u>
	6,292,941

	2023	2022
<u>Interest expense for the year on CMHC mortgages</u>	<u>104,219</u>	<u>92,455</u>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

16. Capital assets

	Cost				Accumulated amortization				2023 Net book value
	Balance, beginning of year	Additions	Disposals & Transfers	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2023 Net book value	
Buildings	\$ 25,796,736	\$ -	\$ -	\$ 25,796,736	\$ 19,445,015	\$ 378,696	\$ 19,823,711	\$ 5,973,025	
Vehicles	1,140,481	14,999	-	1,155,480	1,134,137	6,586	1,140,723	14,757	
Computer equipment	247,250	4,500	-	251,750	238,589	9,515	248,104	3,646	
Heavy Equipment	1,222,109	-	-	1,222,109	727,865	83,508	811,373	410,736	
Equipment and furnishings	328,291	70,334	-	398,625	210,425	57,399	267,824	130,801	
Infrastructure	14,305,552	-	-	14,305,552	3,192,192	502,343	3,694,535	10,611,017	
Band housing	13,332,339	2,077,272	302,400	15,712,011	8,187,278	435,744	8,623,022	7,088,989	
CMHC housing	10,006,833	-	395,200	10,402,033	3,670,419	417,205	4,087,624	6,314,409	
Major Renovations	43,000	193,843	50,000	286,843	4,300	28,684	32,984	253,859	
Assets under construction	24,053,590	10,304,743	(747,600)	33,610,733	-	-	-	33,610,733	
	\$ 90,476,181	\$ 12,665,691	\$ -	\$ 103,141,872	\$ 36,810,220	\$ 1,919,680	\$ 38,729,900	\$ 64,411,972	

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

16. Capital assets, continued

	Cost				Accumulated amortization				2022 Net book value
	Balance, beginning of year	Additions	Disposals & Transfers	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year		
Buildings	\$ 25,796,736	\$ -	\$ -	\$ 25,796,736	\$ 19,066,318	\$ 378,697	\$ 19,445,015	\$ 6,351,721	
Vehicles	1,140,481	-	-	1,140,481	1,116,032	18,105	1,134,137	6,344	
Computer equipment	235,968	11,282	-	247,250	224,227	14,362	238,589	8,661	
Heavy Equipment	786,850	435,259	-	1,222,109	644,357	83,508	727,865	494,244	
Equipment and furnishings	272,090	56,201	-	328,291	158,562	51,863	210,425	117,866	
Infrastructure	14,305,552	-	-	14,305,552	2,689,513	502,679	3,192,192	11,113,360	
Band housing	13,136,339	49,000	147,000	13,332,339	7,846,721	340,557	8,187,278	5,145,061	
CMHC housing	9,541,633	465,200	-	10,006,833	3,269,021	401,398	3,670,419	6,336,414	
Major Renovations	-	43,000	-	43,000	-	4,300	4,300	38,700	
Assets under construction	13,470,196	10,730,394	(147,000)	24,053,590	-	-	-	24,053,590	
	\$ 78,685,845	\$ 11,790,336	\$ -	\$ 90,476,181	\$ 35,014,751	\$ 1,795,469	\$ 36,810,220	\$ 53,665,961	

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

17. Prepaid expenses

	2023	2022
Post secondary living allowance	\$ 33,695	\$ 44,583
Social Development	29,825	87,418
Group Insurance	-	5,822
Ferrus - 2024/25 software / support	13,950	-
	<hr/>	<hr/>
	\$ 77,470	\$ 137,823
	<hr/>	<hr/>

18. Inventory

	2023	2022
Propane	\$ 405,797	\$ 390,934
	<hr/>	<hr/>

19. Accumulated surplus

	2023	2022
<u>Restricted</u>		
Capital assets	\$ 56,506,223	\$ 45,014,230
Investments in government business enterprises	38,855,364	35,509,190
Trust funds held by federal government	24,017	23,664
CMHC replacement reserve	1,763,675	1,712,896
	<hr/>	<hr/>
	97,149,279	82,259,980
<u>Unrestricted</u>		
Operating deficit	(3,173,405)	(1,877,741)
	<hr/>	<hr/>
	\$ 93,975,874	\$ 80,382,239
	<hr/>	<hr/>

Capital assets represent the net book value of capital assets less any long-term debt taken out to acquire the capital assets that will be used to provide future services.

