

**Horse Lake First Nation**

**Consolidated Financial Statements**

**March 31, 2020**

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# Horse Lake First Nation

## Consolidated Financial Statements

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## Horse Lake First Nation

### Management's Responsibility for Financial Reporting

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March 31, 2020

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The accompanying consolidated financial statements of **Horse Lake First Nation** are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

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

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

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

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of **Horse Lake First Nation** and meet when required.

#### On behalf of Horse Lake First Nation:

Original signed by \_\_\_\_\_  
Chief

November 4, 2020

\_\_\_\_\_  
Date

Original signed by \_\_\_\_\_  
Administrative Officer

November 2, 2020

\_\_\_\_\_  
Date

## **Independent Auditors' Report**

### **To the Members of Horse Lake First Nation**

#### **Qualified Opinion**

We have audited the consolidated financial statements of Horse Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and 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, except for the effects and possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of Horse Lake First Nation as at March 31, 2020 and the results of its operations, the 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 Qualified Opinion**

As discussed in note 7 to the consolidated financial statements, investments in related First Nation entities are accounted for on the consolidated statement of financial position as at March 31, 2020 using the modified equity method. Horse Lake First Nation's share of these enterprises' net income is included in Horse Lake First Nation's consolidated statement of operations for the year then ended. This constitutes a departure from Canadian Public Sector Accounting as a number of these First Nation entities are not self sufficient and thus Horse Lake First Nation should be using the full consolidation method to account for the investments in these entities.

Horse Lake First Nation's investment in related First Nation entities represents a significant amount of the assets of the consolidated financial statements as at March 31, 2020. We were unable to obtain sufficient appropriate evidence about the carrying amount of the of Horse Lake First Nation investments, equity and net income for the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The opinion on the consolidated financial statements for the year ended March 31, 2019 was modified because of the effects of this departure from Canadian Public Sector Accounting Standards and the possible limitations in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First 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 qualified opinion.

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

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

## Independent Auditors' Report (continued)

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

Those charged with governance are responsible for overseeing the First 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 First 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 First 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 First 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada  
November 9, 2020

*Crowe MACKAY LLP*

Chartered Professional Accountants

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## Horse Lake First Nation

### Consolidated Statement of Financial Position

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March 31,	2020	2019 Restated (Note 3)
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#### Financial Assets

Cash (Note 4)	\$ 1,458,581	\$ 2,420,260
Accounts receivable (Note 5)	2,804,806	1,002,126
Members receivables (Note 6)	190,240	227,601
Investment in related First Nation entities (Note 7)	28,928,121	34,466,572
Other investments	1,000	1,000
Federal Trust Funds (Note 8)	789,396	970,385
	<b>34,172,144</b>	<b>39,087,944</b>

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#### Liabilities

Accounts payable and accrued liabilities (Note 9)	1,561,819	543,804
Deferred revenue (Note 10)	2,376,418	1,349,928
Long-term debt (Note 11)	3,786,688	3,296,702
Capital lease obligations (Note 12)	18,159	28,773
	<b>7,743,084</b>	<b>5,219,207</b>

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<b>Net financial assets</b>	<b>26,429,060</b>	<b>33,868,737</b>
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#### Non-financial Assets

Capital assets (Note 13)	34,202,685	33,324,284
Prepaid expenses	54,780	63,583
	<b>34,257,465</b>	<b>33,387,867</b>

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<b>Accumulated Surplus (Note 14)</b>	<b>\$ 60,686,525</b>	<b>\$ 67,256,604</b>
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Contingent liabilities (Note 15)

Approved on behalf of the Horse Lake First Nation

Original signed by \_\_\_\_\_, Chief

Original signed by \_\_\_\_\_, Councilor

# Horse Lake First Nation

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31

	2020 Budget	2020 Actual	2019 Actual Restated (Note 3)
<b>Revenue</b>			
Western Cree Tribal Council - Indigenous Services Canada	\$ 3,595,543	\$ 3,051,807	\$ 2,929,086
Western Cree Tribal Council - Indigenous Skills and Employment Training Program	211,428	247,662	289,625
ISC - Health	1,309,189	1,040,811	1,047,510
CMHC subsidy	302,531	325,564	261,613
CMHC RRAP	-	-	15,055
Capital band funds	350,000	-	-
Revenue band funds	150,000	-	-
First Nation Development Funds	889,110	686,248	2,943
Government of Alberta	267,381	268,381	143,215
Horse Lake First Nation Investment Management Board	4,291,377	4,100,000	4,100,000
Administration fees	182,919	182,011	177,820
Interest income	-	4,017	7,080
Rental income	21,000	23,600	18,000
Other revenue	1,075,000	2,220,609	1,299,516
	<b>12,645,478</b>	<b>12,150,710</b>	<b>10,291,463</b>
<b>Expenses (Note 23)</b>			
Administration	2,817,500	3,278,026	2,968,710
Community Services	301,000	402,741	626,168
Economic Development	32,000	97,685	103,077
Education	1,200,877	813,955	853,937
Employment Programs	387,400	467,966	761,512
Health	1,309,189	1,249,293	985,688
Other	3,869,685	2,078,633	1,684,482
Public Works	1,019,300	938,209	910,966
Social Services	608,527	628,277	549,439
Per Capita Distribution	1,100,000	1,182,000	1,123,518
	<b>12,645,478</b>	<b>11,136,785</b>	<b>10,567,497</b>
<b>Excess (deficiency) of revenue over expenses before other income (expenses)</b>	<b>-</b>	<b>1,013,925</b>	<b>(276,034)</b>
<b>Other income (expense)</b>			
Income (Loss) from related First Nation entities	-	(5,465,158)	(10,163,534)
Amortization	-	(2,118,846)	(2,006,920)
<b>Deficiency of revenue over expenses</b>	<b>-</b>	<b>(6,570,079)</b>	<b>(12,446,488)</b>
<b>Accumulated surplus, beginning of year</b>			
As previously stated	67,256,604	67,363,195	79,703,092
Prior period adjustment (Note 3)	-	(106,591)	-
As restated	<b>67,256,604</b>	<b>67,256,604</b>	<b>79,703,092</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 67,256,604</b>	<b>\$ 60,686,525</b>	<b>\$ 67,256,604</b>

