

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

**EXHIBIT**

***CONSOLIDATED FINANCIAL STATEMENTS:***

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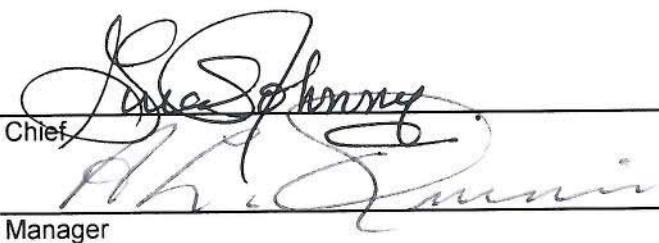
### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Adams Lake Indian Band 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 judgements. 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 Band 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 Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance 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 Finance Committee reports to 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 financial statements have been audited on behalf of the members by Daley & Company Chartered Accountants LLP in accordance with Canadian public sector accounting standards.

  
Acting Chief  
Manager



#### INDEPENDENT AUDITORS' REPORT

To the Members,  
ADAMS LAKE INDIAN BAND

EXHIBIT A1

##### *Report on the Financial Statements*

We have audited the accompanying financial statements of ADAMS LAKE INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

##### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

##### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of ADAMS LAKE INDIAN BAND as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

##### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B, C1 to C2, D1 to D2 and schedules 1 to 27 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Daley & Company LLP*  
Chartered Accountants

Kamloops, BC  
July 15, 2014

##### *Disclaimer of Liability*

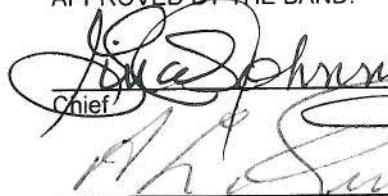
These consolidated financial statements were examined and this Audit Opinion issued solely for the use of ADAMS LAKE INDIAN BAND. Daley & Company Chartered Accountants LLP makes no representations of any kind to any other person in respect of these consolidated financial statements and accepts no responsibility for their use by any other person in the absence of the written consent of Daley & Company Chartered Accountants LLP.

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**March 31, 2014**

<b>FINANCIAL ASSETS</b>	<b>2014</b>	<b>2013</b>
Cash	\$ 1,640,783	\$ 2,105,393
Marketable securities (Note A3)	562,431	52,294
Grants and accounts receivable (Note A4)	2,393,125	1,889,200
Micro loan receivable (Note A5)	2,632	7,226
Restricted cash (Note A6)	2,737,331	2,162,203
Property held for resale (Note A7)	234,667	192,701
Deferred lease costs (Note A8)	982,921	962,226
Investments (Note A9)	<u>299,046</u>	<u>9,216</u>
	<u>8,852,936</u>	<u>7,380,459</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	2,270,941	1,643,396
Deferred revenue (Note A10)	1,302,585	1,282,182
Demand loans (Note A11)	1,056,017	1,475,189
Silviculture liability	851,345	619,991
Mortgages payable (Note A12)	<u>1,958,503</u>	<u>2,145,810</u>
	<u>7,439,391</u>	<u>7,166,568</u>
<b>NET FINANCIAL ASSETS</b>	<b><u>1,413,545</u></b>	<b><u>213,891</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	87,528	77,175
Property held for resale (Note A7)	434,428	494,979
Tangible capital assets (Note A13)	<u>15,423,646</u>	<u>15,330,184</u>
	<u>15,945,602</u>	<u>15,902,338</u>
<b>ACCUMULATED SURPLUS (Note A14)</b>	<b><u>\$ 17,359,147</u></b>	<b><u>\$ 16,116,229</u></b>

## COMMITMENTS AND CONTINGENCIES (Note A15)

## APPROVED BY THE BAND:

  
 Chief  
  
 Manager

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2014**

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	<b>2014</b>	<b>2013</b>
ACCUMULATED SURPLUS, beginning of year	\$ 16,116,229	\$ 14,786,498
EXCESS OF REVENUE OVER EXPENSES	<u>1,242,918</u>	<u>1,329,731</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$ 17,359,147</b>	<b>\$ 16,116,229</b>

