

**HALALT FIRST NATION**  
**Financial Statements**  
**Year Ended March 31, 2024**

**HALALT FIRST NATION**  
**Index to Financial Statements**  
**Year Ended March 31, 2024**

---

|   | Page   |
|---|--------|
| MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING       | 1      |
| INDEPENDENT AUDITOR'S REPORT                              | 2 - 3  |
| FINANCIAL STATEMENTS                                      |        |
| Consolidated Statement of Financial Position              | 4      |
| Consolidated Statement of Operations                      | 5      |
| Consolidated Statement of Changes in Accumulated Surplus  | 6      |
| Consolidated Statement of Changes in Net Financial Assets | 7      |
| Consolidated Statement of Cash Flows                      | 8      |
| Notes to the Consolidated Financial Statements            | 9 - 19 |
| Expenses by Object ( <i>Schedule 1</i> )                  | 20     |
| Segment Disclosure ( <i>Schedule 2</i> )                  | 21     |
| Segment Disclosure ( <i>Schedule 2</i> )                  | 22     |

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

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 the Chief and Council of Halalt First Nation.

The financial statements of Halalt First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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 Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Halalt First Nation Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Uvision Professional Corporation, in accordance with Canadian public sector accounting standards (PSAS). Uvision Professional Corporation has full access to contact and meet with the management to discuss audit findings.

  
Mr. James R. Thomas, Chief

  
Councilor

  
Councilor

Chemainus, BC  
September 3, 2024

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Halalt First Nation

*Report on the Financial Statements*

*Opinion*

We have audited the consolidated financial statements of HALALT FIRST NATION (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024, and the results of its operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*

Halalt First Nation holds investments in three entities: Hul'q'umi'num Fisheries Limited Partnership, Halalt Logging and Contracting Limited Partnership, and Halaltd Corporate Holdings Ltd. The audited financial statements for these entities were not available as of the audit report date. We were unable to satisfy ourselves by alternative means concerning the financial information. Therefore, we are unable to determine whether adjustments are required to investment in First Nation business entities, earnings(loss) from investment in First Nation business entities, surplus(deficit) and accumulated surplus.

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 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 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.

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Victoria, British Columbia  
September 3, 2024

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**HALALT FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2024**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Cash and cash equivalents (Note 3)                      | \$ 8,145,486         | \$ 3,349,638         |
| Ottawa Trust Funds (Note 4)                             | 61,221               | 59,773               |
| Accounts receivable (Note 5)                            | 401,015              | 721,115              |
| Advances to related entity (Note 6)                     | 5,200                | 5,200                |
| Investment in First Nation business enterprise (Note 7) | 6,112,806            | 4,045,275            |
|   | <u>14,725,728</u>    | <u>8,181,001</u>     |
| <b>LIABILITIES</b>                                      |                      |                      |
| Accounts payable and accrued liabilities (Note 9)       | 1,213,846            | 741,685              |
| Current portion of long term debt (Note 10)             | 28,437               | 76,092               |
| Long term debt (Note 10)                                | 193,758              | 815,944              |
| Deferred revenue (Note 8)                               | 5,343,447            | 30,000               |
|   | <u>6,779,488</u>     | <u>1,663,721</u>     |
| <b>NET FINANCIAL ASSETS</b>                             | <u>7,946,240</u>     | <u>6,517,280</u>     |
| <b>NON-FINANCIAL ASSETS</b>                             |                      |                      |
| Prepaid expenses  | 15,773               | 31,546               |
| Tangible capital assets (Note 11)                       | 10,773,464           | 8,970,494            |
|   | <u>10,789,237</u>    | <u>9,002,040</u>     |
| <b>ACCUMULATED SURPLUS (Note 11)</b>                    | <u>\$ 18,735,477</u> | <u>\$ 15,519,320</u> |

CONTINGENT LIABILITY (Note 13)

