

Horse Lake First Nation

Consolidated Financial Statements

March 31, 2022

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Management's Responsibility for Financial Reporting

March 31, 2022

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:

R. Johnson

Chief

June 27, 2023

Date

S. Shelly

CEO

June 27, 2023

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, 2022, 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, 2022 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, 2022 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 should be accounted for using the full consolidation method in the consolidated financial statements.

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, 2022. We were unable to obtain any financial records for investments that are material to the financial statements and unable to obtain sufficient appropriate evidence about the carrying amount of the remaining investments. Therefore, we were unable to obtain sufficient appropriate evidence about the carrying amount 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, 2021 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the First Nation taken as a whole. The supplementary information included on the schedules on pages 37 - 102 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Independent Auditors' Report (continued)

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 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
June 27, 2023

Carole Mackay, CPA
Chartered Professional Accountants

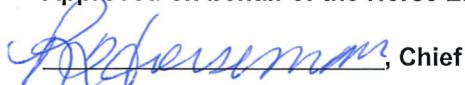
Horse Lake First Nation

Consolidated Statement of Financial Position

March 31,	2022	2021
Financial Assets		
<hr/>		
Cash (Note 3)	\$ 1,381,791	\$ 888,455
Accounts receivable (Note 4)	5,055,441	1,410,332
Horse Lake First Nation Agricultural Benefits Settlement Trust (Note 5)	36,026,181	22,876,464
Members receivables (Note 6)	264,455	232,888
Investment in related First Nation entities (Note 7)	30,343,654	26,777,002
Other investments	1,000	1,000
Federal Trust Funds (Note 8)	475,154	591,879
	<hr/>	<hr/>
	73,547,676	52,778,020
<hr/>		
Liabilities		
<hr/>		
Accounts payable and accrued liabilities (Note 9)	13,446,554	1,219,435
Deferred revenue (Note 10)	8,323,137	2,434,223
Long-term debt (Note 11)	12,218,219	4,571,316
Capital lease obligations	-	6,891
Agricultural Benefits Settlement Loan	-	2,216,252
	<hr/>	<hr/>
	33,987,910	10,448,117
<hr/>		
Net financial assets	39,559,766	42,329,903
<hr/>		
Non-financial Assets		
<hr/>		
Tangible capital assets (Note 12)	36,452,597	33,834,443
Prepaid expenses	71,478	55,141
	<hr/>	<hr/>
	36,524,075	33,889,584
<hr/>		
Accumulated Surplus (Note 13)	\$ 76,083,841	\$ 76,219,487
<hr/>		
Accumulated Surplus consists of		
<hr/>		
Accumulated operating surplus	75,484,117	76,219,487
Accumulated remeasurement gains, end of year	599,724	-
	<hr/>	<hr/>
Accumulated Surplus	76,083,841	76,219,487
<hr/>		

Contingent liabilities (Note 15)

Approved on behalf of the Horse Lake First Nation

, Chief

, CEO

Horse Lake First Nation**Consolidated Statement of Remeasurement Gains and Losses**

For the year ended March 31	2022	2021
Accumulated remeasurement gains, beginning of year	\$ -	\$ -
Unrealized gains attributable to:		
Portfolio investments	1,362,828	-
Amounts reclassified to the statement of operations		
Realized (gains) losses on portfolio investments	(763,104)	-
Other		
Net remeasurement gains	599,724	-
Accumulated remeasurement gains, end of year	\$ 599,724	\$ -