Investments in government business enterprises represent amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

Trust funds held by federal government are monies held by the federal government for use by the Denesuline Nation for specific purposes.

CMHC replacement reserve is the amount required to be funded for future housing major repairs, as per agreements with CMHC.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

20. ISC contributions

	2023	2022
ISC revenue per agreement - ISC	\$ 25,985,207	\$ 26,820,425
Prior period revenue (recovery)		
Institutional care	3,926	(3,926)
MT - Admin 2017/2018	-	(2,646)
MT - Admin 2018/2019	-	(8,390)
	<hr/> \$ 25,989,133	<hr/> \$ 26,805,463

21. Economic dependence

Hatchet Lake Denesuline Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC"). The ability of the Denesuline Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

22. CMHC reserves and restricted cash

It is a requirement of the CMHC operating agreement that operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2023, the reserve accounts were underfunded (2022 - underfunded). The reserve amounts are not reported separately on these financial statements, but are included in equity.

23. Impact Benefit Agreement (IBA)

In July 2016, the Hatchet Lake Denesuline Nation signed an impact benefit agreement (IBA) with Cameco and AREVA. The IBA entitles the Denesuline Nation to annual payments; in the current year, the Denesuline Nation received \$107,760 (2022 - \$44,396).

24. Payments made on behalf of HLDN paid directly by PAGC

Prince Albert Grand Council (PAGC) pays expenses directly on behalf of the Hatchet Lake Denesuline Nation (HLDN). These transactions are not recorded in detail in the records of HLDN. Payments are made to PAGC on a periodic basis and some revenue allocations are applied against the amount owing to PAGC. In the current year, PAGC paid \$207,913 on behalf of HLDN (2022 - \$118,173).

25. Related party transactions

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties; amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

26. Contingent liabilities

Hatchet Lake Denesuline Nation has the following contingent liabilities:

- a) Hatchet Lake Denesuline Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Denesuline Nation fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Hatchet Lake Denesuline Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Hatchet Lake Denesuline Nation's financial statements.
- c) Hatchet Lake Denesuline Nation is contingently liable for \$700,000 of a loan issued to Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. for the construction of the group home. The loan balance outstanding as of March 31, 2023 was \$1,476,791. The loan bears interest at 4.84%, monthly payments of \$20,979 of combined principle and interest and matures February 1, 2030.
- d) Hatchet Lake Denesuline Nation (HLDN) and Hatchet Lake Development LP (HLDLP) are in a shared credit facility arrangement with CIBC, in which both entities are held as security for loans in their name as well as those in the name of the other entity. The assets of HLDN are held as part of the security on the HLDLP revolving line of credit which had a balance of \$33,774 (March 31, 2022 - \$nil) and the term loans of approximately \$1,331,261 (2022 - \$1,010,788).

27. Asset retirement obligation

The Denesuline Nation has considered its obligations under the new Canadian Auditing Standard (PS 3280) which became effective for fiscal years beginning after April 1, 2022 and determined that the most likely assets that would fall under the standard include buildings that may contain asbestos and a landfill site.

It is unknown if any buildings and houses contain asbestos. Management has determined that the cost to inventory and analyze what buildings may or may not contain asbestos is not warranted. There are no plans to decommission any buildings in the foreseeable future, and if any buildings are decommissioned this will be done on a "one-off" basis, and the cost will be insignificant and absorbed in normal operating costs. The latest available information indicates that the average cost to remove asbestos from a house is just under \$3,000.