Approved by Chief and Council

  
 Chief  
  
 Councilor

  
 Councilor  
 Councilor

**HALALT FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2024**

|   | Budget<br>2024<br><i>(Unaudited)</i> | 2024                | 2023                |
|---|--------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                         |                                      |                     |                     |
| Indigenous Services Canada (Note 14)    | \$ 8,670,000                         | \$ 8,668,576        | \$ 2,498,048        |
| Province of British Columbia            | 2,450,000                            | 2,443,960           | 459,872             |
| Rental income                           | 355,900                              | 355,960             | 141,335             |
| Interest income                         | 320,000                              | 319,527             | 97,905              |
| Other income                            | 1,192,565                            | 1,253,276           | 3,093,434           |
| Other government funding                | 1,630,000                            | 1,626,752           | 1,280,964           |
| Canada Mortgage and Housing Corporation | 1,400,300                            | 1,421,285           | 219,693             |
| Shellfish sales                         | 250,000                              | 257,751             | 338,329             |
| Fisheries and Oceans Canada (DFO)       | 350,000                              | 352,728             | 101,994             |
| Ottawa Trust                            | 1,500                                | 1,448               | 2,246               |
|   | <u>16,620,265</u>                    | <u>16,701,263</u>   | <u>8,233,820</u>    |
| <b>EXPENSES</b>                         |                                      |                     |                     |
| Community operating and administration  | 2,350,000                            | 2,346,801           | 1,766,240           |
| Education and employment                | 675,000                              | 678,334             | 695,997             |
| Community infrastructure (OM)           | 420,000                              | 416,024             | 340,512             |
| Social housing                          | 6,500,000                            | 6,508,793           | 927,455             |
| Social service                          | 820,000                              | 820,263             | 623,591             |
| Own resources                           | 2,345,000                            | 2,345,006           | 1,201,194           |
| Economic development                    | 30,500                               | 30,582              | 36,354              |
| Capital project                         | 333,000                              | 332,296             | 477,236             |
|   | <u>13,473,500</u>                    | <u>13,478,099</u>   | <u>6,068,579</u>    |
| <b>ANNUAL SURPLUS</b>                   | <u>\$ 3,146,765</u>                  | <u>\$ 3,223,164</u> | <u>\$ 2,165,241</u> |

See notes to financial statements

**HALALT FIRST NATION**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2024**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>     |                      |                      |
| As previously reported                             | \$ 15,519,320        | \$ 13,354,079        |
| Transfer to capital assets                         | <u>(7,007)</u>       | <u>-</u>             |
| As restated  | 15,512,313           | 13,354,079           |
| <b>ANNUAL SURPLUS</b>                              | <u>3,223,164</u>     | <u>2,165,241</u>     |
| <b>ACCUMULATED SURPLUS - END OF YEAR (Note 12)</b> | <u>\$ 18,735,477</u> | <u>\$ 15,519,320</u> |

See notes to financial statements



**HALALT FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2024**

|   | Budget<br>2024       | 2024                 | 2023                |
|---|----------------------|----------------------|---------------------|
| <b>ANNUAL SURPLUS</b>                           | <b>\$ 3,146,765</b>  | <b>\$ 3,223,164</b>  | <b>\$ 2,165,241</b> |
| Additions to capital assets                     | (74,000)             | (73,942)             | (1,543,206)         |
| Proceeds on disposal of equipment               | -                    | -                    | 67,720              |
| Decrease in prepaid expenses                    | 16,000               | 15,770               | 5,235               |
| Amortization of tangible capital assets         | 485,000              | 484,632              | 473,864             |
|   | 427,000              | 426,460              | (996,387)           |
| <b>INCREASE IN NET FINANCIAL ASSETS</b>         | <b>3,573,765</b>     | <b>3,649,624</b>     | <b>1,168,854</b>    |
| <b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b> | <b>6,517,281</b>     | <b>6,517,281</b>     | <b>5,348,427</b>    |
| <b>NET FINANCIAL ASSETS - END OF YEAR</b>       | <b>\$ 10,091,046</b> | <b>\$ 10,166,905</b> | <b>\$ 6,517,281</b> |

See notes to financial statements

**HALALT FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2024**

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                                      |                     |                     |
| Annual surplus   | \$ 3,223,164        | \$ 2,165,241        |
| Items not affecting cash:  |                     |                     |
| Amortization of property, plant and equipment ( <i>Note 11</i> ) | 484,632             | 473,864             |
| Loss on disposal of property, plant and equipment                | -                   | 67,720              |
|  | <u>3,707,796</u>    | <u>2,706,825</u>    |
| Changes in non-cash working capital:                             |                     |                     |
| Accounts receivable  | 320,100             | 94,992              |
| Accounts payable and accrued liabilities                         | 411,538             | 444,380             |
| Prepaid expenses   | 15,770              | 5,234               |
| Wages payable  | 60,625              | (33,555)            |
| HTG Adjustment   | (7,007)             | -                   |
| Deferred revenue   | 5,313,447           | 30,000              |
| Ottawa Trust Funds   | (1,448)             | (2,245)             |
|  | <u>6,113,025</u>    | <u>538,806</u>      |
| Cash flow from operating activities                              | <u>9,820,821</u>    | <u>3,245,631</u>    |
| <b>INVESTING ACTIVITIES</b>                                      |                     |                     |
| Additions to capital assets                                      | (2,287,601)         | (1,543,206)         |
| Long term investments  | (2,067,531)         | (1,481,676)         |
| Cash flow used by investing activities                           | <u>(4,355,132)</u>  | <u>(3,024,882)</u>  |
| <b>FINANCING ACTIVITIES</b>                                      |                     |                     |
| Advances from related parties                                    | -                   | (1,200)             |
| Repayment of long term debt                                      | (669,841)           | (69,964)            |
| Cash flow used by financing activities                           | <u>(669,841)</u>    | <u>(71,164)</u>     |
| <b>INCREASE IN CASH FLOW</b>                                     | <u>4,795,848</u>    | <u>149,585</u>      |
| Cash - beginning of year   | <u>3,349,638</u>    | <u>3,200,053</u>    |
| <b>CASH - END OF YEAR</b>  | <u>\$ 8,145,486</u> | <u>\$ 3,349,638</u> |