Horse Lake First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31,	2022 Budget	2022 Actual	2021 Actual
Revenue			
Western Cree Tribal Council - ISC	\$ 3,830,543	\$ 5,734,899	\$ 5,769,866
Western Cree Tribal Council - ISET	211,428	301,439	258,531
ISC - Health	1,309,189	3,129,572	2,612,337
CMHC subsidy	302,531	312,449	316,361
CMHC special contribution	-	665,000	-
CMHC contributions - RHI	-	1,422,000	-
Capital band funds	350,000	-	-
First Nation Development Funds	778,965	221,293	391,600
Government of Alberta	-	184,042	34,908
Horse Lake First Nation Investment Management Board	-	525,000	1,000,000
Administration fees	142,919	470,607	641,348
Interest income	-	569,816	1,646
Rental income	61,000	146,906	88,916
Donations	-	248,550	67,000
Other revenue	2,013,300	2,393,862	1,443,775
Income (Loss) from related First Nation entities	-	(285,373)	(5,122,238)
Agricultural Benefits Settlement funds	15,000	-	57,793,438
Ammunition and Twine Settlement funds	-	2,192,724	-
	9,014,875	18,232,786	65,297,488
Expenses (Note 22)			
Administration	2,602,500	4,803,318	4,014,581
Community Services	301,000	766,133	438,377
Economic Development	32,000	124,016	331,132
Education	850,877	1,052,999	868,379
Employment Programs	332,300	789,586	487,243
Health	1,309,189	3,609,358	2,651,671
Other	2,363,840	2,703,802	2,354,803
Public Works	1,019,300	1,173,244	1,042,602
Social Services	608,527	882,810	868,065
Amortization	-	2,080,336	2,200,815
Per Capita Distribution	-	841,543	496,500
Agricultural Benefits Settlement	15,000	141,010	35,076,616
	9,434,533	18,968,155	50,830,784
Excess (deficiency) of revenue over expenses	(419,660)	(735,370)	14,466,708
Accumulated surplus, beginning of year	76,219,487	76,219,487	61,752,783
Accumulated surplus, end of year	\$ 75,799,827	\$ 75,484,117	\$ 76,219,487

Horse Lake First Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31,	2022 Budget	2022 Actual	2021 Actual
Excess (deficiency) of revenue over expenses	\$ (419,660)	\$ (735,370)	\$ 14,466,708
Acquisition of tangible capital assets	-	(4,698,490)	(1,866,211)
Amortization of tangible capital assets	-	2,080,336	2,200,815
Proceeds on disposal	-	-	137,653
Gain on disposal of asset	-	-	(104,014)
	-	(2,618,154)	368,243
Acquisition of prepaid asset	(16,337)	(16,337)	(364)
Effects of remeasurement gains (losses) for the year	-	599,724	-
(Decrease) increase in net financial assets	(435,997)	(2,770,137)	14,834,587
Net financial assets, beginning of year	42,329,903	42,329,903	27,495,316
Net financial assets, end of year	\$ 41,893,906	\$ 39,559,766	\$ 42,329,903

Horse Lake First Nation

Consolidated Statement of Cash Flow

For the year ended March 31,	2022	2021
Cash flows from Operating activities		
Excess (deficiency) of revenue over expenses	\$ (735,370)	\$ 14,466,708
Items not affecting cash		
Amortization	2,080,336	2,200,815
Gain on disposition of asset	-	(104,014)
Gain on sale of portfolio investments	(763,104)	-
	581,862	16,563,509
Change in non-cash operating working capital		
Accounts receivable	(3,645,109)	1,394,474
Prepaid expenses	(16,337)	(361)
Accounts payable and accrued liabilities	12,227,122	(342,386)
Members receivables	(31,567)	(42,648)
Deferred revenue	5,888,914	57,805
	15,004,885	17,630,393
Capital activities		
Purchase of tangible capital assets	(4,698,490)	(1,866,212)
Proceeds on disposal of capital assets	-	137,653
	(4,698,490)	(1,728,559)
Financing activities		
Advances of long term debt	8,142,000	3,160,000
Repayment of long term debt	(2,711,351)	(159,116)
Repayment of current portion of capital lease obligations	(6,891)	(11,268)
	5,423,758	2,989,616
Investing activities		
Funds held in Federal Trust Funds	116,725	197,516
Investment in related First Nation entities	(3,566,652)	3,217,372
Horse Lake First Nation Agricultural Benefits Settlement Trust	(11,786,890)	(22,876,464)
	(15,236,817)	(19,461,576)
Increase (decrease) in cash and cash equivalents	493,336	(570,126)
Cash and cash equivalents, beginning of year	888,455	1,458,581
Cash and cash equivalents, end of year	\$ 1,381,791	\$ 888,455

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

1. Basis of Presentation and Significant Accounting Policies

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

(a) Reporting entity principles of financial reporting

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, 2022
2. Horse Lake Oil and Gas Corporation at March 31, 2022
3. Horse Lake Industry Relations Corporation at December 31, 2021
4. Horse Lake First Nation Investment Management Board (HLIMB) at December 31, 2021
5. HLFN Oilfield Construction Corp. at December 31, 2021

Entities accounted for by full consolidation include:

1. Horse Lake First Nation Agricultural Benefits Settlement Trust at December 31, 2021

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.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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.

