

**HALFWAY RIVER FIRST NATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**HALFWAY RIVER FIRST NATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

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**FINANCIAL STATEMENTS**

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# HALFWAY RIVER FIRST NATION

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2015

The accompanying financial statements of Halfway River First Nation are the responsibility of management and have been approved by Chief and Council.

The 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 Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

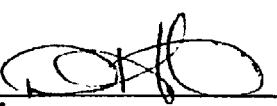
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

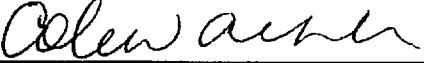
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

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 financial statements and the external auditor's report.

The external auditors, DMC Chartered Professional Accountants Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Halfway River First Nation and meet when required.

On behalf of Halfway River First Nation:

  
Chief

  
Councillor

Nov 26, 2015  
Date

Nov 26/2015  
Date



## Independent Auditor's Report

To the Members of  
Halfway River First Nation

We have audited the accompanying financial statements of Halfway River First Nation, which comprise the statement of financial position as at March 31, 2015, and the statements of revenue and expenditures and accumulated surplus, change in net financial assets (debt), cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

Since not all of the entities owned and controlled by the Nation were subject to audit, the earnings (losses) of these entities enter into the determination of the results from operations and the valuation of investments shown in the financial statement of the Nation. Thus, we were unable to determine whether an adjustment might be necessary to investments and advances to related Nation entities, earnings (loss) from investment in Nation business entities, statement of revenue and expenses and surplus, and changes in accumulated surplus.

As explained in Note 17, the First Nation has not disclosed the budget information as required by Canadian Public Sector Accounting Standards.

We were unable to satisfy ourselves that expenditures were properly classified and charged against the appropriate function.

*Qualified opinion*

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2015 and the results of its operations, the changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Emphasis of Matter*

Comparative figures were audited by another firm of public accountants and were issued with a qualified opinion on October 22, 2014.

DMC Chartered Professional Accountants Inc.

Prince George, British Columbia  
November 10, 2015

**HALFWAY RIVER FIRST NATION**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2015**

	<b>2015</b>	<b>2014</b> Restated (Note 12)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 2,340,857	\$ 2,312,678
Accounts receivable (Note 3)	958,107	496,943
Advances receivable	-	2,809
Investment in First Nation Entities (Note 4)	1,889,511	2,045,578
Trust funds held by federal government (Note 5)	2,487,019	2,358,662
Other trust funds (Note 6)	1,206,184	496,934
	<b>8,881,678</b>	<b>7,713,604</b>
<b>LIABILITIES</b>		
Accounts payable (Note 7)	519,076	1,143,460
Deferred revenue (Note 8)	1,849,448	947,056
Debt (Note 9)	5,480,968	5,632,809
	<b>7,849,492</b>	<b>7,723,325</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>1,032,186</b>	<b>(9,721)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	7,246,061	6,378,590
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 8,278,247</b>	<b>\$ 6,368,869</b>

Contingent liabilities (Note 14)  
Economic dependence (Note 15)  
Subsequent event (Note 16)

Approved on behalf of the Halfway River First Nation

John Aker, Chief  
John Aker, Councillor

See accompanying notes to these financial statements.

**HALFWAY RIVER FIRST NATION****STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)****FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014</b>
			Restated (Note 12)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 626,885</b>	<b>\$ 1,909,378</b>	\$ 850,718
Acquisition of tangible capital assets	-	(1,350,328)	(1,880,286)
Amortization of tangible capital assets	-	<b>482,857</b>	414,302
	-	<b>(867,471)</b>	(1,465,983)
Use of prepaid expenses	-	-	22,890
Increase (decrease) in net financial assets	<b>626,885</b>	<b>1,041,907</b>	(592,375)
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	<b>-</b>	<b>(9,721)</b>	582,654
<b>NET DEBT AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 1,032,186</b>	<b>\$ (9,721)</b>

See accompanying notes to these financial statements.

**HALFWAY RIVER FIRST NATION**  
**STATEMENT OF REVENUE AND EXPENDITURES AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual Restated (Note 12)</b>
<b>REVENUE</b>			
Federal Government Transfers (Note 17)	\$ 1,279,526	\$ 1,497,385	\$ 753,262
Provincial Government Transfers (Note 17)	160,000	275,000	150,000
Other Aboriginal Groups	385,920	381,244	383,313
Band generated	2,863,882	6,030,228	4,678,022
Transfer from deferred revenue	260,883	977,056	303,909
Transfer to deferred revenue	-	(1,849,448)	(457,534)
	<b>4,950,211</b>	<b>7,311,465</b>	<b>5,810,972</b>
<b>EXPENDITURES</b>			
Administration	585,611	767,052	866,041
Capital Projects	249,887	328,722	62,718
Child Welfare	60,000	65,000	95,234
Education	183,531	282,631	171,896
Economic Development	349,332	517,031	647,246
Health Services	361,680	415,780	396,304
Housing	647,151	158,806	575,834
Investment in Tangible Capital Assets	-	482,857	-
Land Use	959,265	1,850,966	1,187,917
Nation Businesses	58,246	110,352	15,694
Operations and Maintenance	270,111	362,974	494,849
Social development	292,421	270,467	4,846
Specific claims	286,210	265,426	446,591
	<b>4,303,445</b>	<b>5,878,064</b>	<b>4,965,170</b>
<b>RECOVERY</b>	<b>(19,880)</b>	<b>(42,356)</b>	<b>(260,883)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS</b>	<b>626,885</b>	<b>1,391,038</b>	<b>584,921</b>
<b>OTHER ITEMS</b>			
Gain on investment in First Nation Entities	-	518,340	265,797
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>626,885</b>	<b>1,909,378</b>	<b>850,718</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>-</b>	<b>6,368,869</b>	<b>5,518,151</b>
<b>TRANSFERS</b>	<b>235,874</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 862,759</b>	<b>\$ 8,278,247</b>	<b>\$ 6,368,869</b>