There is a landfill site that may need to be decommissioned at some point in the future, the date of which is unknown. An accurate estimate of the cost to decommission the landfill site is not available and it is unknown if this cost will be the responsibility of the Denesuline Nation or ISC. Since the cost to decommission the landfill site is unknown, the criteria as per PS 3280 (Policy 2(k)) has not been met to recognize an Asset Retirement Obligation and therefore has not been recorded in these financial statements.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

28. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. There is no liability for vacation or overtime reported in these financial statements.

Post-employment benefits

Hatchet Lake Denesuline Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Hatchet Lake Denesuline Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3.0% to 7.0% of their basic salary; Hatchet Lake Denesuline Nation contributes a matching portion which is directed to the member's contribution account. Hatchet Lake Denesuline Nation does not have any other obligations with regards to the pension plan as at March 31, 2023.

29. Financial instruments

The Denesuline Nation as part of its operations carries a number of financial instruments:

Credit concentration and risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. As at March 31, 2023, receivables from funding agencies accounted for 94% of the outstanding accounts receivable balance.

Risk management

The Denesuline Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts receivable.

Fair Value of Financial Instruments

The carrying amount of cash & cash equivalents, accounts receivable and trade payables and accruals approximate their fair value due to their short-term nature.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates.

Liquidity Risk

Liquidity risk is the risk that the Denesuline Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Denesuline Nation enters into transactions to purchase goods and services on credit, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Denesuline Nation's future net cash flows for the possibility of negative net cash flow. The Denesuline Nation manages the liquidity risk resulting from its accounts payables and accrued liabilities by monitoring its cash and maintaining liquid assets.

It is management's opinion that the Denesuline Nation is not exposed to significant financial instrument risk.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

30. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by Hatchet Lake Denesuline Nation.

31. Comparative figures

Comparative figures have been reclassified, where applicable, to conform to current year's presentation.

32. Expenses by object

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Administration	\$ 15,214	\$ 15,000	\$ -
Amortization	-	1,919,682	1,795,470
Assistance to band members	193,656	577,441	406,473
Bad debts (recovery)	-	32,659	121,753
Bank charges and interest	1,722	11,497	14,600
Community engagement	600	600	-
Community events	5,250	357,002	85,909
Consultants and contractors	12,463,067	11,922,918	12,749,872
Cultural programs	12,300	13,700	17,450
Economic development	43,527	-	76,411
Election	-	44,354	42,588
Equipment lease	82,004	27,615	198,764
Equipment purchases	-	100,533	528
FMM expense	-	-	1,000
First Nation Trust expenses	-	43,948	-
Honorariums	-	4,550	1,950
IELCC expense	-	-	23,344
Insurance	145,441	233,306	185,217
Interest on CMHC mortgages	-	104,219	92,455
Interest on long-term debt	145,919	114,435	91,948
Materials and supplies	1,200,000	1,850,950	-
Meeting updates - COVID-19	-	-	49,275
Office supplies	42,500	78,723	102,862
PAGC paid expenses directly	-	207,913	118,173
Post Secondary - administration	-	146,363	113,584
Post Secondary - entrance preparation	-	300	13,298
Post Secondary - student expenses	-	778,192	723,658
Postage and freight	65,929	119,018	134,057
Prevention programs	-	-	24,054
Prior period unrecorded unexpended funds	-	-	17,877
Professional fees	131,022	275,971	185,029
Program expenses	-	109,271	30,814
Repairs and maintenance	72,460	438,992	359,032
Replacement reserve repairs	-	2,559	-

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

32. Expenses by object, continued

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Senior and youth programs	108,400	368,686	113,047
Social assistance - basic needs	1,100,780	4,892,380	3,632,501
Social assistance - employment & training	258,211	174,234	254,431
Social assistance - special needs	515,087	267,881	339,657
Supplies	602,248	1,629,268	1,347,911
Telephone	36,708	76,828	40,121
Training and workshops	15,400	27,537	6,970
Travel, meetings, per diems	717,392	1,212,966	709,748
Treaty Land Entitlement	-	59,074	4,454
Utilities	277,833	791,191	795,142
Vehicle expenses	136,100	318,952	413,512
Wages and benefits	2,069,742	3,368,212	2,905,200
Transfer to capital assets	-	(12,665,692)	(11,790,336)
	\$ 20,458,512	\$ 20,053,228	\$ 16,549,803