See notes to financial statements

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

---

**1. NATURE OF OPERATIONS**

Halalt First Nation (the "First Nation") is located in the province of British Columbia, and its principal purpose is to provide services to its band members. Halalt First Nation includes the First Nation's members, government and all the related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting entity and basis of consolidation

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

(a) Consolidated entities:

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation's business enterprises and First Nation business partnerships. The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Halalt First Nation Government Administration
- Halalt First Nation Ottawa Trust Funds
- Halalt First Nation Canada Mortgage and Housing Corporation (CMHC) Housing Program Fund

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

(b) Investment in government business enterprises and partnerships:

Government business enterprises (GBE), owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified method. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

Government business partnerships (GBP), jointly owned and controlled by the First Nation and not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation recognizes its equity interest in the annual earnings or loss of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

The First Nation's government business enterprise investment consists of the following, with a 100% interest:

- 1241478 BC LTD
- Halalt Corporate Holdings LTD
- VIG Projects BC GP LTD
- Halalt Shellfish Development Corporation

*(continues)*

---

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The First Nation's government business enterprise investment consists of the following, with 99.9% interest:

- Halalt Logging Contracting Limited Partnership
- VIG Projects BC Limited Partnership

(c) Investments that are accounted for using the cost basis of accounting:

Investments in entities in which the First Nation does not control individually or jointly are recorded at acquisition cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value. Investments in entities in which the First Nation does not control but has joint control or significant influence in operations are accounted for, similar to government business partnerships, using the modified equity method.

- Hul'q'umi'num Fisheries Limited Partnership
- BC First Nations Gaming Revenue Sharing Limited Partnership

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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.

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Tangible capital assets are recorded at cost or deemed cost less accumulated amortization and are amortized over its estimated useful life on a straight-line basis at the following rates and methods:

|                       |          |                      |
|-----------------------|----------|----------------------|
| Buildings             | 20 years | straight-line method |
| Social Housing (CMHC) | 20 years | straight-line method |
| Infrastructure        | 25 years | straight-line method |
| Equipment             | 10 years | straight-line method |
| Motor vehicles        | 10 years | straight-line method |
| Boats                 | 5 years  | straight-line method |
| Machinery             | 5 years  | straight-line method |

Tangible capital assets are written down when associated outputs indicate that they are no longer contributing to the 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.

Tangible capital assets under construction, development or acquired during the year but not placed into use are not amortized until they are available to be put into service.

Intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

(*continues*)

---

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Funds are owned by the First Nation but administered by the Government of Canada. The Ottawa Trust Funds are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

Reserve funds

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

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue recognition

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Government transfers and grant revenue are recognized as revenues when the transfer is authorized and all 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 the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Rental income is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Asset classification

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

*(continues)*

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments

Financial instruments consist of cash, investments, accounts receivable, bank indebtedness, accounts payable and accruals, and long-term debt. It is management's opinion that the First Nation is not exposed to significant currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate risk on its loans with fixed interest rates and on its investment portfolio consisting partially of fixed income securities.

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.

**3. CASH AND CASH EQUIVALENTS**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$4,260 (2023 - \$4,260) annually. 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.

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited with any surplus amount in phase I to III, based on the minimum rent calculation. The Operating Reserve fund has not been fully funded.

|                                       | <b>2024</b>                | <b>2023</b>                |
|---------------------------------------|----------------------------|----------------------------|
| Unrestricted - Operating              | <b>\$ 7,964,970</b>        | \$ 3,093,868               |
| Restricted - CMHC Replacement Reserve | <b>138,565</b>             | 255,771                    |
| Restricted - CMHC Operating Reserve   | <b>41,951</b>              | -                          |
|                                       | <b><u>\$ 8,145,486</u></b> | <b><u>\$ 3,349,639</u></b> |

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**4. OTTAWA TRUST FUNDS**

|               | Opening          | Additions       | Withdrawals | 2024             | 2023             |
|---------------|------------------|-----------------|-------------|------------------|------------------|
| Capital Trust | \$ 28,999        | \$ -            | \$ -        | \$ 28,999        | \$ 28,999        |
| Revenue Trust | 30,774           | 1,448           | -           | 32,222           | 30,774           |
|               | <u>\$ 59,773</u> | <u>\$ 1,448</u> | <u>\$ -</u> | <u>\$ 61,221</u> | <u>\$ 59,773</u> |