See accompanying notes to these financial statements.

**HALFWAY RIVER FIRST NATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015</b>	<b>2014</b> Restated (Note 12)
<b>Cash flows from</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 1,909,378	\$ 850,718
Items not affecting cash		
Amortization	482,857	414,302
Earnings from Investment in Nation business	(518,340)	(265,797)
	<b>1,873,895</b>	999,223
Change in non-cash operating working capital		
Accounts receivable	(458,356)	220,995
Prepaid expenses	-	22,890
Accounts payable	(624,384)	822,294
Deferred revenue	902,392	647,127
	<b>1,693,547</b>	2,712,529
<b>CAPITAL ACTIVITIES</b>		
Purchases of tangible capital assets	(1,350,330)	(1,880,285)
<b>FINANCING ACTIVITIES</b>		
Repayment of debt	(151,842)	(140,203)
Advance of Aboriginal Affairs and Northern Development		
Canada debt	-	260,883
	<b>(151,842)</b>	120,680
<b>INVESTING ACTIVITIES</b>		
Repayment of advances to related Nation entities	674,411	65,530
Proceeds to Ottawa Trust Funds	(45,840)	(106,139)
Contributions to Ottawa Trust Funds	(82,517)	(83,610)
Deposits into trust funds	(1,275,821)	(881,606)
Disbursements from trust funds	566,571	102,890
	<b>(163,196)</b>	(902,935)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>28,179</b>	49,989
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,312,678</b>	2,262,689
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,340,857</b>	\$ 2,312,678

See accompanying notes to these financial statements.

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**DESCRIPTION OF OPERATIONS**

Halfway River First Nation is a self-governed First Nation Band and operates on Halfway River First Nation traditional territory, located in Northern British Columbia.

**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 Canadian Institute of Chartered Accountants.

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

These financial statements report only on the activities of the Halfway River First Nation.

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

The First Nation also prepares Financial Statements that consolidate the assets, liabilities and results of operations for the following entities which lend themselves to consolidation:

1. Halfway River First Nation Administration Fund
2. Halfway River First Nation Capital Fund
3. Halfway River First Nation Child Welfare Fund
4. Halfway River First Nation EducationFund
5. Halfway River First Nation Economic Development Fund
6. Halfway River First Nation Health Services Fund
7. Halfway River First Nation Housing Fund
8. Halfway River First Nation Investment in Tangible Capital Assets Fund
9. Halfway River First Nation Land Use Fund
10. Halfway River First Nation Nation Businesses Fund
11. Halfway River First Nation Operations and Maintenance Fund
12. Halfway River First Nation Social Development Fund
13. Halfway River First Nation Specific Claims Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Halfway River First Nation business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. Entities accounted for by the modified equity method include:

- Six Nation Ventures Limited Partnership
- Halfway River Ventures Ltd
- Halfway River Resources Ltd.
- Halfway River Holdings td.

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# **HALFWAY RIVER FIRST NATION**

## **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(b) Fund accounting**

Halfway River First Nation maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the capital assets of the First Nation not included in other funds, together with their related activities.
- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.
- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

#### **(c) Financial instruments**

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash (restricted and unrestricted), accounts receivable, advances to related parties, and trust funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, reserves, advances from related parties and long term debt.

Fair value is determined by the price that is quoted in an active market. The most recent quote price becomes its new carrying value. When a quoted price in an active market is not available for an equity instrument that is a portfolio investment, it is measured at cost.

The Nation does not currently have any financial instruments that are measured at fair value.

#### **(d) Cash and cash equivalents**

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

#### **(e) Short term investments**

Short term investments consist of Guaranteed Investment Certificate stated at cost.

#### **(f) Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

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**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Loans receivable**

Loans receivable are stated at the lower of cost and management's best estimate of net recoverable value. Valuation allowances, which are not required to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principle or interest is not reasonably assured.

**(h) Investments in First Nation Entities**

Investments in Halfway River Ventures Ltd. are accounted for on a modified equity basis.

Investment in Halfway River Resources Ltd. are accounted for on a modified equity basis.

Investment in Halfway River Holding Ltd. are accounted for on a modified equity basis.

Investment in Six Nation Ventures Limited Partnership is accounted for on a modified equity basis.