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year ended March 31, 2014**

	Budget	2014	2013
<b>REVENUE:</b>			
Aboriginal Affairs and Northern Development			
Canada	\$ 3,970,109	<b>\$ 3,843,915</b>	\$ 3,619,727
Leases and rentals	1,967,250	<b>1,833,621</b>	1,865,241
Canada Mortgage and Housing Corporation	133,927	<b>130,671</b>	138,007
Province of British Columbia	-	<b>395,948</b>	703,982
Consulting and contract	1,209,245	<b>3,569,380</b>	4,251,709
Interest and tax penalties	56,000	<b>119,568</b>	59,185
Timber harvesting	1,871,180	<b>2,106,364</b>	280,474
Health Canada/First Nations Health Authority	859,878	<b>877,711</b>	810,060
Property taxes	960,000	<b>807,461</b>	958,761
Real estate sales	-	<b>17,500</b>	37,287
Miscellaneous	1,218,818	<b>1,526,962</b>	1,410,117
	<b>12,246,407</b>	<b>15,229,101</b>	<b>14,134,550</b>
<b>EXPENSES:</b>			
Administration fees	21,312	<b>31,743</b>	113,385
Amortization	-	<b>819,519</b>	744,971
Assistance	365,500	<b>225,151</b>	294,480
Automotive	35,500	<b>60,980</b>	56,344
Bad debts and write downs	1,000	<b>205,931</b>	211,415
Contract services	1,426,766	<b>2,187,585</b>	2,828,223
Education	1,057,000	<b>1,000,402</b>	1,064,859
Honorarium	379,896	<b>380,047</b>	338,120
Insurance	116,939	<b>95,139</b>	97,447
Interest and bank charges	257,025	<b>20,494</b>	19,040
Interest on demand loans and mortgages	292,188	<b>87,249</b>	121,447
Leases	122,652	<b>148,605</b>	141,367
Licences, dues and fees	22,400	<b>20,004</b>	20,485
Logging	1,123,000	<b>1,098,222</b>	88,636
Materials and supplies	241,929	<b>420,300</b>	338,977
Office and other	427,310	<b>376,713</b>	417,578
Professional fees	447,068	<b>358,236</b>	359,300
Repairs and maintenance	170,639	<b>407,328</b>	281,636
Training	109,621	<b>115,556</b>	100,222
Travel	253,013	<b>308,378</b>	303,419
Utilities	349,370	<b>364,759</b>	351,050
Wages and benefits	4,599,393	<b>5,253,842</b>	4,512,418
	<b>11,819,521</b>	<b>13,986,183</b>	<b>12,804,819</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 426,886</b>	<b>\$ 1,242,918</b>	<b>\$ 1,329,731</b>

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2014**

	Budget	2014	2013
EXCESS OF REVENUE OVER EXPENSES	\$ 426,886	<b>\$ 1,242,918</b>	\$ 1,329,731
Acquisition of tangible capital assets	-	<b>(912,980)</b>	(481,688)
Change in property held for resale	-	<b>60,551</b>	49,187
Amortization of tangible capital assets	-	<b>819,518</b>	744,971
Change in prepaid expenses	-	<b>(10,353)</b>	14,944
INCREASE IN NET FINANCIAL ASSETS	426,886	<b>1,199,654</b>	1,657,145
NET FINANCIAL ASSETS (DEBT), beginning of year	<u>213,891</u>	<u><b>213,891</b></u>	<u>(1,443,254)</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 640,777</u>	<u><b>\$ 1,413,545</b></u>	<u>\$ 213,891</u>

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year ended March 31, 2014**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 1,242,918	\$ 1,329,731
Non-operating items:		
Amortization	819,518	744,971
(Increase) decrease in:		
Grants and accounts receivable	(503,925)	(495,362)
Micro loan receivable	4,594	2,774
Property held for resale	18,585	(143,514)
Prepaid expenses	(10,353)	14,944
Increase (decrease) in:		
Accounts payable and accruals	627,545	249,867
Deferred revenue	20,403	30,372
Silviculture liability	231,354	(26,364)
Cash flows from operations	<u>2,450,639</u>	<u>1,707,419</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Change in restricted cash	(575,128)	(70,346)
New borrowings	-	56,195
Change in funds held in trust	-	344,635
Debt reduction	<u>(606,479)</u>	<u>(715,266)</u>
Cash flows used in financing	<u>(1,181,607)</u>	<u>(384,782)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	<u>(289,830)</u>	<u>20,072</u>
Cash flows from (used in) investing	<u>(289,830)</u>	<u>20,072</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Deferred costs	(20,695)	(20,738)
Purchase of tangible capital assets	<u>(912,980)</u>	<u>(481,688)</u>
Cash flows used in capital	<u>(933,675)</u>	<u>(502,426)</u>
<b>INCREASE IN CASH RESOURCES</b>	<b>45,527</b>	<b>840,283</b>
<b>CASH RESOURCES, beginning of year</b>	<b><u>2,157,687</u></b>	<b><u>1,317,404</u></b>
<b>CASH RESOURCES, end of year</b>	<b><u>\$ 2,203,214</u></b>	<b><u>\$ 2,157,687</u></b>
<b>CASH RESOURCES CONSISTS OF:</b>		
Cash	\$ 1,640,783	\$ 2,105,393
Marketable securities	<u>562,431</u>	<u>52,294</u>
	<b><u>\$ 2,203,214</u></b>	<b><u>\$ 2,157,687</u></b>