(d) Investments

Investments, other than Investments in related First Nation entities, are carried at cost.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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

(e) 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
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.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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

(f) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The entity subsequently measures the following financial assets and liabilities at amortized cost: cash, accounts receivable, members receivable, advances to related First Nation entities, accounts payable and accrued liabilities, and long-term debt.

The entity subsequently measures portfolio investments at fair value based on quoted prices in active markets, without adjustment for transaction costs and with changes in fair value recognized in remeasurement gains and losses in the period in which they occur. The entity subsequently measures investments in First Nation related entities using the modified equity method.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

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.

(g) Use of estimates and COVID-19 measurement uncertainty

The preparation of financial statements in accordance with Public Sector Accounting Board Standards requires management to make estimates and assumptions, including assumptions about the future effects of the COVID-19 pandemic, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year.

COVID-19 is considered a potential indication of impairment and has impacted the assumptions underlying the forecasted cash flows used in performing the Nation's impairment analysis of long-lived assets. Actual impairment and other results could differ from these and other estimates.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

2. COVID-19 Pandemic

The COVID-19 pandemic has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in an economic slowdown.

As a result, funding from certain sources, including from First Nation Development Fund (FNDF) and revenues generated by First Nation owned businesses has declined. There was also disruption to certain operations of the First Nation as a result of complying with mandated health restrictions. Many cultural events and social development activities were cancelled or deferred to a future date.

In response, the First Nation received from Indigenous Services Canada, \$922,446 (2021: \$2,155,407) in additional funding to assist with implementation of public health measures, income assistance initiatives, and costs related to reopening.

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

3. Cash

The Nation has a revolving demand facility to a maximum of \$500,000, bearing interest at prime plus 0.75%, secured by a general security agreement. As at March 31, 2022, the Nation has drawn \$nil (2021: \$nil) of this facility.

The Nation also has access to a credit card to a maximum amount of \$50,000.

	2022	2021
Externally restricted		
Canada Mortgage and Housing Corporation	\$ 67,261	\$ 373,680
First Nation Development Fund	132,143	142,493
Agricultural Benefits Trust Money Market Funds	534,858	-
	<hr/> 734,262	516,173
Unrestricted		
General accounts	642,027	372,282
Cash held in trust	5,502	-
	<hr/> 647,529	372,282
	<hr/> \$ 1,381,791	\$ 888,455

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

4. Accounts receivable

	2022	2021
Accounts receivable	\$ 35,321	\$ 158,522
CMHC subsidy assistance receivable	691,040	26,037
GST receivable	231,438	111,080
Indigenous Services Canada - Health receivable	-	8,522
Horse Lake First Nation Investment Management Board	39,244	26,664
Western Cree Tribal Council receivable	3,828,213	1,076,874
First Nation Development Fund receivable	230,185	2,633
	<hr/> \$ 5,055,441	<hr/> \$ 1,410,332

5. The Horse Lake First Nation Agricultural Benefits Settlement Trust

The Trustees of the Horse Lake First Nation Agricultural Benefits Settlement Trust are required to hold the Trust Property in trust and use the Trust Property for the specific purposes as outlined in the Horse Lake First Nation Agricultural Benefits Settlement Trust Agreement.

Per capita distributions due to beneficiaries under the age of 18, are held in Trust and invested in agreed upon investment funds as outlined in the Trust Agreement. Trustees are required to monitor and evaluate the performance of the investments to ensure they are in compliance with the Trust Agreement.

Upon a beneficiary reaching the age of 18 years old, the beneficiary is entitled to their proportionate per capita distribution, adjusted for inflation.

Annual income of the Trust, is deemed to be due and payable to Horse Lake First Nation to be used for specific purposes as outlined in the Trust Agreement.

The financial statements of the Trust for the year ended December 31, 2021 were audited by another auditor, who expressed an unqualified audit opinion on those financial statements on January 5, 2023.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

5. The Horse Lake First Nation Agricultural Benefits Settlement Trust, continued

	2022	2021
Cash	\$ 534,858	\$ -
Investments	<u>36,026,181</u>	-
 Total assets	 <u>\$ 36,561,039</u>	 -
 Accounts payable	 \$ 52,364	 -
Annual distribution accrual	<u>1,279,636</u>	-
 Total liabilities	 <u>1,332,000</u>	 -
Legacy Account	22,933,542	-
Minor Trust Account	<u>12,295,497</u>	-
 Total equity	 <u>35,229,039</u>	 -
 Total liabilities and equity	 <u>\$ 36,561,039</u>	 -
	2022	2021
Revenue	\$ 1,330,995	\$ -
Unrealized gains/losses	<u>599,723</u>	-
 1,930,718	 <u>1,930,718</u>	 -
 Expenses	 <u>163,747</u>	 -
 Net income	 <u>\$ 1,766,971</u>	 -

During the year, the Trust Funds were transferred into portfolio investments. These portfolio investments are carried at fair market value.