**(i) Trust funds**

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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# HALFWAY RIVER FIRST NATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

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

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

Buildings	20-25 years
Automotive equipment	3 years
Computer equipment	5 years
Farm Equipment	10 years
Furniture and equipment	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to Halfway River 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 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.

Assets under construction are currently not in use therefore, are not being amortized until a time where they provide an economic benefit to Halfway River First Nation

#### (k) Impairment of long-lived asset

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as excess of the carrying value of the asset over its fair value.

#### (l) Long-term debt

Long term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long term debt.

Repayments of long term financing are recognized as a decrease in long term debt.

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**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Surplus recoveries and deficit funding**

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

**(n) Revenue recognition**

Revenue and funding are recognized as follows:

- i) Government funding is recognized as revenue when it becomes available under the terms of the applicable funding agreements. Funding received under the funding agreements relating to a subsequent period is reflected as deferred revenue in the year of receipt.
- ii) Government transfers are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amount can be made.
- iii) All other revenue is recognized when services have been delivered and collection can be reasonably assured.

**(o) Asset classification**

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

**(p) Net debt or net financial assets**

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by liabilities less financial assets. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

**(q) Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**2. CASH AND CASH EQUIVALENTS**

Restricted cash is made up of funds that the Nation has designated for use in TLE projects, Canadian Mortgage and Housing Corporation (CMHC) housing projects, and Legacy projects.

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

The Nation has a Guaranteed Investment Certificate held with Scotiabank which earns interest at a rate of 0.6% per annum and will mature August 2015.

Cash and cash equivalents is comprised of the following:

	<b>2015</b>	<b>2014</b>
Externally restricted		
Replacement and Subsidy Fund - CMHC	\$ 204,486	\$ 371,234
Internally restricted		
Lands	161,968	231,396
Legacy	684,099	465,998
Guaranteed Investment Certificate	378,985	376,137
	<hr/> 1,225,052	1,073,531
Unrestricted		
Operating	911,319	867,913
	<hr/> \$ 2,340,857	\$ 2,312,678

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**3. ACCOUNTS RECEIVABLE**

	<b>2015</b>	<b>2014</b> Restated
<b>Due from members</b>		
Rent receivable	\$ 400,084	\$ 151,732
Band member loans	8,813	89,251
Allowance for doubtful accounts - rent	(240,051)	(215,285)
	<b>168,846</b>	<b>25,698</b>
<b>Due from others</b>		
Trade receivable	<b>501,491</b>	422,322
<b>Due from government and other government organizations</b>		
Aboriginal Affairs and Northern Development Canada	168,851	112,369
Canadian Mortgage and Housing Corporation	163,667	59,801
Health Canada	-	30,980
	<b>332,518</b>	<b>203,150</b>
Allowance for doubtful accounts - trade/other	<b>1,002,855</b> (44,748)	651,170 (154,227)
	<b>\$ 958,107</b>	<b>\$ 496,943</b>

**4. INVESTMENT IN FIRST NATION ENTITIES**

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

- ◆ Halfway River Ventures Ltd.
- ◆ Halfway River Resources Ltd.
- ◆ Halfway River Holdings Ltd.
- ◆ Six Nation Ventures Partnership

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**4. INVESTMENT IN FIRST NATION ENTITIES, continued**

	<b>2015</b>	<b>2014</b>
Halfway River Ventures Ltd.	\$ 1,538,185	\$ 1,680,923
Halfway River Resources Ltd.	1,812	1,812
Halfway River Holdings Ltd.	(27,604)	-
Six Nation Ventures Partnership	377,118	362,843
	<b>\$ 1,889,511</b>	<b>\$ 2,045,578</b>

	Halfway River Ventures Ltd.	Halfway River Resources Ltd.	Halfway River Holdings Ltd.	Six Nation Ventures Partnership
Cash	\$ 764,765	\$ -	\$ 13,541	\$ 1,181,718
Accounts receivable	868,792	-	-	130,549
Inventory	138,343	-	-	-
Tangible capital assets	64,479	-	-	1,034,022
Income tax receivable	21,461	-	-	-
Prepays	14,715	-	-	18,288
Due from related party	-	1,809	-	-
Other assets	-	-	-	9,359
<b>Total assets</b>	<b>\$ 1,872,555</b>	<b>\$ 1,809</b>	<b>\$ 13,541</b>	<b>\$ 2,373,936</b>
Accounts payable	\$ 223,475	\$ -	\$ 3,394	\$ 87,998
Due to related party	848,535	-	41,096	-
Other liabilities	17,814	-	-	-
<b>Total liabilities</b>	<b>1,089,824</b>	<b>-</b>	<b>44,490</b>	<b>87,998</b>
<b>Equity</b>	<b>782,731</b>	<b>1,809</b>	<b>(30,949)</b>	<b>2,285,938</b>
<b>Total liabilities and equity</b>	<b>\$ 1,872,555</b>	<b>\$ 1,809</b>	<b>\$ 13,541</b>	<b>\$ 2,373,936</b>