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## Horse Lake First Nation

### Consolidated Statement of Change in Net Financial Assets

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For the year ended March 31,	2020 Budget	2020 Actual	2019 Actual Restated (Note 3)
<b>Deficiency of revenue over expenses</b>	\$ -	\$ (6,570,079)	\$ (12,446,484)
Acquisition of tangible capital assets	-	(2,997,247)	(1,615,281)
Amortization of tangible capital assets	-	2,118,846	2,006,920
Disposition of capital assets	-	-	302,169
Gain on disposition of asset	-	-	(84,151)
	-	(878,401)	609,657
Acquisition of prepaid asset	8,803	8,803	25,630
<b>Decrease in net financial assets</b>	8,803	(7,439,677)	(11,811,197)
<b>Net financial assets, beginning of year</b>	33,868,737	33,868,737	45,679,934
<b>Net financial assets, end of year</b>	\$ 33,877,540	\$ 26,429,060	\$ 33,868,737

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# Horse Lake First Nation

## Consolidated Statement of Cash Flow

For the year ended March 31,	2020	2019 Restated (Note 3)
<b>Cash flows from</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses	\$ (6,570,079)	\$ (12,446,484)
Items not affecting cash		
Amortization	2,118,846	2,006,920
Gain on disposition of asset	-	(84,151)
	(4,451,233)	(10,523,715)
Change in non-cash operating working capital		
Accounts receivable	(1,802,680)	349,459
Prepaid expenses	8,803	25,630
Accounts payable and accrued liabilities	1,018,020	(426,624)
Members receivables	37,361	65,665
Deferred revenue	1,026,490	881,022
	(4,163,239)	(9,628,563)
<b>Capital activities</b>		
Purchase of tangible capital assets	(2,997,247)	(1,615,281)
Proceeds on disposal	-	302,169
	(2,997,247)	(1,313,112)
<b>Financing activities</b>		
Advances of long term debt	717,915	243,000
Repayment of long term debt	(227,933)	(250,165)
Repayment of current portion of capital lease obligations	(10,615)	(96,652)
	479,367	(103,817)
<b>Investing activities</b>		
Funds held in Federal Trust Funds	180,989	187,830
Investment in related First Nation entities	5,538,451	11,398,478
Other investments	-	111,350
	5,719,440	11,697,658
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(961,679)</b>	<b>652,166</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,420,260</b>	<b>1,768,094</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,458,581</b>	<b>\$ 2,420,260</b>

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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### 1. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### (a) Reporting entity principles of financial reporting

The Horse Lake First Nation reporting entity includes the Horse Lake First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the Horse Lake First Nation.

First Nation business enterprises, that are owned or controlled by the Horse Lake First Nation and that are not dependent on the First Nation for their continuing operations are included in the financial statements using the modified equity method, in accordance with the Public Sector Accounting Recommendations.

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

1. 424337 Alberta Ltd. at March 31, 2020
2. Horse Lake Oil and Gas Corporation at March 31, 2020
3. Horse Lake Industry Relations Corporation at December 31, 2019
4. Horse Lake First Nation Investment Management Board (HLIMB) at December 31, 2019
5. HLFN Oilfield Construction Corp. at December 31, 2019

All inter-entity balances have been eliminated on consolidation; however, transactions between funds have not been eliminated in order to present the results of operations for each specific fund.

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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

#### (b) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimations are 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. Transfers are recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Income from investments is recorded on the accrual basis.

#### (c) Cash

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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

#### (d) Tangible capital assets

Tangible capital assets are recorded at cost, except for reserve lands, natural resources, and cultural resources, which are not recorded.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Horse Lake First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years Straight line
Automotive equipment	7 - 10 years Straight line
Equipment	5 - 20 years Straight line
Solar panels	25 years Straight line
Equipment under capital lease	10% Declining balance
Projects in progress	0 years Straight line
Construction equipment	10 years Straight line
Roads	25 years Straight line
Housing	10 - 50 years Straight line
Water Infrastructure	30 - 75 years Straight line

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

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

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

#### (e) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements, together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The First Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the First Nation's operations and financial condition.

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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

#### (f) Use of estimates

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nation's operations, financial performance and financial position for the year ended March 31, 2020. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nation's financial results, conditions and cash flows.

### 2. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic, the organization has implemented remote work arrangements for those able to do so and implemented stringent health and safety procedures for those who are working in the office.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Nation's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition on the Nation and its operations in future periods.

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 3. Prior period restatement

During the year, it was determined that material adjustments were required to the investment in First Nation entities balance at March 31, 2019, as a result of changes to the statements of the First Nation entities.