The trust funds contain 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. ACCOUNTS RECEIVABLE**

|                            | 2024              | 2023              |
|----------------------------|-------------------|-------------------|
| Accounts receivable        | \$ 332,553        | \$ 607,673        |
| Indigenous Services Canada | 56,435            | 56,435            |
| Rents receivable           | 10,787            | 32,798            |
| CMHC other receivable      | -                 | 23,000            |
| CMHC subsidy               | 1,240             | 1,209             |
|                            | <u>\$ 401,015</u> | <u>\$ 721,115</u> |

**6. ADVANCES TO RELATED ENTITY**

Advances to related entities are unsecured, non-interest bearing and due on demand. This entity is related by virtue of common control or joint control by the First Nation.

|                         | 2024     | 2023     |
|-------------------------|----------|----------|
| HLC General Partner Ltd | \$ 5,200 | \$ 5,200 |

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**7. INVESTMENT IN FIRST NATION BUSINESS ENTERPRISES**

|  | <b>2024</b>         | <b>2023</b>         |
|--|---------------------|---------------------|
| 1241478 BC LTD   | <b>\$ 4,641,885</b> | <b>\$ 2,274,351</b> |
| Hul'q'umi'num Fisheries Limited Partnership                              | <b>5,000</b>        | <b>5,000</b>        |
| Halalt Logging Contracting Limited Partnership (as of December 31, 2022) | <b>1,467,053</b>    | <b>1,767,053</b>    |
| Halalt Corporate Holdings Ltd. (as of December 31, 2022)                 | <b>(1,241)</b>      | <b>(1,241)</b>      |
| BC First Nations Gaming Revenue Sharing LP                               | <b>110</b>          | <b>110</b>          |
|  | <b>\$ 6,112,807</b> | <b>\$ 4,045,273</b> |

|                   |              | Halalt<br>Corporate<br>Holdings LTD<br>(as of<br>December 31,<br>2022) | Halalt Logging<br>Contracting<br>Limited<br>Partnership (as<br>of December 31,<br>2022) | 2024         | 2023         |
|-------------------|--------------|--|---|--------------|--------------|
| Total assets      | \$ 4,716,188 | \$ 1   | \$ 2,217,843  | \$ 6,934,032 | \$ 4,509,024 |
| Total liabilities | 4,677,756    | 7,500  | 141,363   | \$ 4,826,619 | 2,417,183    |
|                   | 38,432       | (7,499)  | 2,076,480   | 2,107,413    | 2,091,841    |
| Total revenues    | \$ 221,793   | \$ -   | \$ -  | \$ 221,793   | \$ 2,626,126 |
| Total expenses    | 206,221      | -  | -   | \$ 206,221   | 825,819      |
| Net income (loss) | 15,572       | -  | -   | 15,572       | 1,800,307    |

The financial information for 1241478 BC LTD provided in this note is for the period ended March 31, 2024, with comparative information for the year ended March 31, 2023.

During the 2024 year, farm land purchased by the nation was transferred to 1241478 BC Ltd. This resulted in an increase in the nations investment in this company.

The financial information for Halalt Corporate Holdings LTD for the period ended December 31, 2023, was not provided by the client. We have not been made aware of any significant events or transactions in the period. The lack of information on this entity is one of the reasons we have qualified our audit report.

The financial information for Halalt Logging Contracting Limited Partnership for the period ended December 31, 2023, was not provided by the client. We have not been made aware of any significant events or transactions in the period. The lack of information on this entity is one of the reasons we have qualified our audit report.

The financial information for VIG Projects BC GP LTD, VIG Projects BC Limited Partnership and Halalt Shellfish Development Corporation is not available on the date of the audit report. We have not been made aware of any significant events or transactions in the period.



**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**8. DEFERRED REVENUE**

Deferred revenue represents funds received during the year which relate to the subsequent period.

|  | 2023 Balance     | 2024 Additions       | Revenue Recognized  | 2024 Balance        |
|--|------------------|----------------------|---------------------|---------------------|
| ISC - Recovery Flood Home Rebuilding Project | \$ -             | \$ 11,751,514        | \$ 6,408,067        | \$ 5,343,447        |
| Child & Family Development F2024 Funding     | 30,000           | -                    | 30,000              | -                   |
|  | -                | -                    | -                   | -                   |
|  | <u>\$ 30,000</u> | <u>\$ 11,751,514</u> | <u>\$ 6,438,067</u> | <u>\$ 5,343,447</u> |

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|  | 2024                | 2023              |
|--|---------------------|-------------------|
| Accounts payable and accrued liabilities | \$ 1,137,562        | \$ 726,026        |
| Wages payable                            | 76,284              | 15,659            |
|  | <u>\$ 1,213,846</u> | <u>\$ 741,685</u> |

**10. LONG TERM DEBT**

BMO loan bearing interest at 5.4% per annum, repayable in monthly blended payments of \$6,835. The loan matured on February 29, 2024 and was paid out from the bank account on March 4, 2024.

|    |   |    |         |
|----|---|----|---------|
| \$ | - | \$ | 645,746 |
|----|---|----|---------|