33. Segmented information

As previously discussed in note 2(p) the Denesuline Nation conducts its business through reportable segments as follows:

Treaties and Indigenous Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Infrastructure:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also, costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also, costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

33. Segmented information, continued

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indigenous Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Registration and Membership:

Costs associated with the maintenance of the band membership list, a record of everyone who is registered as a member of the Denesuline Nation under the Indian Act.

Governance and Institutions of Governance:

Costs associated with Governance and Institution of Government activities.

Health Services:

Reports on costs associated with the development of safe and healthy communities.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2023

33. Segmented information, continued

Canada Mortgage and Housing Corporation (CMHC):

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

Other Band Programs:

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Inter-segment transfers are recorded at their exchange amount. Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

Schedule #1
Hatchet Lake Denesuline Nation
Treaties and Indigenous Government
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 120,000	\$ 120,000	\$ -
Other revenue	165,000	161,539	-
	285,000	281,539	-
Expenses			
Postage and freight	1,700	81	-
Professional fees	116,022	173,114	-
Supplies	9,500	2,796	-
Travel, meetings, per diems	50,478	72,052	-
Vehicle expenses	8,800	410	-
Wages and benefits	98,500	90,107	-
	285,000	338,560	-
Current deficit	\$ -	\$ (57,021)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #2
Hatchet Lake Denesuline Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 1,742,316	\$ 1,842,366	\$ 1,816,319
Indigenous Services Canada - flexible	1,758,900	10,936,730	13,153,570
Canada Mortgage and Housing Corporation (CMHC)	-	27,569	22,750
Government of Saskatchewan	-	25,000	-
User fees	-	8,027	9,188
Other revenue	11,473,158	506,634	13,454
Deferred revenue - prior year	2,475,864	12,138,487	9,438,143
Deferred revenue - current period	-	(12,462,553)	(12,138,487)
	17,450,238	13,022,260	12,314,937
Expenses			
Administration	15,214	15,000	-
Administration - internal allocation	-	167,377	167,377
Bank charges and interest	42	42	67
Community events	-	-	20
Consultants and contractors	12,178,155	10,537,096	11,330,124
Equipment lease	82,004	-	130,350
Insurance	145,441	145,317	107,216
Long-term debt - principle and interest payments	-	195,903	191,956
Long-term debt - principle repayment	-	(189,804)	(185,839)
Materials and supplies	1,200,000	1,850,950	-
Postage and freight	29,540	44,468	35,047
Professional fees	15,000	20,494	14,259
Repairs and maintenance	72,460	428,720	359,032
Supplies	158,915	217,065	180,232
Telephone	7,508	15,308	5,771
Training and workshops	-	4,600	6,970
Travel, meetings, per diems	141,674	146,527	98,966
Utilities	274,033	409,294	304,960
Vehicle expenses	103,300	51,299	110,955
Wages and benefits	547,225	409,908	332,992
Transfer to capital assets	-	(12,462,273)	(11,395,893)
	14,970,511	2,007,291	1,794,562
Current surplus	\$ 2,479,727	\$ 11,014,969	\$ 10,520,375