During the year, it was determined that Horse Lake First Nation recognized excess Indigenous Services Canada (ISC) funding in the year-ended March 31, 2019. These amounts reduced the deficiency of revenue over expenses and a reduction in the accumulated surplus. The amounts have been adjusted to deferred revenue and will be recognized in the period the expenses are incurred.

A prior period adjustment has been recorded as follows:

For the year ended March 31,	As previously stated in 2019	Adjustments Increase (Decrease)	Restated 2019
<b>Consolidated Statement of Financial Position</b>			
Financial assets			
Investment in related First Nation entities	\$ 34,551,981	\$ (85,409)	<b>34,466,572</b>
Liabilities			
Deferred revenue	1,328,746	21,182	<b>1,349,928</b>
Net financial assets	33,975,328	(106,591)	<b>33,868,737</b>
Accumulated surplus	67,363,195	(106,591)	<b>67,256,604</b>

#### Consolidated Statement of Operations and Accumulated Surplus

Revenue			
Western Cree Tribal Council - ISC	2,950,268	(21,182)	<b>2,929,086</b>
Income (Loss) from related First Nation entities	(10,080,021)	(83,513)	<b>(10,163,534)</b>
Expenses			
Administration	2,966,814	1,896	<b>2,968,710</b>
Excess (deficiency) of revenue over expenses	(12,339,897)	(106,591)	<b>(12,446,488)</b>
Accumulated surplus, end of year	\$ 67,363,195	\$ (106,591)	<b>67,256,604</b>

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 4. Cash

The Nation has an operating line of credit to a maximum of \$500,000, bearing interest at prime plus 1.25%, secured by a general security agreement. As at March 31, 2020, the Nation has drawn \$nil (2019: \$nil) of this facility.

	2020	2019 Restated (Note 3)
Unrestricted	\$ 635,150	\$ 1,413,326
Canada Mortgage and Housing Corporation	478,815	421,110
First Nation Development Fund	344,616	585,824
	<b>\$ 1,458,581</b>	<b>\$ 2,420,260</b>

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#### 5. Accounts receivable

	2020	2019 Restated (Note 3)
Accounts receivable	\$ 1,058,497	\$ 93,920
GST receivable	59,481	1,300
Health Canada receivable	-	65,920
Western Cree Tribal Council receivable	1,686,828	478,820
First Nation Development Fund	-	362,166
	<b>\$ 2,804,806</b>	<b>\$ 1,002,126</b>

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#### 6. Members receivables

Payroll advances receivable from Horse Lake First Nation members are collected from employee's future wages. During the year, management reviews the amounts due from members to determine whether they are collectible. If the amounts are considered not collectible, there is an allowance for doubtful accounts recorded in the program in which the employee worked.

	2020	2019 Restated (Note 3)
Chief and Council advances	\$ 138,898	\$ 183,677
Members and staff advances receivable	294,464	287,046
Less: allowance for doubtful accounts	(243,122)	(243,122)
	<b>\$ 190,240</b>	<b>\$ 227,601</b>

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 7. Investments in First Nation Controlled Entities

Horse Lake First Nation owns 100% of the shares of Horse Lake First Nation Investment Management Board. With the consent of Council, Horse Lake First Nation is allowed to withdraw a maximum of \$5,000,000 from Horse Lake First Nation Investment Management Board to be used for the operations of Band programs.

Horse Lake First Nation owns 100% of 424337 Alberta Ltd., Horse Lake Oil & Gas Corporation, Horse Lake Industry Relations Corporation, and HLFN Oilfield Construction Corp.

Advances to related Nation entities are unsecured, non-interest bearing and due on demand. The amounts below include the Nation's equity in the related Nation entity and advances made by the Nation to the entity.

These investments in First Nation controlled entities have been recorded in these consolidated financial statements using the modified equity basis. The financial statements of the First Nation controlled entities have been disclosed in Note 22 and have not been consolidated in these consolidated financial statements.

The advances and equity amounts below were provided by management. We were unable to obtain sufficient appropriate evidence about the carrying amount of the Horse Lake First Nation investments, equity and net income for the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary, as detailed in our Basis for Qualified Opinion in the Auditors' Report.

	2020	2019 Restated (Note 3)
Advances from 424337 Alberta Ltd.	\$ 8,762	\$ 4,016
Advances to Horse Lake Oil and Gas Corporation	(43,112)	(45,062)
Advances from 959447 Alberta Ltd.	1,887,572	1,880,453
Advances from Clear Hills Development Corporation	603,725	603,725
Advances to Horse Lake Industry Relations Corporation	(579,342)	(331,317)
Advances from HLFN Oilfield Construction Corp.	4,756,816	4,539,695
Advances to Horse Lake First Nation Investment Management Board	(7,005,558)	(6,949,354)
	<u>(371,137)</u>	<u>(297,844)</u>
Equity in 424337 Alberta Ltd.	98,244	102,990
Equity in Horse Lake Oil and Gas Corporation	40,014	41,964
Equity in Horse Lake Industry Relations Corporation	1,271,089	928,348
Equity in HLFN Oilfield Construction Corp.	(7,617,638)	(4,825,013)
Equity in Horse Lake First Nation Investment Management Board	35,507,549	38,516,127
	<u>29,299,258</u>	<u>34,764,416</u>
	<u>28,928,121</u>	<u>34,466,572</u>



