

**HALALT FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021**

**HALALT FIRST NATION**  
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**March 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Halalt First Nation and all the information in this report are the responsibility of management and have been approved by Chief and Council of Halalt First Nation.

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

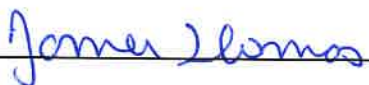
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Halalt First Nation Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Halalt First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Uvision Professional Corporation, in accordance with Canadian generally accepted auditing standards. Uvision Professional Corporation have full access to the financial management of Halalt First Nation.

On behalf of Halalt First Nation:

 \_\_\_\_\_ Chief

 \_\_\_\_\_ Councillor

\_\_\_\_\_  
Councillor

\_\_\_\_\_  
Councillor

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## INDEPENDENT AUDITOR'S REPORT

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### TO THE MEMBERS OF HALALT FIRST NATION

#### Opinion

We have audited the accompanying consolidated financial statements of HALALT FIRST NATION which comprise the consolidated statement of financial position as at March 31, 2021 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of HALALT FIRST NATION as at March 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

#### Basis for Opinion

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility of Management and Those Charged with Governance for the Consolidated 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.

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.

#### Auditor's Responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 auditor's 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 auditor's 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.

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.



**CHARTERED PROFESSIONAL ACCOUNTANTS**

Victoria, BC  
January 19, 2022

**HALALT FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	4,361,722	1,916,018
Ottawa Trust (Note 4)	55,970	50,547
Accounts receivable (Note 3)	590,806	1,234,556
Funds held in trust (Note 16)	-	1,669,558
Investments (Note 5)	2,626,247	1,305,429
	<u>7,634,745</u>	<u>6,176,108</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable (Note 6)	676,188	353,144
Deferred capital contributions (Note 7)	1,604,499	1,698,881
Deferred revenue (Note 8)	-	1,669,558
Long-term debts (Note 11)	1,029,178	1,093,614
	<u>3,309,865</u>	<u>4,815,197</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>4,324,880</u>	<u>1,360,911</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	15,509	5,494
Tangible capital assets (Note 12)	3,361,344	3,483,065
	<u>3,376,853</u>	<u>3,488,559</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 9)</b>	<u>7,701,733</u>	<u>4,849,470</u>
Contingent liabilities (Note 15)		

Approved by Chief and Council

James Thomas Chief

Pat Thomas Councillor

\_\_\_\_ Councillor

\_\_\_\_ Councillor

**HALALT FIRST NATION**  
**Consolidated Statement of Operations**  
**For the year ended March 31, 2021**

	Budget (unaudited)	2021	2020
<b>REVENUE</b>			
Federal - ISC	6,929,719	<b>6,929,719</b>	2,524,446
Federal - CMHC	14,356	<b>14,356</b>	22,295
Federal - DFO	87,000	<b>87,770</b>	118,470
Federal - Other	150,000	<b>153,848</b>	95,777
Provincial	2,000,000	<b>2,025,539</b>	1,567,592
Rental	130,000	<b>124,357</b>	105,077
Ottawa Trust	1,500	<b>5,424</b>	1,821
Interest	20,000	<b>19,865</b>	42,110
Sales - Shellfish	200,000	<b>183,986</b>	169,540
Other	1,000,000	<b>1,169,127</b>	1,342,578
	<u>10,532,575</u>	<u><b>10,713,991</b></u>	<u>5,989,706</u>
<b>EXPENSES</b>			
Band	730,000	<b>730,894</b>	771,895
Education and training	600,000	<b>593,734</b>	636,992
Public works	4,500,000	<b>4,486,580</b>	527,634
Social housing	400,000	<b>398,018</b>	228,280
Social services	850,000	<b>860,637</b>	676,949
Land management	365,000	<b>366,814</b>	459,636
Economic development	800,000	<b>829,319</b>	678,616
	<u>8,245,000</u>	<u><b>8,265,996</b></u>	<u>3,980,002</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>2,287,575</u>	<u><b>2,447,995</b></u>	<u>2,009,704</u>
<b>ACCUMULATED SURPLUS (DEFICIT), at beginning of year</b>		<b>4,849,470</b>	2,839,766
Adjustment		<u><b>404,268</b></u>	-
<b>ACCUMULATED SURPLUS (DEFICIT), at end of year (Note 9)</b>		<u><b>7,701,733</b></u>	<u>4,849,470</u>