The accompanying notes are an integral part of the financial statements

Schedule #3
Hatchet Lake Denesuline Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
	(unaudited)		
Revenue			
Indigenous Services Canada - fixed	\$ 52,552	\$ 52,552	\$ 158,098
Deferred revenue - prior year	111,743	111,743	30,056
Deferred revenue - current period	-	(122,863)	(111,743)
	<hr/> 164,295	41,432	76,411
Expenses			
Consultants and contractors	41,432	41,432	-
Economic development	43,527	-	76,411
	<hr/> 84,959	41,432	76,411
Current surplus	<hr/> \$ 79,336	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #4
Hatchet Lake Denesuline Nation
Education
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 1,042,707	\$ 1,042,707	\$ 1,038,400
Athabasca Denesuline Education Authority (ADEA)	-	345,047	494,317
Northern Sport Culture & Recreation District	56,055	55,918	40,361
Other revenue	-	86,693	8,744
Deferred revenue - prior year	-	237,323	269,393
Deferred revenue - current period	-	(193,057)	(237,323)
	1,098,762	1,574,631	1,613,892
Expenses			
Consultants and contractors	-	78,902	39,260
Equipment lease	-	13,261	-
Honorariums	-	800	-
Long-term debt - principle and interest payments	145,919	343,260	151,039
Long-term debt - principle repayment	-	(317,500)	(130,000)
Post Secondary - administration	-	146,363	113,584
Post Secondary - entrance preparation	-	300	13,298
Post Secondary - student expenses	-	778,192	723,658
Postage and freight	-	59	3,147
Senior and youth programs	-	320	-
Supplies	-	9,532	3,793
Travel, meetings, per diems	-	46,245	28,702
Utilities	-	358,854	474,856
Vehicle expenses	-	1,807	1,957
Wages and benefits	-	44,823	55,655
	145,919	1,505,218	1,478,949
Current surplus	\$ 952,843	\$ 69,413	\$ 134,943

The accompanying notes are an integral part of the financial statements

Schedule #5
Hatchet Lake Denesuline Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - grant	\$ 1,222,389	\$ 1,281,395	\$ 1,222,389
Indigenous Services Canada - fixed	-	-	448,900
Indigenous Services Canada - flexible	748,854	728,702	2,283,120
ISC - prior period revenue (recovery)	-	18,295	-
Other revenue	-	7,500	14,835
Deferred revenue - prior year	562,539	763,990	509,101
Deferred revenue - current period	-	(87,998)	(763,990)
	2,533,782	2,711,884	3,714,355
Expenses			
Administration - internal allocation	-	91,801	317,924
Bank charges and interest	-	8,113	11,582
Community events	-	6,900	6,835
Consultants and contractors	108,258	813,517	1,106,603
Cultural programs	-	-	12,900
Election	-	44,354	42,588
Equipment lease	-	11,399	64,555
Equipment purchases	-	100,533	528
Honorariums	-	3,150	550
Long-term debt - principle and interest payments	-	182,579	844,795
Long-term debt - principle repayment	-	(100,002)	(780,002)
Meeting updates - COVID-19	-	-	49,275
Office supplies	-	63,882	70,363
Postage and freight	-	11,806	23,383
Professional fees	-	68,814	157,220
Supplies	210,691	420,876	566,206
Telephone	-	39,641	22,020
Training and workshops	-	9,537	-
Travel, meetings, per diems	313,730	472,765	372,088
Utilities	-	6,199	9,721
Vehicle expenses	-	12,214	210,352
Wages and benefits	513,635	785,078	970,296
Transfer to capital assets	-	(100,000)	(199,378)
	1,146,314	2,953,156	3,880,404
Current surplus (deficit) before transfers	1,387,468	(241,272)	(166,049)
Transfers			
Transfer - Other Band Programs	-	341,272	365,427
Current surplus	\$ 1,387,468	\$ 100,000	\$ 199,378