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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 7. Investments in First Nation Controlled Entities, continued

Change in investment in First Nation Entities

	2020	2019 Restated (Note 3)
Investment and advances beginning of year	34,466,572	45,865,050
Advances net of repayment	(73,293)	(1,234,944)
Equity pick-up	(5,465,158)	(10,163,534)
Investment and advances end of year	<b>\$ 28,928,121</b>	<b>\$ 34,466,572</b>

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#### 8. Federal Trust Funds

	2020	2019 Restated (Note 3)
Capital funds held in trust	<b>\$ 660,996</b>	\$ 802,828
Revenue funds held in trust	<b>128,400</b>	167,557
	<b>\$ 789,396</b>	<b>\$ 970,385</b>

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The Ottawa Trust Funds arise from monies derived from capital and revenue sources which the crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by Sections 64 and 69 of the Indian Act.

Ottawa Trust Funds are held in trust in the Consolidated Revenue fund of the Government of Canada. The funds earn interest as specified in Section 61(2) of the Indian Act.

#### 9. Accounts payable and accrued liabilities

	2020	2019 Restated (Note 3)
Accounts payable - trade	<b>\$ 998,524</b>	\$ 342,351
Accounts payable - related party	<b>17,124</b>	-
Health Canada payable	<b>293,149</b>	-
Payroll remittances payable	<b>22,018</b>	-
Wages payable	<b>138,853</b>	109,302
Western Cree Tribal Council Payable	<b>92,151</b>	92,151
	<b>\$ 1,561,819</b>	<b>\$ 543,804</b>

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 10. Deferred revenue

Deferred revenue represents funds received that will be recognized as revenue in the next fiscal year when the related expenses are incurred, or when the terms of the funding have been satisfied. The deferred revenue relates to the following programs and funders:

	March 31, 2019	Funding received, 2020	Revenue recognized, 2020	March 31, 2020
<b>Indigenous Services Canada</b>				
Social Basic Needs - Block	\$ 20,682	\$ 366,786	\$ (387,468)	-
Housing 5 Unit - Fixed	-	1,306,600	(323,300)	<b>983,300</b>
Community Wellbeing - Fixed	-	181,507	-	<b>181,507</b>
Community Wellbeing - Flexible	152,085	-	(57,656)	<b>94,429</b>
Special Needs ID Initiative - Set	500	-	-	<b>500</b>
	173,267	1,854,893	(768,424)	<b>1,259,736</b>
<b>First Nation Development Funds</b>				
Water Treatment Plant Solar Panels	12,400	-	(12,400)	-
Purchase of 2 Modular Homes	115,415	32,187	(147,602)	-
Update Band Policy Documents	11,559	-	(11,559)	-
Basement Upgrades	100,000	-	(100,000)	-
Cultural Coordinator	60,000	-	-	<b>60,000</b>
Safety Signage	50,000	-	-	<b>50,000</b>
Fire Radio, Phones, and Equipment	37,965	-	-	<b>37,965</b>
Fire Hall Extension	271,009	71,736	(342,745)	-
Transportation National Safety Code Compliance Training	2,553	-	(2,553)	-
Development of Mobile Apps, Website and Training	-	32,000	(27,914)	<b>4,086</b>
HR Management Policy and Procedures Implementation	-	140,000	(69,200)	<b>70,800</b>
Band Admin Building Security Modification	-	45,000	(45,000)	-
Band Admin Parking Lot Expansion	-	145,000	(3,207)	<b>141,793</b>
Band Admin Work Space Reconfiguration	-	64,000	-	<b>64,000</b>
	660,901	529,923	(762,180)	<b>428,644</b>
<b>Other</b>				
Health Canada	248,379	1,040,864	(1,065,635)	<b>223,608</b>
Government of Alberta	267,381	-	(267,381)	-
Other	-	862,070	(397,640)	<b>464,430</b>
	515,760	1,902,934	(1,730,656)	<b>688,038</b>
	\$ 1,349,928	\$ 4,287,750	\$ (3,261,260)	<b>\$ 2,376,418</b>

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 11. Long-term debt

	2020	2019 Restated (Note 3)
CMHC Mortgage bearing interest at 2.48%, repayable in blended monthly instalments of \$2,651 maturing August 2033, secured by a Ministerial Guarantee.	\$ 363,818	\$ 386,398
CMHC Mortgage bearing interest at 1.67% repayable in blended monthly instalments of \$1,926, maturing January 2035, secured by a Ministerial Guarantee.	304,051	321,965
CMHC Mortgage bearing interest at 1.48% repayable in blended monthly instalments of \$2,038, maturing January 2037, secured by a Ministerial Guarantee.	364,747	383,686
CMHC Mortgage bearing interest at 1.97% repayable in blended monthly instalments of \$3,246, maturing December 2037, secured by a Ministerial Guarantee.	584,459	611,696
CIBC Mortgage bearing interest at 3.69% repayable in blended monthly instalments of \$1,597, maturing August 2023.	62,011	79,071
CIBC Mortgage bearing interest at 2.54% repayable in blended monthly instalments of \$1,592, maturing January 2022.	83,846	100,587
CIBC Mortgage bearing interest at 4.25% repayable in blended monthly instalments of \$1,294, maturing February 2024.	104,858	114,611
CIBC Mortgage bearing interest at 3.92% repayable in blended monthly instalments of \$1,095, maturing December 2021.	96,342	105,733
CIBC Mortgage bearing interest at 4.94% repayable in blended monthly instalments of \$2,346, maturing August 2025.	186,165	207,291
CIBC Mortgage bearing interest at 2.49% repayable in blended monthly instalments of \$902, maturing November 2021.	56,253	65,552
CIBC Mortgage bearing interest at 2.54% repayable in blended monthly instalments of \$1,164, maturing January 2022.	64,820	76,975
CIBC Mortgage bearing interest at 2.54% repayable in blended monthly instalments of \$1,657, maturing January 2022.	118,530	135,177
CIBC Mortgage bearing interest at 4.94% repayable in blended monthly instalments of \$1,834, maturing August 2025.	219,257	234,550
CIBC Mortgage bearing interest at 2.95% repayable in blended monthly instalments of \$2,728, maturing November 2020.	204,120	230,410