**HALALT FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets (Net Debt)**  
**For the year ended March 31, 2021**

	<i>Budget</i>	<b>2021</b>	<b>2020</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>2,252,575</u>	<u><b>2,447,995</b></u>	<u>2,009,704</u>
Tangible capital assets			
Acquisition of tangible capital assets	-	<b>(585,274)</b>	-
Proceeds on disposal of tangible capital assets	-	<b>460,103</b>	-
Amortization of tangible capital assets	250,000	<b>246,891</b>	229,576
Write-downs on tangible capital assets	-	-	-
(Gain) loss on disposal of tangible capital assets	-	-	-
	<u>250,000</u>	<u><b>121,720</b></u>	<u>229,576</u>
Assets under construction	-	-	-
Acquisition of prepaid expense	-	<b>(15,509)</b>	(5,494)
Consumption of supplies inventories	-	-	-
Use of prepaid expense	-	<b>5,494</b>	15,774
	<u>-</u>	<u><b>(10,015)</b></u>	<u>10,280</u>
<b>CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	<u><b>2,502,575</b></u>	<u><b>2,559,701</b></u>	<u>2,249,561</u>
<b>NET FINANCIAL ASSETS (NET DEBT), at beginning of year</b>		<b>1,360,911</b>	(888,650)
<b>Adjustment</b>		<u><b>404,268</b></u>	-
<b>NET FINANCIAL ASSETS (NET DEBT), at end of year</b>		<u><b>4,324,880</b></u>	<u>1,360,911</u>



**HALALT FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	2,447,995	2,009,704
Items not affecting cash		
Amortization of tangible capital assets	246,891	229,576
(Gain) loss on disposal of tangible capital assets	-	-
Change in non-cash charges to operations		
Ottawa Trust	(5,423)	(1,821)
Accounts receivable	643,749	(706,623)
Funds held in trust	1,669,558	(1,669,558)
Prepaid expenses	(10,015)	10,280
Accounts payable	323,043	(442,108)
Deferred capital contributions	(94,382)	(94,382)
Deferred revenue	(1,669,558)	1,669,558
Adjustment	404,268	-
	<u>3,956,126</u>	<u>1,004,626</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	460,103	-
Acquisition of tangible capital assets	(585,273)	-
Assets under construction	-	-
	<u>(125,170)</u>	<u>-</u>
<b>INVESTING TRANSACTIONS</b>		
Long term Investments	<u>(1,320,818)</u>	<u>(1,160,551)</u>
<b>FINANCING TRANSACTIONS</b>		
Mortgages payable	(64,436)	(74,396)
Transfers from Reserves	-	-
	<u>(64,436)</u>	<u>(74,396)</u>
<b>INCREASE (DECREASE) IN CASH DURING YEAR</b>	<u>2,445,702</u>	<u>(230,321)</u>
<b>CASH, at beginning of year</b>	<u>1,916,018</u>	<u>2,146,337</u>
<b>CASH, at end of year</b>	<u>4,361,722</u>	<u>1,916,018</u>

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of accounting**

These consolidated financial statements have been prepared 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.

**b. Reporting Entity and Principles of Financial Reporting**

These financial statements consolidate the assets, liabilities and results of operations for the following entities, which use accounting principles, which lend themselves to consolidation:

- Halalt First Nation Government Administration
- Halalt First Nation Trusts Fund
- CMHC Housing Program

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.

Incorporated business entities, which are owned or controlled by Halalt First Nation and which are dependent on the First Nation for their continuing operations, are consolidated in the consolidated financial statements.

Incorporated business entities, which are owned or controlled by Halalt First Nation and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Investments in non-controlled entities and subject to significant influence are included in the consolidated financial statements using the modified equity method.

Investments in non-controlled entities and not subject to significant influence are recorded at cost. These include:

- Hul'q'hum'i'num Fisheries Limited Partnership - 20% interest
- BC First Nations Gaming Revenue Sharing Limited Partnership

**c. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

**d. Financial Instruments**

The carrying amounts for accounts receivable, grants receivable and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**e. Interests in partnerships**

Interests in partnerships, except for business partnerships, are using the proportionate consolidation method. Business partnerships are accounted for by the modified equity method applied using the entity's share of the business.

**f. 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. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Housing	4%
Infrastructure	4%
Social Housing	20 years
Equipment	30%
Boats	20%
Vehicles	15%

In the year of acquisition, 50% of the normal amortization is recorded.

**g. Reserve funds**

Reserve funds represent the replacement and operating reserve funds required under the terms of the agreement with Canada Mortgage and Housing Corporation.