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

**a) Fund Accounting:**

The Adams Lake Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Adams Lake Indian Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.
- The Social Housing Funds Phase 10-13 and Phase 1-4, 6 which reports the social housing assets of the First Nation, together with related activities.

**b) Reporting Entity and Principles of Financial Reporting:**

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

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

- Adams Lake Indian Band Operating Fund
- Adams Lake Indian Band Trust Fund
- Adams Lake Indian Band Capital Fund
- Adams Lake Indian Band Social Housing Fund - Phase 10-13
- Adams Lake Indian Band Social Housing Fund - Phase 1-4, 6

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 the Adams Lake Indian Band and which are dependent on the First Nation for their continuing operations, are consolidated in the consolidated financial statements. These include:

- Adams Lake Development Corporation

Incorporated business entities, which are owned or controlled by the Adams Lake Indian Band 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. These include:

- Sexqeltkemc Enterprises Inc.
- Sexqeltkemc Limited Partnership

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

Notes that provide additional information regarding the entities are disclosed with each entity and form an integral part of these financial statements.

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Non-financial Assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

**a) Tangible Capital Assets:**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

**Major Asset Category:**

Buildings	20 to 70 years
Water systems	50 to 80 years
Roads	10 to 75 years
Automotive equipment	10 years
Computer equipment	5 years
Sewer systems	80 years
Furniture and equipment	5 years

Assets under construction are not amortized until the asset is available for productive use.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

The Band's policies regarding the thresholds for capitalization of assets are as follows:

- buildings and infrastructure that exceed \$10,000,
- vehicles, equipment and furniture and fixtures that exceed \$3,000 and
- computers and other data processing equipment that exceed \$2,000.

These policies are applied on an individual item basis.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

**b) Contributions of Tangible Capital Assets:**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

**c) Leases:**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**d) Marketable Securities:**

Marketable securities are recorded at the lower of cost and fair market value.

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

- e) **Property Held for Resale:**  
Property held for resale includes developed homes and lease lots available for sale and/or lease and are recorded at the lower of cost and net realizable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the property held for resale to its present location and condition.
- f) **Investments:**  
Investments in non-controlled entities and not subject to significant influence are recorded at cost.
- g) **Accrual Method:**  
The Band utilizes accrual accounting.
- h) **Deferred Revenue:**  
Revenue is recorded in the period to which it relates.
- Deferred Lease Costs:**  
Deferred lease costs represent the portion of leased property development costs directly related to property transferred under prepaid and monthly leases. Deferred costs are expensed proportionately over the term of the lease.
- i) **Revenue Recognition:**  
The Adams Lake Indian Band derives revenues from a number of sources.  
Amounts received from Aboriginal Affairs and Northern Development Canada (AANDC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to AANDC and any deficits incurred are refundable by AANDC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Grants received from AANDC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured. Amounts received under block funding arrangements are reported as revenue when received or receivable and collection is reasonably assured.  
Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.  
Own source revenues derived from such sources as housing rents, resource based revenues, interest income, property taxes and leases etc. are reported when received or receivable and collection is reasonably assured.  
Home sales revenue is recognized when title passes to the purchaser.  
Prepaid sublease revenue is recognized when title passes to the purchaser. Deferred sublease revenue is recognized in accordance with the terms of the sublease. The payment schedule is noted in Note A17.  
Timber processing revenue is recognized on a completed-project basis.
- j) **Silviculture Liability:**  
Silviculture liability is charged to earnings on the basis of the volume of timber cut. The estimate is based on various judgements and assumptions. Both the provision and reliability of such estimates are subject to uncertainties and, as additional information becomes known, these estimates are subject to change. Actual silviculture expenditures are recorded as a reduction of silviculture liability in the year they are paid.
- k) **Replacement Reserve:**  
The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

**ADAMS LAKE BAND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2014**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**I) Operating Reserve:**

The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and CMHC subsidies over current eligible expenditures.