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 11. Long-term debt, continued

	2020 \$	2019 \$
CMHC Mortgage bearing interest at 1.72% repayable in blended monthly instalments of \$3,986, maturing March 2045, secured by a Ministerial Guarantee.	973,411	243,000
	<b>\$ 3,786,688</b>	<b>\$ 3,296,702</b>

CIBC mortgages are secured by the properties being financed.

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

2021	\$ 278,598
2022	284,323
2023	291,646
2024	287,693
2025 and thereafter	2,644,428
	<b>\$ 3,786,688</b>

#### 12. Capital lease obligations

	2020	2019 Restated (Note 3)
Capital lease obligation payable in monthly instalments of \$1,004 bearing interest at 5.99%, due October 2021 secured by related equipment.	\$ 18,159	\$ 28,773
Principal portion of long-term debt due within the next five years:		
2021	\$ 12,049	
2022	7,029	
Total minimum lease payments	19,078	
Less amounts representing interest at 5.99%	(919)	
Present value of net minimum capital lease payments	<b>\$ 18,159</b>	

## Horse Lake First Nation

### Notes to Consolidated Financial Statements

March 31, 2020

#### 13. Tangible Capital Assets

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2020 Net Book Value
Land	\$ 250,001	\$ -	\$ -	\$ 250,001	\$ -	\$ -	\$ -	\$ -	\$ 250,001
Buildings	13,298,632	-	-	13,298,632	4,242,809	265,972	-	4,508,781	8,789,851
Automotive equipment	1,748,701	266,823	-	2,015,524	1,197,409	112,623	-	1,310,032	705,492
Equipment	503,256	-	-	503,256	464,522	11,761	-	476,283	26,973
Solar panels	474,374	-	-	474,374	19,062	18,975	-	38,037	436,337
Equipment under capital lease	355,000	-	-	355,000	109,145	24,585	-	133,730	221,270
Projects in progress	502,386	2,541,451	(1,724,644)	1,319,193	-	-	-	-	1,319,193
Construction Equipment	2,341,807	-	-	2,341,807	2,037,790	60,303	-	2,098,093	243,714
Roads	2,317,343	-	-	2,317,343	2,028,686	92,694	-	2,121,380	195,963
Housing	17,389,186	1,746,942	-	19,136,128	8,209,868	1,091,595	-	9,301,463	9,834,665
Water	17,664,861	166,675	-	17,831,536	5,211,972	440,338	-	5,652,310	12,179,226
	\$ 56,845,547	\$ 4,721,891	\$ (1,724,644)	\$ 59,842,794	\$ 23,521,263	\$ 2,118,846	\$ -	\$ 25,640,109	\$ 34,202,685

# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2019 Net Book Value
Land	\$ 250,001	\$ -	\$ -	\$ 250,001	\$ -	\$ -	\$ -	\$ -	\$ 250,001
Buildings	13,367,318	-	(68,686)	13,298,632	3,976,836	265,973	-	4,242,809	9,055,823
Automotive equipment	1,748,701	-	-	1,748,701	1,087,269	110,140	-	1,197,409	551,292
Equipment	503,256	-	-	503,256	439,566	24,956	-	464,522	38,734
Solar panels	239,374	235,000	-	474,374	4,787	14,275	-	19,062	455,312
Equipment under capital lease	355,000	-	-	355,000	81,828	27,317	-	109,145	245,855
Projects in progress	7,122,638	1,615,281	(8,235,533)	502,386	-	-	-	-	502,386
Construction Equipment	2,341,807	-	-	2,341,807	1,960,459	77,331	-	2,037,790	304,017
Roads	2,317,343	-	-	2,317,343	1,935,992	92,694	-	2,028,686	288,657
Housing	17,611,190	68,686	(290,690)	17,389,186	7,226,553	1,055,987	(72,672)	8,209,868	9,179,318
Water	9,664,328	8,000,533	-	17,664,861	4,873,725	338,247	-	5,211,972	12,452,889
	\$ 55,520,956	\$ 9,919,500	\$ (8,594,909)	\$ 56,845,547	\$ 21,587,015	\$ 2,006,920	\$ (72,672)	\$ 23,521,263	\$ 33,324,284

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 14. Accumulated surplus

	2020	2019 Restated (Note 3)
CMHC replacement reserve	\$ 525,767	\$ 545,251
Operating surplus (deficit)	44,403	1,275,588
Equity in Tangible Capital Assets	30,397,838	29,998,808
Equity in Federal Trust Funds	789,396	970,385
Equity in investments in First Nation entities	28,929,121	34,466,572
	<b>\$ 60,686,525</b>	<b>\$ 67,256,604</b>

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#### 15. Contingent Liabilities

Government contributions related to the projects of Horse Lake First Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies.

Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

#### 16. Replacement reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Nation is required to provide a replacement reserve, established by an annual allocation of \$50,091 (2019 - \$53,992). This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Cash of \$478,815 (2019 - \$421,110) has been set aside to fund the reserve of \$525,767 (2019 - \$546,253) which results in a unfunded amount of \$46,952 (2019 - \$125,143).

	2020	2019 Restated (Note 3)
Replacement reserve, beginning of the year	\$ 545,251	\$ 548,924
Required contribution per CMHC	50,674	53,992
Use of replacement reserve	(67,232)	(114,808)
Adjustment to replacement reserve	(2,926)	57,143
	<b>\$ 525,767</b>	<b>\$ 545,251</b>

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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### 17. Related Party Transactions

Transactions with related parties, if any, are in the normal course of business, and recorded at the exchange amount, which is the amount established and agreed to by the related parties.

### 18. Financial Instruments

The Nation's financial instruments consist of cash, accounts receivable, long-term investments, trust funds, accounts payable, and long-term debt. Unless otherwise noted, the carrying value of its financial statements approximates fair value.

It is management's opinion that the Nation is not exposed to significant currency risks from its financial instruments. The Nation is subject to credit risk with respect to other income. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfil their obligations. A large amount of annual funding is received from the Government of Canada, which minimizes credit risk. The Nation minimizes interest rate risk by borrowing at fixed rates.

### 19. Economic dependence

The Nation receives substantially all of its revenue from Indigenous Services Canada (ISC), flowed through Western Cree Tribal Council, as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### 20. Investment in related First Nation entities

The investment in related First Nation entities is summarized as follows:

- ◆ 424337 Alberta Ltd.
- ◆ Horse Lake Oil and Gas Corporation
- ◆ Horse Lake Industry Relations Corporation
- ◆ Horse Lake First Nation Investment Management Board
- ◆ HLFN Oilfield Construction Corp.



# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 20. Investment in related First Nation entities, continued

	424337 Alberta Ltd.	Horse Lake Oil and Gas Corporation	Horse Lake Industry Relations Corporation	Horse Lake First Nation Investment Management Board	HLFN Oilfield Construction Corp.	2020 Total
Cash	\$ -	\$ -	\$ 105,596	\$ 656,071	\$ -	\$ 761,667
Accounts receivable	-	-	758,144	134,832	1,887,221	2,780,197
Due from related parties	-	43,112	559,032	7,005,558	-	7,607,702
Tangible capital assets	96,970	-	4,319	908	5,184,889	5,287,086
Loans receivable	-	-	113,238	178,812	-	292,050
Portfolio investments	-	-	-	16,077,644	-	16,077,644
Investments in Nation partnerships	-	-	-	17,908,403	-	17,908,403
Other assets	12,537	-	-	7,900	157,437	177,874
<b>Total assets</b>	<b>\$ 109,507</b>	<b>\$ 43,112</b>	<b>\$ 1,540,329</b>	<b>\$ 41,970,128</b>	<b>\$ 7,229,547</b>	<b>\$ 50,892,623</b>
Bank indebtedness	\$ -	\$ -	\$ -	\$ 6,133,300	\$ 15,784	\$ 6,149,084
Accounts payable	2,500	3,098	69,240	329,279	2,790,090	3,194,207
Long-term debt	-	-	-	-	1,235,994	1,235,994
Due to related parties	8,763	-	200,000	-	8,868,280	9,077,043
Other liabilities	-	-	-	-	1,937,037	1,937,037
<b>Total liabilities</b>	<b>11,263</b>	<b>3,098</b>	<b>269,240</b>	<b>6,462,579</b>	<b>14,847,185</b>	<b>21,593,365</b>
<b>Equity</b>	<b>98,244</b>	<b>40,014</b>	<b>1,271,089</b>	<b>35,507,549</b>	<b>(7,617,638)</b>	<b>29,299,258</b>
<b>Total liabilities and equity</b>	<b>\$ 109,507</b>	<b>\$ 43,112</b>	<b>\$ 1,540,329</b>	<b>\$ 41,970,128</b>	<b>\$ 7,229,547</b>	<b>\$ 50,892,623</b>

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 20. Investment in related First Nation entities, continued

	424337 Alberta Ltd.	Horse Lake Oil and Gas Corporation	Horse Lake Industry Relations Corporation	Horse Lake First Nation Investment Management Board	HLFN Oilfield Construction Corp.	2020 Total
Revenue	\$ -	\$ -	\$ 4,427,669	\$ 843,159	\$ 13,143,521	\$ 18,414,349
Expenses						
Operating expenses	4,746	1,950	4,042,198	4,903,641	15,752,955	24,705,490
Other expenses	-	-	42,730	-	183,191	225,921
	4,746	1,950	4,084,928	4,903,641	15,936,146	24,931,411
	\$ (4,746)	\$ (1,950)	\$ 342,741	\$ (4,060,482)	\$ (2,792,625)	\$ (6,517,062)

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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**March 31, 2020**

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#### **21. Budget Information**

The budget information for the year ended March 31, 2020 is unaudited, has been prepared by management and approved by the Chief and Council.