CMHC Phase 1 loan bearing interest at 3.81% per annum, repayable in monthly blended payments of \$804. The loan matures on January 1, 2028 and is secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase I housing units.

|        |        |
|--------|--------|
| 34,381 | 42,557 |
|--------|--------|

CMHC Phase 2 loan bearing interest at 2.5% per annum, repayable in monthly blended payments of \$508. The loan matures on June 1, 2033 and is secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase II housing units.

|        |        |
|--------|--------|
| 50,533 | 55,101 |
|--------|--------|

CMHC Phase 3 loan bearing interest at 0.68% per annum, repayable in monthly blended payments of \$1,027. The loan matures on October 1, 2035 and is secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on Phase III housing units.

|         |         |
|---------|---------|
| 137,281 | 148,632 |
|---------|---------|

|         |         |
|---------|---------|
| 222,195 | 892,036 |
|---------|---------|

|          |          |
|----------|----------|
| (28,437) | (76,092) |
|----------|----------|

Amounts payable within one year

|    |         |    |         |
|----|---------|----|---------|
| \$ | 193,758 | \$ | 815,944 |
|----|---------|----|---------|

(continues)

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

---

10. LONG TERM DEBT *(continued)*

Principal repayment terms are approximately:

|      |    |         |
|------|----|---------|
| 2025 | \$ | 28,437  |
| 2026 |    | 32,900  |
| 2027 |    | 34,800  |
| 2028 |    | 33,348  |
| 2029 |    | 92,710  |
|      |    | <hr/>   |
|      | \$ | 222,195 |

---

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**11. PROPERTY, PLANT AND EQUIPMENT**

| <u>Cost</u>        | 2023<br>Balance      | Additions           | Disposals   | 2024<br>Balance      |
|--------------------|----------------------|---------------------|-------------|----------------------|
| Social Housing     | \$ 799,012           | \$ -                | \$ -        | \$ 799,012           |
| Band Housing       | 568,265              | -                   | -           | 568,265              |
| Infrastructure     | 630,138              | -                   | -           | 630,138              |
| Office Equipment   | 132,809              | 3,018               | -           | 135,827              |
| Vehicles           | 186,535              | 63,919              | -           | 250,454              |
| Gym                | 1,242,661            | -                   | -           | 1,242,661            |
| Waterline          | 7,053,448            | -                   | -           | 7,053,448            |
| Boats              | 318,563              | -                   | -           | 318,563              |
| Machinery & Equip  | 63,341               | -                   | -           | 63,341               |
| Under Construction | 1,361,276            | 2,220,665           | -           | 3,581,941            |
|                    | <b>\$ 12,356,048</b> | <b>\$ 2,287,602</b> | <b>\$ -</b> | <b>\$ 14,643,650</b> |

| <u>Accumulated Amortization</u> | 2023<br>Balance     | Amortization      | Accumulated<br>Amortization<br>on Disposals | 2024<br>Balance     |
|---------------------------------|---------------------|-------------------|---|---------------------|
| Social Housing                  | \$ 373,312          | \$ 39,951         | \$ -  | \$ 413,263          |
| Band Housing                    | 568,265             | -                 | -   | 568,265             |
| Infrastructure                  | 317,705             | 25,205            | -   | 342,910             |
| Office Equipment                | 127,791             | 868               | -   | 128,659             |
| Vehicles                        | 88,275              | 14,796            | -   | 103,071             |
| Gym                             | 569,071             | 49,706            | -   | 618,777             |
| Waterline                       | 1,220,390           | 282,138           | -   | 1,502,528           |
| Boats                           | 103,950             | 59,300            | -   | 163,250             |
| Machinery & Equip               | 16,795              | 12,668            | -   | 29,463              |
| Under Construction              | -                   | -                 | -   | -                   |
|                                 | <b>\$ 3,385,554</b> | <b>\$ 484,632</b> | <b>\$ -</b>                                 | <b>\$ 3,870,186</b> |

| <u>Net book value</u> | 2024                 | 2023                |
|-----------------------|----------------------|---------------------|
| Social Housing        | \$ 385,749           | \$ 425,700          |
| Infrastructure        | 287,228              | 312,433             |
| Office Equipment      | 7,168                | 5,018               |
| Vehicles              | 147,383              | 98,260              |
| Gym                   | 623,884              | 673,590             |
| Waterline             | 5,550,920            | 5,833,058           |
| Boats                 | 155,313              | 214,613             |
| Machinery & Equip     | 33,878               | 46,546              |
| Under Construction    | 3,581,941            | 1,361,276           |
|                       | <b>\$ 10,773,464</b> | <b>\$ 8,970,494</b> |