# HALFWAY RIVER FIRST NATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

### 4. INVESTMENT IN FIRST NATION ENTITIES, continued

	Halfway River Ventures Ltd.	Halfway River Resources Ltd.	Halfway River Holdings Ltd.	Six Nation Ventures Partnership
Revenue	\$ 6,572,628	\$ -	\$ 12,897	\$ 536,376
Farm Income	<u>129,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>6,701,680</b>	<b>-</b>	<b>12,897</b>	<b>536,376</b>
Expenses	<b>6,039,661</b>	<b>-</b>	<b>43,849</b>	<b>448,331</b>
Income Taxes	<u>127,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<b>6,166,661</b>	<b>-</b>	<b>43,849</b>	<b>448,331</b>
Net income (loss)	<b>\$ 535,019</b>	<b>\$ -</b>	<b>\$ (30,952)</b>	<b>\$ 88,045</b>

### 5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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

	2015	2014		
Capital funds held in trust	\$ 1,764,341	\$ 1,681,824		
Revenue funds held in trust	<u>722,678</u>	<u>676,838</u>		
	<b>\$ 2,487,019</b>	<b>\$ 2,358,662</b>		
	2015 Revenue	2015 Capital	2015 Total	2014 Total
Surplus, beginning of year	\$ 676,838	\$ 1,681,824	\$ 2,358,662	\$ 2,168,913
Contributions	<u>-</u>	<u>82,517</u>	<u>82,517</u>	<u>83,610</u>
Interest earnings	<u>45,840</u>	<u>-</u>	<u>45,840</u>	<u>106,139</u>
Surplus, end of year	<b>\$ 722,678</b>	<b>\$ 1,764,341</b>	<b>\$ 2,487,019</b>	<b>\$ 2,358,662</b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**6. OTHER TRUST FUNDS**

The Nation receives funds from industry for the purpose of completing projects, these funds are held within a trust fund and expenditures for the projects are paid directly from the trust fund.

	<b>2015</b>	<b>2014</b>
War Chest Trust	\$ 2,629	\$ 57,433
Treaty Land, Agricultural, Trapline and TransCanada	<u>1,203,555</u>	<u>439,501</u>
	<b><u>\$ 1,206,184</u></b>	<b><u>\$ 496,934</u></b>

	<b>2015</b>		<b>2015</b>		<b>2014</b>
	<b>Treaty Land,</b>		<b>2015</b>		<b>2014</b>
	<b>Agricultural,</b>		<b>War Chest</b>		<b>Total</b>
	<b>Trapline &amp;</b>		<b>TransCanada</b>		
Surplus, beginning of year	\$ 439,501	\$ 57,433	\$ 496,934	\$ 405,967	
Withdrawals	(511,767)	(54,804)	(566,571)	(102,890)	
Contributions	<u>1,275,821</u>	-	<u>1,275,821</u>	<u>193,857</u>	
 Surplus, end of year	 <b><u>\$ 1,203,555</u></b>	 <b><u>\$ 2,629</u></b>	 <b><u>\$ 1,206,184</u></b>	 <b><u>\$ 496,934</u></b>	

**7. ACCOUNTS PAYABLE**

	<b>2015</b>	<b>2014</b>
Trades accounts payable	\$ 387,519	\$ 1,076,603
Payroll and benefits	40,644	36,857
Accrued payables	67,156	30,000
Due to government agency	23,757	-
 	 <b><u>\$ 519,076</u></b>	 <b><u>\$ 1,143,460</u></b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**8. DEFERRED REVENUE**

	March 31, 2014	Funding received, 2015	Revenue recognized, 2015	March 31, 2015
<b>Federal government</b>				
Capital projects	\$ 54,000	\$ -	\$ (54,000)	\$ -
<b>Trust fund</b>				
Socio Ec Study #1674	-	54,000	-	<b>54,000</b>
TLE Specific Claim 1004	91,119	-	(91,119)	-
TransCanada Rupert TUS #1537	-	150,470	(48,000)	<b>102,470</b>
Site C Dam #1209	-	120,000	(47,684)	<b>72,316</b>
TransCanada N. Montney MOU #1498	-	161,500	(32,757)	<b>128,743</b>
TransCanada N. Montney Socio Ec	-	12,000	-	<b>12,000</b>
TransCanada N Montney TUS	-	94,998	-	<b>94,998</b>
Progress Energy MOU	-	312,307	-	<b>312,307</b>
Transcanada LNG pipeline	-	75,820	(36,393)	<b>39,427</b>
Spectra LNG pipeline	-	55,000	(11,331)	<b>43,669</b>
Govt to govt negotiations	-	50,000	(29,320)	<b>20,680</b>
Agricultural benefits specific claim	66,119	-	(16,694)	<b>49,425</b>
Trapline specific claim	103,645	-	(71,655)	<b>31,990</b>
Transcanada Prince Rupert Pipeline	148,618	154,640	(61,729)	<b>241,529</b>
	409,501	1,240,735	(446,682)	<b>1,203,554</b>
<b>Other</b>				
Canbriam - Community Investment	-	150,000	-	<b>150,000</b>
New Fire Hall	48,000	-	-	<b>48,000</b>
Shell MOU #1534	-	30,000	(7,867)	<b>22,133</b>
Skating Rink	26,021	-	(6,952)	<b>19,069</b>
Health - Talisman	49,534	-	-	<b>49,534</b>
Horseshoe Creek Guide #1609	360,000	-	(2,842)	<b>357,158</b>
	483,555	180,000	(17,661)	<b>645,894</b>
	<b>\$ 947,056</b>	<b>\$ 1,420,735</b>	<b>\$ (518,343)</b>	<b>\$ 1,849,448</b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**9. DEBT**