The accompanying notes are an integral part of the financial statements

Schedule #6
Hatchet Lake Denesuline Nation
Land Management
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 12,464	\$ 12,464	\$ 12,464
Expenses			
Consultants and contractors	12,464	12,464	12,464
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #7
Hatchet Lake Denesuline Nation
Social Development
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 615,205	\$ 597,887	\$ 391,852
Indigenous Services Canada - set	165,512	165,512	160,000
Indigenous Services Canada - flexible	5,913,501	8,082,772	5,144,140
ISC - prior period revenue (recovery)	-	3,926	(3,926)
Deferred revenue - prior year	1,726,742	1,908,085	932,906
Deferred revenue - current period	-	(4,256,817)	(1,908,085)
	8,420,960	6,501,365	4,716,887
Expenses			
Assistance to band members	165,512	203,718	206,600
Bank charges and interest	1,680	1,592	1,354
Community events	650	600	680
Consultants and contractors	19,775	99,342	34,017
Office supplies	25,000	9,844	19,885
Postage and freight	33,480	33,632	43,401
Senior and youth programs	-	240,356	-
Social assistance - basic needs	1,100,780	4,892,380	3,632,501
Social assistance - employment & training	258,211	174,234	254,431
Social assistance - special needs	515,087	267,881	339,657
Supplies	31,272	269,804	26,231
Telephone	6,600	3,300	1,900
Training and workshops	15,400	13,400	-
Travel, meetings, per diems	59,630	155,943	28,732
Utilities	3,800	10,200	2,382
Vehicle expenses	5,500	7,709	4,802
Wages and benefits	327,640	240,414	170,841
Transfer to capital assets	-	(17,440)	(4,200)
	2,570,017	6,606,909	4,763,214
Current surplus (deficit)	\$ 5,850,943	\$ (105,544)	\$ (46,327)

The accompanying notes are an integral part of the financial statements

Schedule #8
Hatchet Lake Denesuline Nation
Registration & Membership
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 19,974	\$ 19,974	\$ 14,974
Expenses			
Office supplies	-	150	500
Wages and benefits	19,974	19,824	14,474
	19,974	19,974	14,974
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #9
Hatchet Lake Denesuline Nation
Governance and Institutions of Governance
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - flexible	\$ 85,000	\$ 85,000	\$ 21,250
Deferred revenue - prior year	165,181	165,181	340,137
Deferred revenue - current period	-	(54,066)	(165,181)
	250,181	196,115	196,206
Expenses			
Administration - internal allocation	-	8,500	2,125
Community engagement	600	600	-
Consultants and contractors	82,983	73,393	63,806
Cultural programs	900	500	-
Supplies	8,738	3,600	5,050
Telephone	4,600	1,700	1,350
Travel, meetings, per diems	55,350	48,978	61,685
Wages and benefits	97,010	58,845	62,190
	250,181	196,116	196,206
Current deficit	\$ -	\$ (1)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #10
Hatchet Lake Denesuline Nation
Health Services
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 237,657	\$ 237,657	\$ 232,735
Indigenous Services Canada - set	90,000	90,000	85,000
Indigenous Services Canada - flexible	326,232	671,194	637,214
ISC - prior period revenue (recovery)	-	-	(11,036)
Prince Albert Grand Council (PAGC)	328,944	2,092,558	1,362,761
Other revenue	-	1,599	800
Deferred revenue - prior year	336,655	1,178,624	1,017,857
Deferred revenue - current period	-	(1,413,543)	(1,178,624)
	1,319,488	2,858,089	2,146,707
Expenses			
Administration - internal allocation	-	65,702	203,422
Assistance to band members	28,144	101,513	84,432
Bank charges and interest	-	439	485
Community events	4,600	11,312	7,303
Consultants and contractors	20,000	60,474	53,032
Cultural programs	11,400	11,400	1,800
Equipment lease	-	2,955	3,859
FMM expense	-	-	1,000
Honorariums	-	600	1,400
IELCC expense	-	-	23,344
Office supplies	17,500	4,846	12,114
Postage and freight	1,209	20,701	22,071
Senior and youth programs	108,400	110,271	100,101
Supplies	183,132	444,749	474,209
Telephone	18,000	9,978	5,929
Travel, meetings, per diems	96,530	203,108	99,396
Utilities	-	3,863	2,968
Vehicle expenses	18,500	72,482	23,404
Wages and benefits	465,758	1,135,278	953,375
Transfer to capital assets	-	(35,999)	(92,070)
	973,173	2,223,672	1,981,574
Current surplus before transfers	346,315	634,417	165,133
Transfers			
Transfer - Other Band Programs	-	(450,000)	-
Current surplus	\$ 346,315	\$ 184,417	\$ 165,133