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**12. ACCUMULATED SURPLUS**

The First Nation segregates its accumulated surplus into the following categories:

|                                       | <b>2024</b>                 | <b>2023</b>                 |
|---------------------------------------|-----------------------------|-----------------------------|
| Equity in Band Operating              | <b>\$ 13,439,378</b>        | \$ 11,446,440               |
| Equity in Capital Fund                | <b>1,913,999</b>            | 1,547,773                   |
| Equity in Ottawa Trust Funds          | <b>59,773</b>               | 57,528                      |
| Equity in Social Housing              | <b>99,163</b>               | 302,339                     |
| Annual Surplus (deficit)              | <b>3,223,164</b>            | 2,165,241                   |
|                                       | <b><u>18,735,477</u></b>    | <b><u>15,519,321</u></b>    |
| <b>Accumulated Surplus by Segment</b> |                             |                             |
| Community Operation and Band Admin    | <b>8,277,526</b>            | 8,407,192                   |
| Education and Employment              | <b>267,161</b>              | 268,015                     |
| Community Infrastructure              | <b>(79,286)</b>             | 66,703                      |
| Social Housing                        | <b>156,306</b>              | 353,497                     |
| Social Services                       | <b>203,541</b>              | 205,121                     |
| Own Resource                          | <b>1,579,675</b>            | 1,185,759                   |
| Economic Development                  | <b>3,193,391</b>            | 1,320,019                   |
| Capital Project                       | <b><u>1,913,999</u></b>     | <b><u>1,547,773</u></b>     |
|                                       | <b>15,512,313</b>           | 13,354,079                  |
| Annual Surplus (deficit)              | <b><u>3,223,164</u></b>     | <b><u>2,165,241</u></b>     |
|                                       | <b><u>\$ 18,735,477</u></b> | <b><u>\$ 15,519,320</u></b> |

**13. CONTINGENT LIABILITY**

The First Nation has a contingent liability of \$2,642,531.81 for various on-reserve housing loan guarantees.

The First Nation has a contingent liability of \$1,169,100.09 with Bank of Montreal for various on-reserve housing loan programs.

**14. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION**

|                            | <b>2024</b>                | <b>2023</b>                |
|----------------------------|----------------------------|----------------------------|
| Revenue per confirmation   | <b>\$ 14,012,022</b>       | \$ 2,662,687               |
| Deferred revenue           | <b>(5,343,446)</b>         | -                          |
| Subtotal                   | <b>8,668,576</b>           | 2,662,687                  |
| ISC Recovery - Prior Years | <b>(23,927)</b>            | (164,639)                  |
|                            | <b><u>\$ 8,644,649</u></b> | <b><u>\$ 2,498,048</u></b> |

**15. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of funding agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**HALALT FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

---

**16. BUDGET INFORMATION**

The disclosed budget information has been provided by the Halalt First Nation. The budget figures were not audited or reviewed but compiled from information provided by management.

---

**17. COMPARATIVE FIGURES**

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

---

**18. SEGMENTS**

Halalt First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

Band administration - Includes government activities of Chief and Council, band support and membership. It oversees the delivery of all government services including ensuring that adequate policies and procedures are in place to safeguard assets and to properly report financial activities.

Education and training - Includes activities that provide education to the First Nation members. This includes support for primary, secondary schooling, reimbursement of tuition costs and living and other allowances to students who are attending post-secondary institutions.

Community Infrastructure - Contains all activities that relate to the maintenance of buildings, roads, infrastructure, and land of the First Nation.

Social housing - Includes activities related to the provision of Band owned housing to the members of the First Nation and CMHC program housing to the members of the First Nation.

Capital projects - Includes major capital projects and activities occurring in the First Nation during the year.

Social services - Provides financial benefits and services to individuals and families, resident on reserve and off reserve, who are in need.

Own source - Includes management activities related to all reserve lands.

Economic development - Provides a number of services including providing guidance to Band and Council around natural resource matters and managing referrals, as well as project funding related to natural resources and the environment.

---

**HALALT FIRST NATION**  
**Expenses by Object**  
**Year Ended March 31, 2024**

**(Schedule 1)**

|                              | 2024                 | 2023                |
|------------------------------|----------------------|---------------------|
| Accounting and legal         | \$ 339,445           | \$ 280,768          |
| Amortization                 | 484,632              | 473,864             |
| Consulting/Contract services | 7,707,780            | 1,232,436           |
| Distributions to citizens    | 281,028              | 183,598             |
| Education                    | 653,682              | 466,127             |
| Honoraria                    | 70,299               | 56,954              |
| Insurance                    | 74,881               | 69,621              |
| Interest (recovery)          | 35,517               | 39,831              |
| Miscellaneous                | 371,618              | 222,005             |
| IT & Programming             | 37,094               | 11,157              |
| Repairs and maintenance      | 627,435              | 628,857             |
| Supplies                     | 584,478              | 904,629             |
| Telephone and utilities      | 321,323              | 226,171             |
| Travel and training          | 82,714               | 59,064              |
| Wages and benefits           | 1,350,638            | 1,199,009           |
| Emergency                    | 455,533              | 14,488              |
|                              | <u>\$ 13,478,097</u> | <u>\$ 6,068,579</u> |