**m) Uses 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 amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**NOTE A2. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash (including internally and externally restricted amounts), marketable securities, grants and accounts receivable, accounts payable and accrued liabilities and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of mortgages payable approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of investments due to the limited amount of comparable market information available.

**Credit Risk:**

The Band is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

**Interest Rate Risk:**

Demand loans have both fixed and variable interest rates based on the bank's prime rate, therefore the interest expense will vary with changes in the bank's prime rate. Mortgages payable has fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

**NOTE A3. MARKETABLE SECURITIES:**

The market value of the marketable securities, at March 31, 2014, is \$584,060 (2013 \$52,294).

**NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:**

	<b>2014</b>	<b>2013</b>
<b>Band Operations:</b>		
Grants Receivable	\$ 296,265	\$ 576,174
Property Taxes	1,377	9,404
Accounts Receivable	2,012,694	1,206,807
Social Housing Rent Arrears	51,534	23,933
	<hr/> <b>2,361,870</b>	<hr/> <b>1,816,318</b>

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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<b>NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE (continued):</b>	<b>2014</b>	<b>2013</b>
Social Housing Operations:		
Social Housing Operation - Phase 10-13	2,252	3,245
Social Housing Operation - Phase 1-4, 6	<u>6,283</u>	<u>6,475</u>
	<u><u>8,535</u></u>	<u><u>9,720</u></u>

Adams Lake Development Corporation:		
Accounts Receivable	<u>4,393</u>	<u>30,718</u>
Sexqeltkemc Lakes Division		
Accounts Receivable	<u>18,327</u>	<u>32,444</u>
	<u><u>\$ 2,393,125</u></u>	<u><u>\$ 1,889,200</u></u>

<b>NOTE A5. MICRO LOAN RECEIVABLE:</b>	<b>2014</b>	<b>2013</b>
Green Touch Landscaping, loan receivable, bearing interest at prime plus 4%, repayable in monthly blended payments of \$448. The loan is due April 2014 and is secured by automotive equipment. The loan is receivable on demand.	<u><u>\$ 2,632</u></u>	<u><u>\$ 7,226</u></u>

<b>NOTE A6. RESTRICTED CASH:</b>	<b>2014</b>	<b>2013</b>
Replacement Reserve	\$ 378,054	\$ 339,965
Operating Reserve	<u>80,460</u>	<u>73,920</u>
Ottawa Trust Funds	<u>381,234</u>	<u>346,589</u>
Other Restricted Funds	<u><u>1,897,583</u></u>	<u><u>1,401,729</u></u>
	<u><u>\$ 2,737,331</u></u>	<u><u>\$ 2,162,203</u></u>

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A6. RESTRICTED CASH (continued):**

**2014**

**2013**

**a) Replacement Reserve:**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$52,686 (2013 - \$54,350) annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	<b>2014</b>	<b>2013</b>
Balance, beginning of year	\$ 390,102	\$ 338,604
Allocation during the year	52,686	54,350
Interest on account	1,263	726
Canada Mortgage and Housing Corporation - adjustment	(38,483)	-
Approved expenditures	<u>(48,737)</u>	<u>(3,578)</u>
Balance, end of year	<u><u>\$ 356,831</u></u>	<u><u>\$ 390,102</u></u>
The Replacement Reserve is represented by:		
Cash	<u><u>\$ 378,054</u></u>	<u><u>\$ 339,965</u></u>

**b) Operating Reserve:**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited in the amount of any accumulated surplus plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time.

	<b>2014</b>	<b>2013</b>
Balance, beginning of year	<u><u>\$ 80,461</u></u>	<u><u>\$ 73,619</u></u>
Allocation for the year	3,017	6,541
Interest	<u>-</u>	<u>301</u>
	<u><u>3,017</u></u>	<u><u>6,842</u></u>
Balance, end of year	<u><u>\$ 83,478</u></u>	<u><u>\$ 80,461</u></u>
The Operating Reserve is represented by:		
Cash	<u><u>\$ 80,460</u></u>	<u><u>\$ 73,920</u></u>

**c) Ottawa Trust Funds:**

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

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE A6. RESTRICTED CASH (continued):**

**2014**

**2013**

**d) Other Restricted Cash:**

Internally restricted funds consist of funding received under the forest & range consultation and revenue sharing agreement (FCRSA). Chief and Council, in conjunction with community input, will be establishing criteria for the expenditure of these funds.