	2022 Market	2022 Cost	2021 Market	2021 Cost
PH&N Core Plus Bond Fund	\$ 14,597,342	\$ 14,610,613	\$ -	\$ -
PH&N Canadian Equity Fund	<u>3,826,775</u>	3,920,062	-	-
RBC QUBE Low Volatility Canadian Equity Fund	<u>3,906,849</u>	3,887,633	-	-
RBC Global Equity Focus Fund	<u>6,741,319</u>	6,342,595	-	-
RBC QUBE Low Volatility Global Equity Fund	<u>6,953,896</u>	6,665,555	-	-
 \$ 36,026,181	 <u>\$ 35,426,458</u>	 \$ -	 \$ -	 -

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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.

	2022	2021
Chief and Council advances	\$ 125,256	\$ 199,894
Members and staff advances receivable	382,321	276,116
Less: allowance for doubtful accounts	(243,122)	(243,122)
	\$ 264,455	\$ 232,888

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 Investment Management Board owns 100% of 959447 Alberta Ltd., Clear Hills Development Corporation and 2035555 Alberta Ltd. 2035555 Alberta Ltd. owns 100% of Dash Energy Services Ltd.

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 First 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 20 and have not been consolidated in these consolidated financial statements.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

7. Investments in First Nation Controlled Entities, continued

	2022	2021
Advances from 424337 Alberta Ltd.	\$ 14,338	\$ 12,364
Advances to Horse Lake Oil and Gas Corporation	(39,212)	(41,162)
Advances from 959447 Alberta Ltd.	2,727,575	1,893,600
Advances from Clear Hills Development Corporation	603,724	603,724
Advances to Horse Lake Industry Relations Corporation	(385,806)	(390,706)
Advances from HLFN Oilfield Construction Corp.	7,637,890	6,788,703
Advances to Horse Lake First Nation Investment Management Board	(7,599,495)	(7,599,495)
Advances from Dash Energy Services Ltd.	14,139	-
Advances from 2035555 Alberta Ltd.	2,412,600	266,700
	<hr/> 5,385,753	1,533,728
Equity in 424337 Alberta Ltd.	92,667	94,642
Equity in Horse Lake Oil and Gas Corporation	36,114	38,064
Equity in Horse Lake Industry Relations Corporation	1,414,595	1,696,043
Equity in HLFN Oilfield Construction Corp.	(7,792,484)	(7,792,484)
Equity in Horse Lake First Nation Investment Management Board	31,207,009	31,207,009
	<hr/> 24,957,901	25,243,274
	<hr/> 30,343,654	26,777,002

Change in investment in First Nation Entities

	2022	2021
Investment and advances beginning of year	26,777,002	29,994,375
Advances less repayments	3,852,025	1,904,865
Equity pick-up	(285,373)	(5,122,238)
Investment and advances end of year	<hr/> \$ 30,343,654	\$ 26,777,002

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

8. Federal Trust Funds

	March 31, 2021	Revenue, 2022	Withdrawals, 2022	March 31, 2022
Revenue funds held in trust	\$ 213,178	\$ 102,627	\$ (200,000)	\$ 115,805
Capital funds held in trust	378,701	580,648	(600,000)	359,349
	<hr/>	\$ 591,879	\$ 683,275	\$ (800,000)
				<hr/> \$ 475,154

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

	2022	2021
Accounts payable - trade	\$ 1,384,657	\$ 840,594
Accounts payable - related party	108,918	80,000
Agricultural Benefits Minor's Payable	11,655,000	-
ISC - Health payable	220,417	220,417
Payroll remittances payable	76,940	61,377
Wages payable	622	17,047
	<hr/> \$ 13,446,554	<hr/> \$ 1,219,435