#### **22. Comparative Amounts**

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

# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 23. Expenditures by type

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
<b>Expenses</b>			
Administration	\$ 162,917	\$ 171,334	\$ 162,260
Advertising	1,000	200	595
Amortization	-	2,118,846	2,006,920
Assisted Living	49,978	49,979	53,932
Automotive	262,000	105,223	179,674
Bad debts (recovery)	-	18,416	-
Baseball support	15,000	88,519	73,456
Books and supplies	37,600	50,489	23,576
Building construction	-	30,518	11,904
Bussing repairs and fuel	80,000	91,591	88,187
CMHC replacement reserve	-	67,232	21,450
Children Out of Parental Home expenses	6,250	10,057	2,135
Classroom supplies	12,500	9,823	10,981
Client support	81,000	142,338	149,247
Community wellness	125,000	26,170	26,554
Computer support	95,000	99,278	96,395
Construction	325,000	6,919	23,717
Consulting fees	25,000	8,231	22,364
Core benefits	366,786	372,753	317,422
Cultural and language program	-	1,300	4,800
Cultural events	-	-	70,000
DNA testing	3,000	2,012	678
Economic development	32,000	57,355	102,190
Elder support	210,000	221,001	188,308
Enhanced policing	12,000	13,423	11,712
Enhanced teacher salaries	-	-	4,703
First Nation and Inuit skills link program	34,170	16,887	36,568
Funerals	50,000	67,691	90,047
Hockey support	26,500	19,774	26,059
Insurance	250,000	284,860	260,628
Interest and bank charges	20,000	45,350	19,926
Interest on capital lease	1,500	1,434	4,702
Interest on long term debt	50,000	83,589	74,716
Job maintenance	10,500	13,005	28,870
Medical travel	55,000	90,303	67,231
Minor hockey	50,000	51,516	243,346
National child benefit	71,920	71,920	70,412
New path	-	600	75,422
Office supplies	68,000	101,983	126,990
Per capita distribution	1,100,000	1,182,000	1,123,500
Professional fees	141,500	328,212	150,054
Program expenses	3,492,878	1,379,745	1,054,566
Renovations	-	-	300
Rent	12,000	15,200	12,000
Repairs and maintenance	479,047	406,192	554,321
Salaries, wages and benefits	3,839,959	4,216,237	3,740,397
Security services	2,700	2,952	4,352

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## Horse Lake First Nation

### Notes to Consolidated Financial Statements

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**March 31, 2020**

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Sewer	<b>33,500</b>	<b>43,165</b>	45,527
Special Needs	<b>11,193</b>	<b>18,758</b>	3,417
Student allowances	<b>108,511</b>	<b>111,090</b>	104,003
Student awards	<b>17,000</b>	<b>27,592</b>	13,780
Student field trips	<b>12,000</b>	<b>7,620</b>	11,410
Success coach	-	-	14,932
Summer student employment	<b>13,096</b>	-	13,848
Supplies	<b>22,000</b>	<b>37,268</b>	29,345
Teacher recruitment	-	-	11,000
Telephone and utilities	<b>351,251</b>	<b>375,999</b>	386,024
Training	<b>4,000</b>	<b>35,455</b>	179,958
Travel	<b>334,222</b>	<b>370,816</b>	291,115
Treaty Days	<b>5,000</b>	-	1,900
Tuition	<b>56,000</b>	<b>56,187</b>	47,997
Youth Trip	<b>20,000</b>	<b>29,220</b>	2,595
	<b>\$ 12,645,478</b>	<b>\$ 13,255,627</b>	<b>\$ 12,574,418</b>

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# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 24. Segmented information

	2020 Budget	Administration 2020 Actual	2019 Actual	2020 Budget	Community Services 2020 Actual	2019 Actual	2020 Budget	Economic Development 2020 Actual	2019 Actual
Revenues									
Western Cree Tribal Council	\$ 550,366	\$ 753,162	\$ 504,371	\$ -	\$ -	\$ -	\$ 26,000	\$ 90,285	\$ 88,369
Government of Alberta	-	-	9,600	-	-	-	-	-	-
HLFN Investment Management Board	1,259,215	1,036,238	1,547,810	301,000	402,737	331,000	-	-	28,323
Other revenue	1,007,919	979,769	905,033	-	-	284,790	6,000	(5,457,758)	(10,163,534)
Total revenue	2,817,500	2,769,169	2,966,814	301,000	402,737	615,790	32,000	(5,367,473)	(10,046,842)
Expenses									
Salaries, wages and benefits	1,263,000	1,382,505	1,294,544	170,500	194,209	223,494	-	40,330	887
Repairs and maintenance	-	45	-	4,000	4,233	15,763	-	-	-
Telephone and utilities	230,000	250,013	233,477	5,500	5,396	6,452	-	-	-
Professional fees	130,000	178,166	144,604	-	-	-	-	-	-
Other expenses	1,194,500	1,467,297	1,296,085	121,000	198,899	380,459	32,000	57,355	102,190
Total expenses	2,817,500	3,278,026	2,968,710	301,000	402,737	626,168	32,000	97,685	103,077
Annual surplus (deficit)	\$ -	\$ (508,857)	\$ (1,896)	\$ -	\$ -	\$ (10,378)	\$ -	\$ (5,465,158)	\$ (10,149,919)

# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 24. Segmented information, continued