	<b>2015</b>	<b>2014</b>
The Council has filed a specific claim in the British Columbia Supreme Court for damage for injunctive relief, infringement of Treaty Rights and for related declaration of rights pursuant to Treaty 8 against the Minister of Forests. Negotiations towards an out of court settlement are currently in progress. The outcome is not certain and presently undeterminable. The Council received funding from the Aboriginal Affairs and Northern Development Canada as advance for the negotiation of this claim. Under the terms of the funding agreement, these advances are to be repaid by the Council out of their claim settlements. These advances have been recorded as a liability, as the Council has provided promissory notes to the Government of Canada in accordance with the Native Claims Loan Agreement.	\$ 3,250,255	\$ 3,250,255
ANTC Mortgage bearing interest at 5.25% per annum, repayable in monthly payments of \$1,258 including interest. The loan is secured by Ministerial guarantee. The loan matures on January 1, 2017.	169,230	175,458
RBC Mortgage bearing interest at 3.53% per annum, repayable in monthly payments of \$1,304 including interest. The loan is secured by Ministerial guarantee. The loan matures on January 1, 2016.	189,659	198,458
RBC Mortgage bearing interest at 3.39% per annum, repayable in monthly payments of \$2,015 including interest. The loan is secured by Ministerial guarantee. The loan matures on July 24, 2016.	227,259	243,431
RBC Mortgage bearing interest at 2.41% per annum, repayable in monthly payments of \$277 including interest. The loan is secured by Ministerial guarantee. The loan matures on June 1, 2018.	7,680	10,933
ANTC Mortgage bearing interest at 2.26% per annum, repayable in monthly payments of \$2,539 including interest. The loan is secured by Ministerial guarantee. The loan matures on August 1, 2026.	418,754	437,137
ANTC Mortgage bearing interest at 2.76% per annum, repayable in monthly payments of \$1,602 including interest. The loan is secured by Ministerial guarantee. The loan matures on May 1, 2020.	92,724	109,248

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**9. DEBT, continued**

	<b>2015</b> \$	<b>2014</b> \$
ANTC Mortgage bearing interest at 1.62% per annum, repayable in monthly payments of \$1,641 including interest The loan is secured by Ministerial guarantee. The loan matures on February 1, 2022.	<b>128,986</b>	150,563
RBC Mortgage bearing interest at 2.45% per annum, repayable in monthly payments of \$2,663 including interest The loan is secured by Ministerial guarantee . The loan matures on April 1, 2018.	<b>94,835</b>	126,126
ANTC Mortgage bearing interest at 2.65% per annum, repayable in monthly payments of \$4,641 including interest The loan is secured by Ministerial guarantee. The loan matures on April 1, 2036.	<b>901,586</b>	931,200
	<b><u>\$ 5,480,968</u></b>	<b><u>\$ 5,632,809</u></b>

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

2016	\$ 153,637
2017	157,633
2018	159,837
2019	133,556
2020 and thereafter	<u>4,876,305</u>
	<b><u>\$ 5,480,968</u></b>

	<b>2015</b>	<b>2014</b>
Interest expense for the year on long-term debt	<b>\$ 65,930</b>	<b>\$ 76,431</b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**10. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Accumulated amortization</b>	<b>2015 Net book value</b>
Land	\$ 240,610	\$ -	\$ -	\$ -	\$ 240,610
Buildings	10,285,977	3,566,849	-	7,014,860	6,837,966
Automotive equipment	196,806	-	-	196,806	-
Computer equipment	-	21,034	-	5,784	15,249
Equipment	441,250	-	-	419,236	22,015
Furniture and equipment	41,899	113,021	-	40,790	114,130
Assets under construction	2,366,666	-	2,350,575	-	16,091
	<b>\$13,573,208</b>	<b>\$ 3,700,904</b>	<b>\$ 2,350,575</b>	<b>\$ 7,677,476</b>	<b>\$ 7,246,061</b>

	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Accumulated amortization</b>	<b>2014 Net book value</b>
Land	\$ 240,610	\$ -	\$ -	\$ -	\$ 240,610
Buildings	10,288,864	-	-	6,575,194	3,710,783
Automotive equipment	196,806	-	-	196,806	-
Equipment	441,250	-	-	401,510	39,740
Furniture and equipment	41,899	-	-	21,108	20,791
Assets under construction	486,381	1,880,285	-	-	2,366,666
	<b>\$11,695,810</b>	<b>\$ 1,880,285</b>	<b>\$ -</b>	<b>\$ 7,194,618</b>	<b>\$ 6,378,590</b>

The disposal of assets under construction is the reallocation of the Band Office, which is now in use and therefore subject to amortization