See notes to financial statements

# HALALT FIRST NATION

## Segment Disclosure

Year Ended March 31, 2024

(Schedule 2)

|   | Band<br>Administration<br>2024 | Band<br>Administration<br>2023 | Education &<br>Employment<br>2024 | Education &<br>Employment<br>2023 | Community<br>Infrastructure<br>(OM)<br>2024 | Community<br>Infrastructure<br>(OM)<br>2023 | Social Housing<br>2024 | Social Housing<br>2023 |
|---|--------------------------------|--------------------------------|-----------------------------------|-----------------------------------|---|---|------------------------|------------------------|
| <b>REVENUES</b>                         |                                |                                |                                   |                                   |   |   |                        |                        |
| Indigenous Services Canada              | \$ 482,595                     | \$ 539,941                     | \$ 390,037                        | \$ 423,010                        | \$ 275,163                                  | \$ 157,040                                  | \$ 6,773,538           | \$ 320,000             |
| Province of British Columbia            | 1,605,958                      | 58,877                         | -                                 | -                                 | -   | -   | -                      | -                      |
| Rental income                           | 75,900                         | 66,288                         | -                                 | -                                 | 7,571                                       | 8,981                                       | 272,489                | 66,066                 |
| Other government funding                | 428,832                        | 406,497                        | 205,565                           | 275,816                           | -   | -   | -                      | -                      |
| Canada Mortgage and Housing Corporation | -                              | -                              | -                                 | -                                 | -   | -   | 14,816                 | 37,218                 |
| Fisheries and Oceans Canada (DFO)       | 352,728                        | 101,994                        | -                                 | -                                 | -   | -   | -                      | -                      |
| Interest income                         | -                              | 96,165                         | -                                 | -                                 | -   | -   | -                      | 1,740                  |
| Other income                            | 929,890                        | 930,247                        | 2,000                             | 22,000                            | -   | -   | 35,390                 | 5,986                  |
|   | <b>3,875,903</b>               | <b>2,200,009</b>               | <b>597,602</b>                    | <b>720,826</b>                    | <b>282,734</b>                              | <b>166,021</b>                              | <b>7,096,233</b>       | <b>431,010</b>         |
| <b>EXPENSES</b>                         |                                |                                |                                   |                                   |   |   |                        |                        |
| Accounting and legal                    | 200,420                        | 100,958                        | -                                 | -                                 | -   | -   | 10,280                 | 5,000                  |
| Amortization                            | 331,844                        | 329,526                        | -                                 | -                                 | -   | -   | 39,951                 | 39,951                 |
| Consulting/Contract services            | 330,661                        | 497,477                        | -                                 | 38,185                            | 47,416                                      | 50,523                                      | 6,175,381              | 155,174                |
| Distributions to citizens               | 2,049                          | 68,204                         | -                                 | -                                 | -   | -   | -                      | -                      |
| Education                               | 98,398                         | 19,587                         | 555,092                           | 446,138                           | -   | -   | -                      | -                      |
| Honoraria                               | 57,869                         | 56,954                         | -                                 | -                                 | -   | -   | -                      | -                      |
| Insurance                               | 16,904                         | 19,929                         | -                                 | -                                 | -   | -   | -                      | -                      |
| Interest (recovery)                     | 31,257                         | 36,210                         | -                                 | -                                 | 18,651                                      | 12,825                                      | 15,261                 | 22,230                 |
| IT & Programming                        | 19,180                         | 11,157                         | -                                 | -                                 | -   | -   | 4,260                  | 3,621                  |
| Repairs and maintenance                 | 146,855                        | 174,199                        | -                                 | -                                 | -   | -   | -                      | -                      |
| Supplies                                | 207,138                        | 283,335                        | 3,097                             | 20,234                            | 131,892                                     | 20,289                                      | 102,232                | 356,563                |
| Telephone and utilities                 | 33,291                         | 32,708                         | 18,455                            | 73,300                            | 10,881                                      | 13,432                                      | 28,563                 | 9,269                  |
| Travel and training                     | 47,814                         | 53,405                         | -                                 | -                                 | 173,773                                     | 151,206                                     | 17,778                 | 2,279                  |
| Wages and benefits                      | 583,276                        | 476,292                        | 7,498                             | 2,305                             | 7,847                                       | 5,801                                       | -                      | -                      |
| Emergency                               | 14,267                         | 14,488                         | 81,377                            | 109,990                           | 25,564                                      | 86,435                                      | -                      | 3,805                  |
| Miscellaneous                           | 53,890                         | 71,178                         | 15,913                            | 5,845                             | -   | -   | 441,266                | -                      |
|   | <b>2,175,113</b>               | <b>2,245,607</b>               | <b>681,432</b>                    | <b>695,997</b>                    | <b>416,024</b>                              | <b>340,511</b>                              | <b>6,842,328</b>       | <b>597,928</b>         |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    | <b>\$ 1,700,790</b>            | <b>\$ (45,598)</b>             | <b>\$ (83,830)</b>                | <b>\$ 24,829</b>                  | <b>\$ (133,290)</b>                         | <b>\$ (174,490)</b>                         | <b>\$ 253,905</b>      | <b>\$ (166,918)</b>    |