	2020 Budget	Education 2020 Actual	2019 Actual	2020 Budget	Employment Programs 2020 Actual	2019 Actual	2020 Budget	Health 2020 Actual	2019 Actual
Revenues									
Western Cree Tribal Council	\$ 560,388	\$ 712,236	\$ 747,441	-	\$ -	\$ -	\$ -	\$ -	-
Government of Alberta	-	-	-	-	1,000	133,615	-	-	-
ISC - Health	-	-	-	-	-	-	1,309,189	1,040,811	1,047,510
HLFN Investment Management Board	135,589	30,617	-	120,872	160,825	93,000	-	-	-
Other revenue	504,900	385,444	95,600	266,528	307,453	489,272	-	15,099	9,784
Total revenue	1,200,877	1,128,297	843,041	387,400	469,278	715,887	1,309,189	1,055,910	1,057,294
Expenses									
Salaries, wages and benefits	292,000	319,104	313,425	223,700	280,401	478,280	441,465	485,356	390,911
Repairs and maintenance	60,000	-	-	500	120	787	14,547	12,779	19,799
Telephone and utilities	3,500	4,457	5,361	11,500	14,105	15,260	13,951	13,953	12,849
Professional fees	-	-	-	-	-	-	4,500	4,975	-
Other expenses	845,377	490,394	535,151	151,700	173,340	267,185	834,726	732,230	562,129
Total expenses	1,200,877	813,955	853,937	387,400	467,966	761,512	1,309,189	1,249,293	985,688
Annual surplus (deficit)	\$ -	\$ 314,342	\$(10,896)	\$ -	\$ 1,312	\$(45,625)	\$ -	\$(193,383)	71,606

# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 24. Segmented information, continued

	2020 Budget	Other 2020 Actual	2019 Actual	2020 Budget	Public Works 2020 Actual	2019 Actual	2020 Budget	Social Services 2020 Actual	2019 Actual
Revenues									
Western Cree Tribal Council	\$ 1,578,113	\$ 594,812	\$ 599,959	\$ 297,025	\$ 296,977	\$ 439,504	\$ 583,651	\$ 604,334	\$ 549,440
First Nation Development Funds	889,110	686,248	2,943	-	-	-	-	-	-
CMHC subsidy	302,531	325,564	261,613	-	-	-	-	-	-
Government of Alberta	267,381	267,381	-	-	-	-	-	-	-
HLFN Investment Management Board	777,550	627,632	583,449	572,275	636,009	392,918	24,876	23,943	-
Other revenue	55,000	832,733	(44,226)	150,000	150,001	66,845	-	-	-
Total revenue	3,869,685	3,334,370	1,403,738	1,019,300	1,082,987	899,267	608,527	628,277	549,440
Expenses									
Salaries, wages and benefits	745,094	783,607	554,843	641,000	696,816	598,034	67,200	69,363	65,937
Repairs and maintenance	300,000	307,245	379,302	100,000	81,770	138,671	-	-	-
Telephone and utilities	75,000	77,299	91,198	10,600	9,775	20,228	1,200	1,000	1,200
Professional fees	7,000	145,071	5,450	-	-	-	-	-	-
Other expenses	2,742,591	765,411	653,689	267,700	149,848	154,033	540,127	557,914	482,303
Total expenses	3,869,685	2,078,633	1,684,482	1,019,300	938,209	910,966	608,527	628,277	549,440
Annual surplus (deficit)	\$ -	\$ 1,255,737	\$ (280,744)	\$ -	\$ 144,778	\$ (11,699)	\$ -	\$ -	\$ -



# Horse Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 24. Segmented information, continued

	2020 Budget	Amortization 2020 Actual	2019 Actual	2020 Budget	Per Capita Distribution 2020 Actual	2019 Actual	2020 Budget	Consolidated totals 2020 Actual	2019 Actual
Revenues									
Western Cree Tribal Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,595,543	\$ 3,051,806	\$ 2,929,084
First Nation Development Funds	-	-	-	-	-	-	889,110	686,248	2,943
CMHC subsidy	-	-	-	-	-	-	302,531	325,564	261,613
Government of Alberta	-	-	-	-	-	-	267,381	268,381	143,215
ISC - Health	-	-	-	-	-	-	1,309,189	1,040,811	1,047,510
HLFN Investment Management Board	-	-	-	1,100,000	1,182,000	1,123,500	4,291,377	4,100,001	4,100,000
Other revenue	-	-	-	-	-	-	1,990,347	(2,787,259)	(8,356,436)
Total revenue	-	-	-	1,100,000	1,182,000	1,123,500	12,645,478	6,685,552	127,929
Expenses									
Salaries, wages and benefits	-	-	-	-	-	-	3,843,959	4,251,691	3,920,355
Amortization	-	2,118,846	2,006,920	-	-	-	-	2,118,846	2,006,920
Repairs and maintenance	-	-	-	-	-	-	479,047	406,192	554,322
Telephone and utilities	-	-	-	-	-	-	351,251	375,998	386,025
Professional fees	-	-	-	-	-	-	141,500	328,212	150,054
Per capita distribution	-	-	-	1,100,000	1,182,000	1,123,500	1,100,000	1,182,000	1,123,500
Other expenses	-	-	-	-	-	18	6,729,721	4,592,688	4,433,242
Total expenses	-	2,118,846	2,006,920	1,100,000	1,182,000	1,123,518	12,645,478	13,255,627	12,574,418
Annual surplus (deficit)	\$ -	\$ (2,118,846)	\$ (2,006,920)	\$ -	\$ -	\$ (18)	\$ -	\$ (6,570,075)	\$ (12,446,489)