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**11. ACCUMULATED SURPLUS**

	<b>2015</b>	<b>2014</b>
<b>Restricted Funds</b>		
Equity in Investments in First Nation Entities	\$ 1,042,272	\$ 523,932
Equity in Replacement Reserve	(7,359)	(25,190)
Equity in Trust Funds	4,137,239	3,306,939
Equity in Tangible Capital Assets	<u>5,104,522</u>	<u>3,996,036</u>
	 <b>10,276,674</b>	 7,801,717
<b>Unrestricted</b>		
<b>Operating Equity</b>	<b>(1,998,427)</b>	<b>(1,432,848)</b>
	 <b>\$ 8,278,247</b>	 <b>\$ 6,368,869</b>

**12. PRIOR PERIOD ADJUSTMENT**

The comparative figures have been restated for an error in deferred revenue and accounts receivable. As a result deferred revenue, accounts receivable and accumulated surplus have been changed as follows:

	2014	Adjustment	2014 Restated
Accounts receivable	\$ 500,923	\$ (30,980)	\$ 496,943
Deferred revenue	(483,555)	(463,501)	(947,056)
Accumulated Surplus	<b>\$ (6,863,350)</b>	<b>\$ 494,481</b>	<b>\$ (6,368,869)</b>

**13. REPLACEMENT RESERVE**

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve, established by an annual allocation of \$17,831, to ensure replacement of buildings financed by CMHC. At March 31, 2015 \$204,486 (2014 - \$371,234) has been set aside to fund this reserve

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

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**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**14. CONTINGENT LIABILITIES**

Halfway River First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Halfway River First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Halfway River First Nation's financial statements.

**15. ECONOMIC DEPENDENCE**

Halfway River First Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada (AANDC) as a result of treaties entered into with the Government of Canada. These treaties are administered by AANDC 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 commitments as guaranteed by these treaties.

**16. SUBSEQUENT EVENTS**

Subsequent to the year end date, the Nation purchased two parcels of farm land for consideration of \$750,000 each, The transaction took place on October 14, 2015.

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**17. GOVERNMENT TRANSFERS**

	<b>2015</b>		
	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal government transfers</b>			
Aboriginal Affairs and Northern Development Canada	\$ 897,803	\$ 329,114	\$ 1,226,917
Aboriginal Affairs and Northern Development Canada - Treaty 8 Specific Claims	160,227	-	160,227
Canada Mortgage and Housing Corporation	110,241	-	110,241
<b>Total</b>	<b>1,168,271</b>	<b>329,114</b>	<b>1,497,385</b>
<b>Provincial government transfers</b>	<b>275,000</b>	<b>-</b>	<b>275,000</b>
	<b>\$ 1,443,271</b>	<b>\$ 329,114</b>	<b>\$ 1,772,385</b>
	<b>2014</b>		
	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal government transfers</b>			
Aboriginal Affairs and Northern Development Canada	\$ 643,571	\$ -	\$ 643,571
Canada Mortgage and Housing Corporation	109,691	-	109,691
<b>Total</b>	<b>753,262</b>	<b>-</b>	<b>753,262</b>
<b>Provincial government transfers</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>
	<b>\$ 903,262</b>	<b>\$ -</b>	<b>\$ 903,262</b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**18. SEGMENTED INFORMATION**

	2015 Budget	2015 Actual	Administration 2014 Actual	2014 Actual	2015 Budget	Capital Projects 2015 Actual	2014 Actual	2015 Budget	Child Welfare 2015 Actual	2014 Actual
Revenues										
Aboriginal Affairs and Northern Development Canada	\$ 243,500	\$ 299,233	\$ 228,392	\$ 262,751	\$ 220,625	\$ 135,283	\$ -	\$ -	\$ -	\$ 2,766
Provincial Government	357,776	207,333	326,377	25,000	26,896	278,967	232,238	60,000	65,000	60,000
Band generated	-	-	-	-	-	74,021	124,091	-	-	2,492
Transfer from deferred revenue	-	-	-	-	-	(67,069)	(48,000)	-	-	75,283
Transfer to deferred revenue	-	-	-	-	-	-	1	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	601,276	506,566	579,769	289,647	506,544	443,613	60,000	65,000	65,000	140,541
Expenses										
Contractors	9,204	1,405	33,554	(5,503)	6,950	28,912	-	-	874	360
Insurance	6,970	7,655	970	-	10,836	-	-	-	-	-
Office expenses	13,823	76,484	8,095	-	-	-	-	5,640	3,665	4,676
Professional fees	90,000	101,364	57,584	221,991	205,793	29,378	-	4,600	-	-
Travel	62,764	38,110	71,600	121	2,099	-	-	3,619	5,321	23,887
Utilities	-	-	2,620	-	15,339	-	-	-	-	-
Wages and benefits	207,537	309,405	171,830	-	62,339	4,428	44,941	43,221	59,720	6,591
Other expenses	195,313	235,786	780,671	53,158	45,246	-	1,200	11,919	-	-
Total expenses	585,611	770,209	1,126,924	269,767	348,602	62,718	60,000	65,000	65,000	95,234
Other income	15,665	(263,643)	(547,155)	19,880	(1,340,295)	157,942	380,895	-	-	45,307
Annual surplus (deficit)	\$ 15,665	\$ (263,643)	\$ (547,155)	\$ 19,880	\$ (1,182,353)	\$ 380,895	\$ -	\$ -	\$ -	\$ 45,307