See notes to financial statements

**HALALT FIRST NATION**  
**Segment Disclosure**  
**Year Ended March 31, 2024**  
**(Schedule 2)**

|   | Capital<br>Projects<br>2024 | Capital<br>Projects<br>2023 | Social Services<br>2024 | Social Services<br>2023 | Own Source<br>2024 | Own Source<br>2023 | Economic<br>Development<br>2024 | Economic<br>Development<br>2023 |
|---|-----------------------------|-----------------------------|-------------------------|-------------------------|--------------------|--------------------|---------------------------------|---------------------------------|
| <b>REVENUES</b>                         |                             |                             |                         |                         |                    |                    |                                 |                                 |
| Indigenous Services Canada              | \$ 160,000                  | \$ 686,682                  | \$ 572,243              | \$ 422,967              | \$ -               | \$ (78,560)        | \$ 15,000                       | \$ 26,968                       |
| Province of British Columbia            | -                           | 3,000                       | -                       | -                       | 838,002            | 397,995            | -                               | -                               |
| Ottawa Trust                            | -                           | -                           | -                       | -                       | 1,448              | 2,246              | -                               | -                               |
| Other government funding                | -                           | -                           | -                       | -                       | 992,354            | 584,001            | -                               | 14,650                          |
| Canada Mortgage and Housing Corporation | 1,402,209                   | 182,475                     | -                       | -                       | -                  | -                  | -                               | -                               |
| Shellfish sales                         | -                           | -                           | -                       | -                       | 257,751            | 338,329            | -                               | -                               |
| Other income                            | -                           | 16,305                      | -                       | -                       | 285,995            | 324,282            | -                               | 1,794,613                       |
| Interest income                         | -                           | -                           | -                       | -                       | 319,527            | -                  | -                               | -                               |
|   | <b>1,562,209</b>            | <b>888,462</b>              | <b>572,243</b>          | <b>422,967</b>          | <b>2,695,077</b>   | <b>1,568,293</b>   | <b>15,000</b>                   | <b>1,836,231</b>                |
| <b>EXPENSES</b>                         |                             |                             |                         |                         |                    |                    |                                 |                                 |
| Accounting and legal                    | -                           | -                           | -                       | -                       | 113,287            | 157,902            | 15,457                          | 16,908                          |
| Amortization                            | 112,837                     | 104,387                     | -                       | -                       | -                  | -                  | -                               | -                               |
| Consulting/Contract services            | 36,837                      | 246,422                     | 3,333                   | -                       | 1,114,152          | 240,209            | -                               | 4,447                           |
| Distributions to citizens               | -                           | -                           | 107,167                 | 30,540                  | 171,811            | 84,854             | -                               | -                               |
| Education                               | -                           | -                           | -                       | -                       | 192                | 402                | -                               | -                               |
| Honoraria                               | -                           | -                           | -                       | -                       | 12,430             | -                  | -                               | -                               |
| Insurance                               | -                           | -                           | -                       | -                       | 24,065             | 14,637             | -                               | -                               |
| IT & Programming                        | -                           | -                           | -                       | -                       | 17,915             | -                  | -                               | -                               |
| Repairs and maintenance                 | 95,308                      | 52,459                      | -                       | -                       | 148,051            | 5,113              | -                               | -                               |
| Supplies                                | 52,189                      | 144,412                     | -                       | 5,152                   | 267,252            | 375,726            | -                               | -                               |
| Telephone and utilities                 | 48,155                      | 3,219                       | 44,264                  | 31,021                  | 4,063              | 5,738              | -                               | -                               |
| Travel and training                     | -                           | -                           | 4,714                   | 2,385                   | 14,841             | (4,832)            | -                               | -                               |
| Wages and benefits                      | 92,903                      | 30,723                      | 350,683                 | 327,868                 | 201,835            | 148,897            | 15,000                          | 15,000                          |
| Miscellaneous                           | -                           | -                           | 111,560                 | 23,641                  | 182,899            | 121,304            | -                               | -                               |
|   | <b>438,229</b>              | <b>581,622</b>              | <b>621,721</b>          | <b>420,607</b>          | <b>2,272,793</b>   | <b>1,149,950</b>   | <b>30,457</b>                   | <b>36,355</b>                   |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    | <b>\$ 1,123,980</b>         | <b>\$ 306,840</b>           | <b>\$ (49,478)</b>      | <b>\$ 2,360</b>         | <b>\$ 422,284</b>  | <b>\$ 418,343</b>  | <b>\$ (15,457)</b>              | <b>\$ 1,799,876</b>             |

See notes to financial statements  
22