**Internally restricted:**

Silviculture	\$ 916,743	\$ 642,868
FCRSA	<u>980,840</u>	<u>758,861</u>
	<u><b>\$ 1,897,583</b></u>	<u><b>\$ 1,401,729</b></u>

**FCRSA Reserve:**

Balance, beginning of year	<u><b>\$ 909,422</b></u>	<u><b>\$ 920,110</b></u>
FCRSA funding received	395,948	351,069
Interest	56,285	4,156
Approved FCRSA expenditures	<u>(378,160)</u>	<u>(365,913)</u>
	<u><b>74,073</b></u>	<u><b>(10,688)</b></u>
Balance, end of year	<u><b>\$ 983,495</b></u>	<u><b>\$ 909,422</b></u>

The FCRSA Reserve is represented by:

Cash	<u><b>\$ 980,840</b></u>	<u><b>\$ 758,861</b></u>
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**NOTE A7. PROPERTY HELD FOR RESALE:**

**2014**

**2013**

**West Harbour Village:**

Finished homes	\$ 234,667	\$ 192,701
Land development costs	<u>434,428</u>	<u>494,979</u>
	<u><b>\$ 669,095</b></u>	<u><b>\$ 687,680</b></u>

**NOTE A8. DEFERRED LEASE COSTS:**

**2014**

**2013**

Balance, beginning of year	\$ 962,226	\$ 941,488
Additions	38,075	38,075
Expensed during the year	<u>(17,380)</u>	<u>(17,337)</u>
Balance, end of year	<u><b>\$ 982,921</b></u>	<u><b>\$ 962,226</b></u>

Deferred lease costs represent the portion of leased property development costs directly related to property transferred under prepaid and monthly leases. Deferred costs are expensed proportionately over the term of the lease.

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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NOTE A9. INVESTMENTS:	2014	2013
All Nations Trust Company:		
22,800 Common shares, par value \$10	<u>\$ 38,038</u>	<u>\$ 38,038</u>
Sexqeltkemc Enterprises Inc. (33%):		
10 Common shares, par value \$10	10	10
Advances, unsecured, noninterest bearing, no stated terms of repayment	<u>(10)</u>	<u>(10)</u>
	-	-
Sexqeltkemc Limited Partnership:		
Advances, unsecured, noninterest bearing, no stated terms of repayment	10,000	10,000
Accumulated equity in income (losses)	<u>236,008</u>	<u>(53,822)</u>
	<u>246,008</u>	<u>(43,822)</u>
Investment in BC FN Gaming Initiative	<u>15,000</u>	<u>15,000</u>
	<u><u>\$ 299,046</u></u>	<u><u>\$ 9,216</u></u>

Financial information for Sexqeltkemc Limited Partnership:

	Total	Band's Share 2014	Band's Share 2013
Current Assets	\$ 2,525,966	\$ 841,909	\$ 298,862
Long-term Assets	5,995	1,998	5,044
Current Liabilities	<u>(1,793,876)</u>	<u>(597,899)</u>	<u>(347,728)</u>
Partner's Capital (Deficiency)	<u><u>\$ 738,085</u></u>	<u><u>\$ 246,008</u></u>	<u><u>\$ (43,822)</u></u>
Revenues	\$ 3,701,268	\$ 1,233,633	\$ 864,305
Expenses	<u>2,831,692</u>	<u>943,803</u>	<u>878,636</u>
Net Income	<u><u>\$ 869,576</u></u>	<u><u>\$ 289,830</u></u>	<u><u>\$ (14,331)</u></u>

Sexqeltkemc Limited Partnership is domiciled near Chase, British Columbia. The Partnership is a business entity comprised of representative members from the Adams Lake, Neskonlith and Splatsin people. The Partnership's object is to recognize, develop and secure business and employment opportunities within the traditional boundaries of the Sexqeltkemc te Secwepemc. Net earnings of the Partnership are allocated to the respective Partners annually.