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**18. SEGMENTED INFORMATION, continued**

	2015 Budget	Education 2015 Actual	2014 Actual	2015 Budget	Economic Development 2015 Actual	2014 Actual	2015 Budget	Health Services 2015 Actual	2014 Actual
<b>Revenues</b>									
Aboriginal Affairs and Northern Development Canada	\$ 183,531	\$ 183,531	\$ 127,706	\$ 14,720	\$ 14,720	\$ 14,114	\$ -	\$ -	\$ -
Other Aboriginal Groups	-	10,324	7,049	-	5,000	-	364,920	364,920	356,264
Provincial Government	-	-	-	50,000	92,755	1,174,233	-	4,110	7,633
Band generated	40,010	27,860	332,696	360,000	-	-	-	-	-
Transfer from deferred revenue	-	-	-	(377,838)	(360,000)	-	-	-	-
Transfer to deferred revenue	-	-	1	-	-	-	-	-	(1)
Other revenue	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>183,531</b>	<b>233,865</b>	<b>162,616</b>	<b>347,416</b>	<b>144,637</b>	<b>828,347</b>	<b>364,920</b>	<b>369,030</b>	<b>363,896</b>
<b>Expenses</b>									
Contractors	-	13,911	410	-	-	14,107	3,100	4,762	2,330
Insurance	-	160	-	-	-	-	6,670	6,408	7,901
Interest on long term debt	305	-	-	-	-	-	-	-	-
Office expenses	1,800	11,445	1,178	12,900	85	39,678	14,523	806	6,154
Professional fees	-	-	-	32,076	73,423	150,057	-	-	-
Travel	5,100	28,247	8,139	11,200	117,947	67,116	66,372	149,479	66,781
Utilities	-	-	-	14,495	1,482	-	9,053	10,657	7,286
Wages and benefits	12,320	85,610	43,526	287,700	295,148	308,240	207,038	186,324	189,966
Other expenses	164,006	143,258	118,643	961	28,946	68,048	54,924	57,344	115,886
<b>Total expenses</b>	<b>183,531</b>	<b>282,631</b>	<b>171,896</b>	<b>349,332</b>	<b>517,031</b>	<b>647,246</b>	<b>361,680</b>	<b>415,780</b>	<b>396,304</b>
Other income	-	(48,766)	(9,280)	(1,916)	(372,394)	181,101	3,240	(46,750)	(32,408)
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (48,766)</b>	<b>\$ (9,280)</b>	<b>\$ (1,916)</b>	<b>\$ (372,394)</b>	<b>\$ (3,780)</b>	<b>\$ -</b>	<b>\$ (46,750)</b>	<b>\$ (32,408)</b>

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**18. SEGMENTED INFORMATION, continued**

	2015 Budget	Housing 2015 Actual	2014 Actual	Investment in Tangible Capital Assets			2015 Budget	2015 Actual	Land Use 2014 Actual
				2015 Budget	2015 Actual	2014 Actual			
<b>Revenues</b>									
Aboriginal Affairs and Northern Development Canada	\$ 30,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,850
Canada Mortgage and Housing Corporation	99,261	103,866	109,691	-	-	-	-	-	6,375
Other Aboriginal Groups	-	-	-	-	-	-	-	-	-
Provincial Government	341,036	108,076	341,035	-	-	-	1,683,264	100,000	1,000
Band generated	-	-	-	-	-	-	-	1,157,568	160,000
Transfer from deferred revenue	-	-	-	-	-	-	-	282,152	90,000
Transfer to deferred revenue	-	-	1	-	-	-	-	(1,323,126)	2,340,307
Other revenue	-	-	-	-	-	-	1	2	(49,534)
<b>Total revenue</b>	<b>471,277</b>	<b>211,942</b>	<b>450,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,804,265</b>	<b>4,345,821</b>	<b>2,480,308</b>
<b>Expenses</b>									
Contractors	25,636	21,477	15,636	-	-	-	3,264	107,399	127,596
Insurance	82,118	61,191	66,435	-	-	-	-	278	301
Interest on long term debt	60,747	-	76,431	-	-	-	-	68,123	-
Office expenses	484	390	484	-	-	-	-	40,959	33,530
Professional fees	-	-	-	-	-	-	340,193	285,778	293,928
Travel	1,221	5,698	1,911	-	-	-	51,145	118,245	53,782
Utilities	59,276	30,373	59,276	-	-	-	-	42,353	6,434
Wages and benefits	1,170	57,837	-	-	-	-	-	661,304	419,064
Other expenses	416,499	(18,160)	355,661	-	482,857	-	-	244,928	526,527
<b>Total expenses</b>	<b>647,151</b>	<b>158,806</b>	<b>575,834</b>	<b>-</b>	<b>482,857</b>	<b>-</b>	<b>959,265</b>	<b>1,850,966</b>	<b>1,187,917</b>
Other income	(175,874)	53,136	(125,107)	-	(482,857)	-	-	845,000	2,494,855
<b>Annual surplus (deficit)</b>	<b>\$ (175,874)</b>	<b>\$ 53,136</b>	<b>\$ (125,107)</b>	<b>\$ -</b>	<b>\$ 865,269</b>	<b>\$ -</b>	<b>\$ 845,000</b>	<b>\$ 2,490,803</b>	<b>\$ 1,292,391</b>