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Western Cree Tribal Council - ISC				
Community Wellbeing - Fixed	\$ 227,461	\$ -	\$ (149,169)	\$ 78,292
A&C Wastewater Repairs - Fixed	390,000	767,177	(1,130,462)	26,715
Lift Station Repairs/Upgrade - Fixed	-	498,250	-	498,250
O&M Wastewater System - Fixed	-	161,656	-	161,656
O&M Water Systems - Fixed	-	233,687	(42,782)	190,905
Capacity Building - Fixed	-	217,900	(2,584)	215,316
ISC Housing - 5 Unit Renos Project - Fixed	-	240,000	(137,314)	102,686
Special Needs ID Initiative - Set	500	-	-	500
Basic Needs - Flexible	-	562,964	(295,894)	267,070
	617,961	2,681,634	(1,758,205)	1,541,390
First Nation Development Funds				
Cultural Coordinator	60,000	-	-	60,000
Safety Signage	49,925	-	-	49,925
Fire Radio, Phones, and Equipment	37,965	-	(37,965)	-
Band Admin Parking Lot Expansion	143,176	78,367	(221,293)	250
Band Admin and Fire Hall Furniture	21,296	-	-	21,296
Pederson House	-	145,908	-	145,908
Bioenergy Junction	-	268,150	-	268,150
Landscape Band Parking Lot	-	3,000	-	3,000
	312,362	495,425	(259,258)	548,529
Other				
ISC - Health	1,342,305	4,664,457	(2,820,214)	3,186,548
Government of Alberta	-	374,346	(85,265)	289,081
Other	102,310	126,059	(100,343)	128,026
Indigenous Skills and Employment				
Training Program	59,285	155,097	(122,744)	91,638
CMHC - Rapid Housing Initiative	-	3,959,925	(1,422,000)	2,537,925
	1,503,900	9,279,884	(4,550,566)	6,233,218
	\$ 2,434,223	\$ 12,456,943	\$ (6,568,029)	\$ 8,323,137

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

11. Long-term debt

	2022	2021
CMHC Mortgage bearing interest at 2.48%, repayable in blended monthly instalments of \$2,651, maturing August 2033, secured by a Ministerial Guarantee.	\$ 316,897	\$ 340,637
CMHC Mortgage bearing interest at 0.68% repayable in blended monthly instalments of \$1,798, maturing January 2035, secured by a Ministerial Guarantee.	265,315	285,034
CMHC Mortgage bearing interest at 1.50% repayable in blended monthly instalments of \$2,040, maturing January 2037, secured by a Ministerial Guarantee.	325,997	345,504
CMHC Mortgage bearing interest at 1.97% repayable in blended monthly instalments of \$3,246, maturing December 2037, secured by a Ministerial Guarantee.	528,283	556,635
CMHC Mortgage bearing interest at 1.72% repayable in blended monthly instalments of \$3,986, maturing March 2045, secured by a Ministerial Guarantee.	909,912	941,916
CIBC Mortgage bearing interest at 3.69% repayable in blended monthly instalments of \$1,615, maturing August 2023.	26,693	44,722
CIBC Mortgage bearing interest at 4.09% repayable in blended monthly instalments of \$1,641, maturing July 2024.	49,044	66,675
CIBC Mortgage bearing interest at prime + 1% repayable in blended monthly instalments of \$1,294, maturing February 2024.	85,026	95,108
CIBC Mortgage bearing interest at 1.99% repayable in blended monthly instalments of \$1,025, maturing December 2024.	76,580	86,800
CIBC Mortgage bearing interest at 4.94% repayable in blended monthly instalments of \$2,407, maturing August 2025.	145,746	166,859
CIBC Mortgage bearing interest at 1.88% repayable in blended monthly instalments of \$910, maturing November 2024.	36,833	46,719
CIBC Mortgage bearing interest at 4.09% repayable in blended monthly instalments of \$1,215, maturing July 2024.	39,526	52,353
CIBC Mortgage bearing interest at 4.45% repayable in blended monthly instalments of \$1,736, maturing July 2026.	84,002	101,456
CIBC Mortgage bearing interest at 4.94% repayable in blended monthly instalments of \$2,035, maturing August 2025.	191,852	206,400