The accompanying notes are an integral part of the financial statements

Schedule #11
Hatchet Lake Denesuline Nation
CMHC Housing
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
CMHC - subsidy	\$ 597,884	\$ 597,884	\$ 544,449
CMHC - special contribution	-	-	760,000
Rental revenue	232,400	232,656	225,410
Other revenue	33,000	-	31,343
	863,284	830,540	1,561,202
Expenses			
Bank charges and interest	-	1,240	1,066
Insurance	-	87,989	78,001
Mortgage payments - principle and interest	-	589,616	521,384
Mortgages - principle repayment	-	(485,397)	(428,929)
Professional fees	-	13,550	13,550
Repairs and maintenance	-	10,272	-
Replacement reserve repairs	-	2,559	-
Supplies	-	13,405	-
Telephone	-	4,050	450
Vehicle expenses	-	11,235	-
Wages and benefits	-	90,545	75,359
Transfer to capital assets	-	(19,781)	-
	-	319,283	260,881
Current surplus	\$ 863,284	\$ 511,257	\$ 1,300,321

The accompanying notes are an integral part of the financial statements

Schedule #12
Hatchet Lake Denesuline Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue			
First Nations Trust (FNT)	\$ 668,500	\$ 706,749	\$ 311,484
Prince Albert Grand Council (PAGC)	74,575	196,724	192,755
Prince Albert Grand Council - prior period	-	-	15,453
Federation of Sovereign Indigenous Nations (FSIN)	-	17,000	33,000
Northern Lights Community Development Corp (NLCDC)	-	107,500	35,000
Equity pickup (losses) - related business entities	-	3,386,174	3,577,780
Impact Benefit Agreement (IBA)	-	107,760	44,396
Rental revenue	-	29,120	29,280
Other revenue	-	540,963	855,217
	743,075	5,091,990	5,094,365
Expenses			
Administration - internal allocation	-	(333,380)	(690,848)
Assistance to band members	-	272,210	115,440
Bad debts (recovery)	-	32,659	121,753
Bank charges and interest	-	71	46
Community events	-	338,190	71,071
Consultants and contractors	-	206,298	110,567
Cultural programs	-	1,800	2,750
First Nation Trust expenses	-	43,948	-
PAGC paid expenses directly	-	207,913	118,173
Postage and freight	-	8,272	7,009
Prevention programs	-	-	24,054
Prior period unrecorded unexpended funds	-	-	17,877
Program expenses	-	109,271	30,814
Senior and youth programs	-	17,739	12,946
Supplies	-	247,442	92,184
Telephone	-	2,850	2,700
Travel, meetings, per diems	-	67,347	20,179
Treaty Land Entitlement	-	59,074	4,454
Utilities	-	2,782	256
Vehicle expenses	-	161,794	62,041
Wages and benefits	-	493,390	270,018
Transfer to capital assets	-	(30,199)	(98,795)
	-	1,909,471	294,689
Current surplus before transfers	743,075	3,182,519	4,799,676
Transfers			
Transfer - Indigenous Government Support	-	(341,272)	(365,427)
Transfer - Health Services	-	450,000	-
Current surplus	\$ 743,075	\$ 3,291,247	\$ 4,434,249

The accompanying notes are an integral part of the financial statements

Schedule #13
Hatchet Lake Denesuline Nation
Amortization
Schedule of Operations
For the year ended March 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community Infrastructure	-	1,175,618	1,071,913
Education	-	210,145	225,549
Indigenous Government Support	-	25,521	23,427
First Nations Child & Family Services	-	1,893	-
Health Services	-	24,056	17,935
CMHC Housing	-	421,162	401,398
Other Band Programs	-	61,287	55,248
	<hr/> - <hr/>	<hr/> 1,919,682 <hr/>	<hr/> 1,795,470 <hr/>
Current deficit	<hr/> \$ - <hr/>	<hr/> \$ (1,919,682) <hr/>	<hr/> \$ (1,795,470) <hr/>

The accompanying notes are an integral part of the financial statements