**h. Revenue Recognition**

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing that the transfers are authorized, all eligibility criteria have been met by the Nation, and reasonable estimates of the amounts can be made. Government transfers received for which the Nation has not met all eligibility requirements are recorded as deferred revenue. Government transfers include financial transfer agreement payments, band trust revenue payments, contribution arrangements, and other federal and provincial grants.

Grant revenue is recognized in the financial statements as the related expenditures are incurred and when the terms and conditions of the funding are satisfied. Other income is recorded as revenue when earned.

**i. Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumption used in estimating provisions for accrued liabilities and estimating the useful lives of tangible capital assets. Actual results could differ from those estimates.

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**j. Segments**

The First Nation conducts its business through a number of operating segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

**2. CASH AND CASH EQUIVALENTS**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Halalt 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 Operating Fund. Cash and cash equivalents is comprised of the following:

	<u>2021</u>	<u>2020</u>
Unrestricted - Operating	4,275,351	1,830,141
Restricted - CMHC Replacement Reserve	86,371	85,877
Restricted - CMHC Operating Reserve	-	-
	<u>4,361,722</u>	<u>1,916,018</u>

**3. ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Federal government		
Indigenous Services Canada	56,435	768,734
Other government organizations	382,570	193,002
Goods and services tax	-	11,922
Canada Mortgage and Housing Corporation	45,370	32,260
	<u>484,375</u>	<u>1,005,918</u>
Other	<u>106,431</u>	<u>228,638</u>
	<u>590,806</u>	<u>1,234,556</u>

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**4. OTTAWA TRUST FUNDS**

	March 31, 2020	Additions	Withdrawals	March 31, 2021
Capital	24,664	4,335	-	28,999
Revenue	25,883	1,088	-	26,971
	<b>50,547</b>	<b>5,423</b>	<b>-</b>	<b>55,970</b>

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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**5. INVESTMENT AND ADVANCES**

	2021	2020
Halalt Logging Contracting LP - 99.9% interest	360,977	168,299
1241478 BC LTD - 100% owned	2,259,787	1,132,130
Advances to Halalt Corporate Holdings LTD - 100% owned	373	-
Hul'q'humí'num Fisheries Limited Partnership - 20% interest	5,000	5,000
BC First Nations Gaming Revenue Sharing LP	110	-
	<b>2,626,247</b>	<b>1,305,429</b>

The Halalt Logging Contracting Limited Partnership was set up on April 5, 2017 for the development of truck log hauling located on reserve.

The First Nation owns 99.9% of Halalt Logging Contracting Limited Partnership as a Limited Partner and HLC General Partner LTD., a wholly owned government business enterprise, owns 0.1% of the Limited Partnership as a General Partner.

The financial information of Halalt Logging Contracting LP is based on the financial statement for the year ended December 31, 2020.

The 1241478 B.C. Ltd. was incorporated on February 20, 2020 to purchase and hold the title of land and buildings.

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2021</b>	2020
Trades payable	<b>590,477</b>	302,737
Accrued salaries and benefits payable	<b>48,557</b>	19,503
Other accrued liabilities	<b>37,154</b>	30,904
	<b>676,188</b>	353,144

**7. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent government contributions which were provided to assist in the purchase or construction of tangible capital assets.

The changes in the deferred contributions balance for the year are as follows:

	<b>Balance March 31, 2020</b>	<b>Funding Received 2021</b>	<b>Revenue Recognized 2021</b>	<b>Balance March 31, 2021</b>
ISC - Capital Project #8444 Community Waterworks System	1,698,881	-	94,382	1,604,499

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**8. DEFERRED REVENUE**

Deferred revenue by program is detailed as follows:

	<u>2021</u>	<u>2020</u>
Ministry of Indigenous Relations and Reconciliation	-	1,669,558
	-	1,669,558

**9. ACCUMULATED SURPLUS (DEFICIT)**

	<u>Operating</u>	<u>Trust</u>	<u>Housing</u>	<u>2021 Total</u>	<u>2020</u>
Accumulated Surplus (Deficit), at the beginning of year	4,441,934	50,547	356,989	4,849,470	2,839,766
Annual Surplus (Deficit)	2,452,738	5,424	(10,167)	2,447,995	2,009,704
Adjustments/Transfer	406,577	-	(2,309)	404,268	-
Accumulated Surplus (Deficit), at the end of year	7,301,249	55,971	344,513	7,701,733	4,849,470

The \$406,577 adjustments includes the following:

\$406,467 is Halalt First Nation's proportionate share from the investment in Halalt Logging Contracting LP of prior years and \$110 is Halalt First Nation's initial investment in BC First Nations Gaming Revenue Sharing LP.