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

11. Long-term debt, continued

	2022 \$	2021 \$
CIBC Mortgage bearing interest at 4.79% repayable in blended monthly instalments of \$2,882, maturing November 2025.	153,498	180,033
RBC Loan bearing interest at 4.29% repayable in blended monthly instalments of \$21,550, maturing September 2025, secured by a general security agreement.	836,903	1,054,465
RBC Loan bearing interest at RBC prime repayable in blended quarterly instalments of \$74,406, maturing November 2022, secured by a general security agreement.	5,668,738	-
RBC Loan bearing interest at 3.95% repayable in blended quarterly instalments of \$23,682, maturing November 2026, secured by a general security agreement.	1,488,817	-
RBC Loan bearing interest at 3.86% repayable in blended quarterly instalments of \$18,000, maturing November 2026, secured by a general security agreement.	988,557	-
	\$ 12,218,219	\$ 4,571,316

CIBC mortgages are secured by the properties being financed.

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

2023	\$ 8,662,817
2024	587,865
2025	563,538
2026	562,204
2027 and thereafter	1,841,795
	\$ 12,218,219

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

12. Tangible Capital Assets

	Cost				Accumulated amortization				2022 Net Book Value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ 250,001	\$ -	\$ -	\$ 250,001	\$ -	\$ -	\$ -	\$ -	\$ 250,001
Buildings	14,751,237	231,293	-	14,982,530	4,789,280	297,338	-	5,086,618	9,895,912
Automotive equipment	2,015,524	15,000	-	2,030,524	1,435,945	126,627	-	1,562,572	467,952
Equipment	535,120	-	-	535,120	489,400	16,340	-	505,740	29,380
Solar panels	483,974	-	-	483,974	57,204	19,359	-	76,563	407,411
Equipment under capital lease	57,000	-	-	57,000	25,650	5,700	-	31,350	25,650
Projects in progress	-	3,978,783	-	3,978,783	-	-	-	-	3,978,783
Construction Equipment	2,639,807	-	-	2,639,807	2,271,575	57,490	-	2,329,065	310,742
Roads	2,317,343	-	-	2,317,343	2,214,073	73,456	-	2,287,529	29,814
Housing	20,743,365	473,414	-	21,216,779	10,412,605	1,041,605	-	11,454,210	9,762,569
Water	17,831,536	-	-	17,831,536	6,094,732	442,421	-	6,537,153	11,294,383
	\$ 61,624,907	\$ 4,698,490	\$ -	\$ 66,323,397	\$ 27,790,464	\$ 2,080,336	\$ -	\$ 29,870,800	\$ 36,452,597

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

	Cost					Accumulated amortization					2021 Net Book Value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year			
Land	\$ 250,001	\$ -	\$ -	\$ 250,001	\$ -	\$ -	\$ -	\$ -	\$ 250,001		
Buildings	13,298,632	1,452,605	-	14,751,237	4,508,781	280,499	-	4,789,280	9,961,957		
Automotive equipment	2,015,524	-	-	2,015,524	1,310,032	125,913	-	1,435,945	579,579		
Equipment	503,256	31,864	-	535,120	476,283	13,117	-	489,400	45,720		
Solar panels	474,374	9,600	-	483,974	38,037	19,167	-	57,204	426,770		
Equipment under capital lease	57,000	-	-	57,000	19,950	5,700	-	25,650	31,350		
Projects in progress	1,319,193	1,541,832	(2,861,025)	-	-	-	-	-	-		
Construction Equipment	2,639,807	-	-	2,639,807	2,211,873	59,702	-	2,271,575	368,232		
Roads	2,317,343	-	-	2,317,343	2,121,380	92,693	-	2,214,073	103,270		
Housing	19,136,128	1,691,336	(84,099)	20,743,365	9,301,463	1,161,602	(50,460)	10,412,605	10,330,760		
Water	17,831,536	-	-	17,831,536	5,652,310	442,422	-	6,094,732	11,736,804		
	\$ 59,842,794	\$ 4,727,237	\$ (2,945,124)	\$ 61,624,907	\$ 25,640,109	\$ 2,200,815	\$ (50,460)	\$ 27,790,464	\$ 33,834,443		

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

13. Accumulated surplus

	2022	2021
CMHC replacement reserve	\$ 1,302,632	\$ 580,541
Operating surplus (deficit)	(11,299,441)	(4,917,100)
Equity in Tangible Capital Assets	31,728,576	30,310,701
Equity in Federal Trust Funds	475,154	591,879
Equity in Agricultural Benefit Settlement Trust	22,933,542	22,876,464
Equity in investments in First Nation entities	30,343,654	26,777,002
Remeasurement gains (losses)	599,724	-
	\$ 76,083,841	\$ 76,219,487

14. 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.