## HALFWAY RIVER FIRST NATION NOTES TO FINANCIAL STATEMENT

MARCH 31, 2015

## 18. SEGMENTED INFORMATION, continued

**HALFWAY RIVER FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**18. SEGMENTED INFORMATION, continued**

	2015 Budget	Specific claims		2015 Budget	2015 Actual	2014 Actual	Consolidated totals	2014 Actual
		2015 Actual	2014 Actual					
<b>Revenues</b>								
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 160,227	\$ -	-	\$ 1,180,265	\$ 1,387,144	\$ 643,571	
Canada Mortgage and Housing Corporation	-	-	-	-	99,261	110,241	109,691	
Other Aboriginal Groups	-	-	-	-	385,920	381,244	383,313	
Provincial Government	-	-	-	-	160,000	275,000	150,000	
Band generated	2,214	31,336	1,204	2,863,882	6,030,225	4,678,019		
Transfer from deferred revenue	260,883	260,883	-	260,883	977,056	303,908		
Transfer to deferred revenue	-	(81,415)	-	-	(1,849,448)	(457,534)		
Other revenue	-	-	-	-	-	1	3	4
<b>Total revenue</b>	<b>263,097</b>	<b>371,031</b>	<b>1,204</b>	<b>4,950,212</b>	<b>7,311,465</b>	<b>5,810,972</b>		
<b>Expenses</b>								
Contractors	-	140	2,465	55,419	199,851	284,034		
Insurance	-	-	-	110,558	95,360	93,091		
Interest on long term debt	-	-	-	61,052	68,123	76,431		
Office expenses	100	-	-	74,996	140,879	140,215		
Professional fees	254,194	257,214	318,467	993,054	982,650	912,688		
Travel	7,872	7,951	43,330	217,776	511,748	352,496		
Utilities	-	-	-	107,734	181,584	112,364		
Wages and benefits	2,100	-	18,554	1,232,126	1,879,890	1,303,566		
Other expenses	21,944	121	63,775	1,470,610	1,860,335	1,951,168		
<b>Total expenses</b>	<b>286,210</b>	<b>265,426</b>	<b>446,591</b>	<b>4,323,325</b>	<b>5,920,420</b>	<b>5,226,053</b>		
Other income	(23,113)	105,605	(445,387)	626,887	1,391,045	584,919		
<b>Annual surplus (deficit)</b>	<b>\$ (23,113)</b>	<b>\$ 105,605</b>	<b>\$ (445,387)</b>	<b>\$ 626,887</b>	<b>\$ 1,909,378</b>	<b>\$ 850,718</b>		

**HALFWAY RIVER FIRST NATION**  
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**19. EXPENSES BY OBJECT**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
Activities	\$ 37,737	\$ 36,053	\$ 4,179
Administration fees	-	30,567	42,434
Advertising	42,966	1,841	69,205
Amortization	231,684	482,857	414,302
Bad debts	151,731	15,577	320,625
Basic needs	175,083	139,552	-
Building Materials	41,340	9,203	-
Contractors	55,419	199,851	284,035
Drinking water	-	61,825	51,227
Economic development	226,025	250,472	221,886
Elders	20	65,213	31,420
Equipment rental	466	10,087	23,102
GST expense	-	483	38,158
General maintenance and infrastructure	37,762	39,081	48,908
Guardian Financial Assistance	24,136	28,064	-
Honorariums	15,600	71,803	21,200
In Home Care	19,339	6,880	-
Insurance	110,558	95,360	93,090
Interest and bank charges	6,777	9,632	6,986
Interest on long term debt	61,052	68,123	76,431
Office expenses	74,996	140,878	140,215
Prize Payouts	53,361	48,003	-
Professional fees	993,053	982,651	912,694
Repairs and maintenance	49,435	33,130	49,834
Research and negotiation	79,797	149,088	113,835
School supplies	108,006	18,583	8,877
Special needs	6,584	5,129	-
Student fees	54,000	105,341	105,127
Supplies	63,439	136,132	78,880
Telephone	18,378	45,704	29,826
Training	-	300	-
Travel	217,775	511,748	352,495
Utilities	107,735	181,583	112,363
Vehicle	1,298	13,768	4,593
Wages and benefits	1,232,125	1,879,892	1,303,565
Water delivery	5,768	3,610	5,678
	<b>\$ 4,303,445</b>	<b>\$ 5,878,064</b>	<b>\$ 4,965,170</b>

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**HALFWAY RIVER FIRST NATION**  
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**20. BUDGET INFORMATION**

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus have not been reported in these financial statements. While having no effect on reported revenue, expenses and surplus, omission of these information is considered a departure from PSA standards.

**21. COMPARATIVE AMOUNTS**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period. The March 31, 2014 comparative amounts were reported on by another firm of Chartered Accountants.