**10. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION**

	<u>2021</u>	<u>2020</u>
Revenue per confirmation	6,831,493	2,524,446
Deferred funding recognized (Note 7)	94,382	94,382
	6,925,875	2,618,828

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**11. LONG TERM DEBT**

	<u>2021</u>	<u>2020</u>
All Nations Trust - mortgage repayable at \$777 per month including interest @ 2.39% per annum, maturing January 1, 2028. Secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase I housing units.	<b>58,783</b>	66,615
All Nations Trust - mortgage repayable at \$508 per month including interest @ 2.5%, maturing June 1, 2033. Secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase II housing units.	<b>64,311</b>	68,751
All Nations Trust - mortgage repayable at \$1,027 per month including interest @ 0.68% per annum, maturing October 1, 2035. Secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase III housing units.	<b>171,108</b>	182,052
Bank of Montreal - mortgage repayable at \$6,835 per month including interest @ 5.4%, maturing February 29, 2024. Secured by Guarantee for On-Reserve Housing Loan Program (ORHLP).	<b>734,976</b>	776,196
	<b><u>1,029,178</u></b>	<b><u>1,093,614</u></b>

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2022	65,000
2023	67,000
2024	69,000
2025	71,000
2026	73,000
Thereafter	684,178

	<u>2021</u>	<u>2020</u>
Interest expense for the year on long-term debt	<b><u>51,411</u></b>	<b><u>51,803</u></b>



**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2021**

**12. TANGIBLE CAPITAL ASSETS**

	<b>Housing</b>	<b>Social Housing</b>	<b>Infra-structure</b>	<b>Equipment</b>	<b>Boats</b>	<b>Vehicle</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Cost</b>								
Opening Balance	108,161	1,259,116	4,237,529	125,640	-	57,000	5,787,446	5,787,446
Additions	460,104	-	-	7,169	57,500	60,500	585,273	-
Disposals	-	(460,104)	-	-	-	-	(460,104)	-
Write-downs	-	-	-	-	-	-	-	-
Closing balance	568,265	799,012	4,237,529	132,809	57,500	117,500	5,912,615	5,787,446
<b>Accumulated Amortization</b>								
Opening Balance	87,740	713,565	1,333,540	116,892	-	52,643	2,304,380	2,074,805
Amortization	16,911	39,951	157,936	2,904	17,250	11,939	246,891	229,576
Additions	460,104	-	-	-	-	-	460,104	-
Disposals	-	(460,104)	-	-	-	-	(460,104)	-
Closing balance	564,755	293,412	1,491,476	119,796	17,250	64,582	2,551,271	2,304,381
<b>Net book value</b>	<b>3,510</b>	<b>505,600</b>	<b>2,746,053</b>	<b>13,013</b>	<b>40,250</b>	<b>52,918</b>	<b>3,361,344</b>	<b>3,483,065</b>

**HALALT FIRST NATION**  
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**13. SEGMENT DISCLOSURE**

Halalt First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1.

**Band**

This program includes revenues and expenses relating to governance activities undertaken by the Chiefs and Council, band membership activities, administrative services of the First Nation, and finance and accounting activities for the First Nation and its business ventures.

**Education and Training**

This employment and training program includes the revenue and expenses relating to the provision of support services to community members for education and skills training.

**Public Works**

These programs include the revenue and expenses relating to the construction, maintenance and operation of community infrastructure and buildings, and the provision of community services to the members.

**Social Housing**

This program includes the revenue and expenses relating to the operation of the social housing rental units and the provision of various housing services to the members.

**Social Services**

This program includes the revenue and expenses relating to the delivery of social assistance programs to the members, and the delivery of cultural activities in the community.

**Land Management**

The land management program includes the revenue and expenses relating to the First Nation's lands programs.

**Economic Development**

The economic development program provides support services for the economic development and land investment activities of the First Nation.