15. 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 \$57,091 (2021 - \$57,091). 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. During the year, a special contribution of \$665,000 was made to the replacement reserve, funded by Canada Mortgage and Housing Corporation. Cash of \$67,261 (2021 - \$373,680) has been set aside to fund the reserve of \$1,302,632 (2021 - \$580,541) which results in an unfunded amount of \$1,235,371 (2021 - \$206,861).

	2022	2021
Replacement reserve, beginning of the year	\$ 580,541	\$ 525,767
Required contribution per CMHC	57,091	57,091
Use of replacement reserve	-	(2,317)
Special contribution from CMHC	665,000	-
	\$ 1,302,632	\$ 580,541

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

16. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. These risks, which have not changed from prior year, include:

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is exposed to market risk as follows:

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's interest-bearing financial instruments include long-term debt. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The entity does not employ derivative financial instruments to hedge its exposure to interest rate risk.

ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuer, or factors affecting all similar financial instruments or issuers. The Nation's portfolio investments expose it to price risks as these instruments are subject to price changes in an open market for a variety of reasons including, investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets. The entity does not employ derivative financial instruments to hedge its exposure to other price risk. Management mitigates this risk by continuously monitoring market rates of return and interest.

COVID-19 has resulted in an increase in other price risk by increasing volatility in investment markets. The entity cannot predict changes in economic conditions that impact individual financial instruments or similar financial instruments or issuers. Such changes arising from the COVID-19 pandemic could have a material effect on the entity's operations and financial condition.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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 entity performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy.

The COVID-19 pandemic has resulted in an increase in credit risk for the entity. If a debtor experiences financial difficulty or fails to comply with their contractual obligations, which may occur as the COVID-19 pandemic continues, this could result in significant financial loss to the entity.

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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. Economic dependence

The Nation receives substantially all of its revenue from Indigenous Services Canada (ISC), flowed through Western Cree Tribal Council.

19. 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.

	424337 Alberta Ltd.	Horse Lake Oil and Gas Corporation	Horse Lake Industry Relations Corporation	Investment Management Board	HLFN Oilfield Construction Corp.	2022 Total
Cash	\$ -	\$ -	\$ 147,528	\$ -	\$ -	\$ 147,528
Accounts receivable	-	-	750,939	-	-	750,939
Due from related parties	-	39,212	599,866	-	-	639,078
Tangible capital assets	96,970	-	3,723	-	-	100,693
Loans receivable	-	-	137,739	-	-	137,739
Other assets	12,537	-	-	-	-	12,537
 Total assets	 \$ 109,507	 \$ 39,212	 \$ 1,639,795	 \$ -	 \$ -	 \$ 1,788,514
 Accounts payable	 \$ 2,500	 \$ 3,098	 \$ 25,200	 \$ -	 \$ -	 \$ 30,798
Due to related parties	14,340	-	200,000	-	-	214,340
 Total liabilities	 16,840	 3,098	 225,200	 -	 -	 245,138
 Equity	 92,667	 36,114	 1,414,595	 -	 -	 1,543,376
 Total liabilities and equity	 \$ 109,507	 \$ 39,212	 \$ 1,639,795	 \$ -	 \$ -	 \$ 1,788,514

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

19. Investment in related First Nation entities, continued

	424337 Alberta Ltd.	Horse Lake Oil and Gas Corporation	Horse Lake Industry Relations Corporation	First Nation Management Board	Horse Lake Investment Management Board	HLFN Oilfield Construction Corp.	2022 Total
Revenue							
Revenue	\$ -	\$ -	\$ 1,924,099	\$ -	\$ -	\$ -	\$ 1,924,099
Government wage subsidies	-	-	137,052	-	-	-	137,052
Other	-	-	37,778	-	-	-	37,778
	-	-	2,098,929	-	-	-	2,098,929
Expenses	1,975	1,950	2,380,377	-	-	-	2,384,302
	\$ (1,975)	\$ (1,950)	\$ (281,448)	\$ -	\$ -	\$ -	\$ (285,373)

20. Budget Information

The budget information for the year ended March 31, 2022 is unaudited, has been prepared by management and approved by the Chief and Council.

21. Comparative Amounts

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

22. Expenditures by type

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Expenses			
Administration	\$ 142,919	\$ 589,969	\$ 641,348
Advertising	1,000	6,701	250
Agricultural Benefits Settlement disbursements	15,000	(22,738)	35,076,616
Amortization	-	2,080,336	2,200,815
Assisted Living	49,978	51,272	58,202
Automotive	237,000	191,877	202,020
Bad debts	-	(13,210)	150
Books and supplies	37,600	51,174	45,116
Bussing repairs and fuel	80,000	43,183	55,459
Capital	-	8,350	-
Children Out of Parental Home expenses	6,250	17,021	20,201
Classroom supplies	12,500	14,201	10,233
Client support	81,000	350,009	123,483

Horse Lake First Nation

Notes to Consolidated Financial Statements

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Community wellness	110,000	141,453	54,695
Computer support	95,000	191,299	161,605
Construction	190,000	213,290	1,608
Consulting fees	-	31,108	109,013
Contracted services	-	977	-
Core benefits	366,786	595,446	529,421
Cultural and language program	-	1,500	-
Cultural events	-	13,275	73,971
DNA testing	3,000	354	1,550
Economic development	32,000	117,525	169,111
Elder support	210,000	332,233	243,262
Employment Training - National Child Benefit	71,920	65,117	73,443
Enhanced policing	12,000	173,000	124,055
First Nation and Inuit youth employment strategy	34,170	135,074	40,595
Funerals	50,000	117,312	108,830
Gas Support	-	680	-
Insurance	250,000	518,976	691,475
Interest and bank charges	20,000	62,056	97,516
Interest on capital lease	1,500	138	781
Interest on long term debt	30,000	205,406	116,043
Job maintenance	10,500	13,732	7,632
Medical travel	55,000	142,810	77,954
Meetings	-	50,256	-
Minor hockey	50,000	126,577	21,066
New path	-	22,385	14,089
Office supplies	58,000	245,260	98,127
Per capita distribution	-	841,500	496,500
Professional fees	146,500	939,540	122,561
Program expenses	1,801,152	2,325,408	2,579,069
Purchases	-	4,170	-
Rent	12,000	53,672	12,450
Repairs and maintenance	554,047	913,898	794,303
Salaries, wages and benefits	3,804,834	5,288,743	4,570,844
Security services	2,700	6,450	7,159
Sewer	33,500	27,770	35,223
Special Needs	11,193	3,994	5,463
Student allowances	108,511	98,981	115,278
Student awards	17,000	23,930	10,410
Student field trips	12,000	4,350	-
Supplies	17,000	7,178	8,356
Telephone and utilities	311,251	514,556	392,035
Training	4,000	174,155	74,043
Travel	209,722	777,542	280,141
Tuition	56,000	74,362	59,283
Workshops & conferences	-	500	-
Youth Trip	20,000	2,072	17,931
	\$ 9,434,533	\$ 18,968,155	\$ 50,830,784

Horse Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2022

23. Segmented information

	Administration		Community Services		Economic Development				
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Western Cree Tribal Council	\$ 1,050,366	\$ 2,128,756	\$ 2,057,520	-	\$ 50,000	-	\$ 26,000	\$ 96,135	\$ 275,032
Government of Alberta	-	12,143	-	-	-	-	-	-	-
HLFN Investment Management Board	-	525,000	503,500	-	-	-	-	-	-
Other revenue	2,507,919	1,964,940	1,434,919	-	37,500	2,500	6,000	(257,492)	(5,050,948)
Total revenue	3,558,285	4,630,839	3,995,939	-	87,500	2,500	32,000	(161,357)	(4,775,916)
Expenses									
Salaries, wages and benefits	1,263,000	1,510,812	1,390,345	170,500	288,974	155,516	-	5,991	38,339
Repairs and maintenance	-	20,083	19,962	4,000	7,241	6,095	-	-	-
Telephone and utilities	190,000	394,106	297,330	5,500	2,074	6,201	-	-	-
Professional fees	115,000	312,909	118,066	-	-	-	-	-	-
Other expenses	1,034,500	2,565,408	2,188,878	121,000	467,844	270,565	32,000	118,025	292,793
Total expenses	2,602,500	4,803,318	4,014,581	301,000	766,133	438,377	32,000	124,016	331,132
Annual surplus (deficit)	\$ 955,785	\$ (172,479)	\$ (18,642)	\$ (301,000)	\$ (678,633)	\$ (435,877)	-	\$ (285,373)	\$ (5,107,048)