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**13. SEGMENT DISCLOSURE** *(Continued)*

	<b>Band</b>		<b>Education &amp; Training</b>		<b>Public Works</b>		<b>Social Housing</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>								
Indigenous Services Canada	<b>566,487</b>	405,662	<b>552,885</b>	441,129	<b>5,156,693</b>	1,345,905	-	-
Rental	<b>70,463</b>	37,016	-	-	-	-	<b>34,117</b>	68,061
Other	<b>1,014,892</b>	1,195,852	<b>650,367</b>	1,082,493	<b>328,471</b>	50,120	<b>14,356</b>	22,294
	<b>1,651,842</b>	1,638,530	<b>1,203,252</b>	1,523,622	<b>5,485,164</b>	1,396,025	<b>48,473</b>	90,355
<b>EXPENSES</b>								
Salaries and benefits	<b>118,940</b>	163,442	<b>174,886</b>	130,064	<b>18,807</b>	25,285	-	-
Consultants and Professional fees	<b>69,967</b>	154,130	<b>146,539</b>	142,460	<b>3,931,286</b>	304,589	<b>5,000</b>	5,000
Interest and Bank Charges	<b>46,734</b>	46,205	-	-	<b>35</b>	-	<b>4,643</b>	5,423
Amortization	-	-	-	-	-	-	<b>39,951</b>	62,956
Other	<b>294,614</b>	333,483	<b>609,541</b>	830,265	<b>487,982</b>	338,954	<b>5,985</b>	12,740
	<b>530,255</b>	697,260	<b>930,966</b>	1,102,789	<b>4,438,110</b>	668,828	<b>55,579</b>	86,119
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>1,121,587</b>	941,270	<b>272,286</b>	420,833	<b>1,047,054</b>	727,197	<b>(7,106)</b>	4,236

**HALALT FIRST NATION**  
**Notes to Consolidated Financial Statements**  
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**13. SEGMENT DISCLOSURE** *(Continued)*

	<b>Social Services</b>		<b>Land Management</b>		<b>Economic Development</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>						
Indigenous Services Canada	<b>513,583</b>	331,750	<b>41,845</b>	-	<b>98,226</b>	-
Rental	-	-	-	-	<b>19,777</b>	-
Other	<b>56,287</b>	26,878	<b>200,103</b>	200,103	<b>1,395,440</b>	782,443
	<b>569,870</b>	358,628	<b>241,948</b>	200,103	<b>1,513,443</b>	782,443
<b>EXPENSES</b>						
Salaries and benefits	<b>113,699</b>	84,958	<b>74,533</b>	39,072	<b>39,847</b>	43,847
Consultants and Professional fees	<b>32,341</b>	5,761	<b>106,715</b>	136,773	<b>340,758</b>	252,558
Interest and Bank Charges	-	-	-	-	-	175
Amortization	-	-	-	-	<b>206,940</b>	166,620
Other	<b>470,358</b>	251,111	<b>41,415</b>	121,984	<b>884,479</b>	322,147
	<b>616,398</b>	341,830	<b>222,663</b>	297,829	<b>1,472,024</b>	785,347
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(46,528)</b>	16,798	<b>19,285</b>	(97,726)	<b>41,419</b>	(2,904)

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**14. EXPENSES BY OBJECT**

The following is a summary of expenses by object.

	<b>2021</b>	<b>2020</b>
Consultants	<b>4,461,380</b>	806,601
Amortization	<b>246,891</b>	229,576
Government transfer	<b>737,048</b>	695,237
Interest and bank charges	<b>51,411</b>	51,803
Materials and supplies	<b>803,755</b>	269,547
Professional fees	<b>171,226</b>	194,670
Wages and benefits	<b>540,712</b>	486,668
Other	<b>1,253,573</b>	1,245,900
	<b>8,265,996</b>	3,980,002

**15. CONTINGENT LIABILITY**

Halalt First Nation has a contingent liability of \$532,958 for various on-reserve housing loan guarantees.

**16. GOVERNMENT TRANSFER**

Halalt First Nation received funding of \$2,749,000 as per the Executed Incremental Treaty Agreement dated February 20, 2020, on completion of the purchase of the following property:

- 8377 CHEMAUINUS ROAD, CHEMAINUS, BC V0R 1K5
- 8397 CHEMAUINUS ROAD, CHEMAINUS, BC V0R 1K5
- 8421 CHEMAUINUS ROAD, CHEMAINUS, BC V0R 1K5

As of March 31, 2021, Halalt First Nation has purchased all three properties and the remaining balance of funds held in trust are to be returned to Her Majesty the Queen in Right of the Province of British Columbia represented by the Deputy Minister for the Ministry of Indigenous Relations and Reconciliation. All three of these properties have been transferred into the wholly owned company, 1241478 B.C. Ltd.

**17. ECONOMIC DEPENDENCE**

Halalt First Nation receives a majority portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

**18. BUDGET FIGURES**

The budget figures were not audited nor reviewed but compiled from information provided by First Nation management.

**HALALT FIRST NATION**  
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**19. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**20. COVID-19**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The First Nation has amended its operations in order to continue to deliver services during this pandemic. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the First Nation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.