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE A10. DEFERRED REVENUE:** 2014      2013

**Band Operations:**

Revenue amounts deferred are summarized as follows:

Aboriginal Affairs and Northern Development Canada	\$ -	\$ 51,111
First Nations Education Steering Committee	-	28,680
Prepaid lease payments	142,059	91,015
Province of BC - Mentorship funding	20,000	-
Aboriginal Healthy Living Grant	-	1,000
Other	-	293
	<b><u>162,059</u></b>	<b><u>172,099</u></b>

**Adams Lake Development Corporation:**

Deferred lease revenue, beginning of year	1,089,094	1,019,841
Additions	70,000	87,000
Amortized to income during the year	(18,568)	(17,747)
Deferred lease revenue, end of year	<b><u>1,140,526</u></b>	<b><u>1,089,094</u></b>

**Sexgeltkemc Lakes Division:**

Deferred revenue	-	20,989
	<b><u>\$ 1,302,585</u></b>	<b><u>\$ 1,282,182</u></b>

**NOTE A11. DEMAND LOANS:** 2014      2013

**Capital Fund:**

Royal Bank of Canada, mortgage, repayable in monthly installments of \$13,700 plus interest at 3.20%, secured by the Community Gym with a carrying value of \$1,779,932 due December 2014

\$ 119,893      \$ 277,660

Royal Bank of Canada, term loan, repayable in monthly installments of \$980 including interest at 2.99%, secured by an Alternative Energy Retrofit equipment with a carrying value of \$300,977, due October 2018

28,238      39,378

Royal Bank of Canada, term loan, repayable in monthly installments of \$5,309 including interest at 2.99%, secured by an Irrigation System with a carrying value of \$1,620,627, due October 2018

426,748      481,216

Royal Bank of Canada, demand loan, repayment in monthly installments of \$588, including interest at 0%, secured by a 2012 GMC Sierra with a carrying value of \$24,800, due May 2016

15,282      22,335

Royal Bank of Canada, demand loan, repayment in monthly installments of \$583, including interest at 0%, secured by a 2012 GMC Sierra with a carrying value of \$24,800, due May 2016

15,157      22,153

Royal Bank of Canada, term loan, repaid during the year

-      4,998

Royal Bank of Canada, term loan, repaid during the year

-      4,796

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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<b>NOTE A11. DEMAND LOANS (continued):</b>	<b>2014</b>	<b>2013</b>
Royal Bank of Canada, term loan, repaid during the year	-	3,593
	<b><u>605,318</u></b>	<b><u>856,129</u></b>

**Adams Lake Development Corporation:**

Peace Hills Trust loan bearing interest at prime plus 0.75% per annum, repayable in monthly blended payments of \$13,500. The loan matures on May 1, 2018 and is secured by land and buildings (West Harbour Village project). Loan is callable on demand.	450,699	588,978
Peace Hills Trust loan, repaid during the year	-	30,082
	<b><u>450,699</u></b>	<b><u>619,060</u></b>
	<b><u>\$ 1,056,017</u></b>	<b><u>\$ 1,475,189</u></b>

Principal repayments due in the ensuing 3 years are approximately as follows:

2015	\$ 733,606
2016	165,374
2017	157,037

<b>NOTE A12. MORTGAGES PAYABLE:</b>	<b>2014</b>	<b>2013</b>
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**Social Housing Operation - Phase 10-13 mortgages:**

All Nations Trust Company, repayable in monthly installments of \$2,405 including interest at 2.57% per annum, secured by promissory notes of the Ministry and the Band due December 2014 - Phase 13	\$ 271,028	\$ 292,660
All Nations Trust Company, repayable in monthly installments of \$2,045 including interest at 1.48% per annum, due July 2015 - Phase 12	32,388	56,264
All Nations Trust Company, repayable in monthly installments of \$1,115 including interest at 1.80% per annum, due October 2016 - Phase 11	91,918	103,542
All Nations Trust Company, repaid during the year	-	25,102
	<b><u>395,334</u></b>	<b><u>477,568</u></b>

**Social Housing Operation - Phase 1-4, 6 mortgages:**

All Nations Trust Company, repayable in monthly installments of \$2,061 including interest at 2.65% per annum, secured by promissory notes of the Ministry and the Band, due April 2016 - Phase 1	252,580	270,388
All Nations Trust Company, repayable in monthly installments of \$2,214 including interest at 1.71% per annum, secured by promissory notes of the Ministry and the Band, due September 2017 - Phase 2	318,479	339,431

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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<b>NOTE A12. MORTGAGES PAYABLE (continued):</b>	<b>2014</b>	<b>2013</b>
All Nations Trust Company, repayable in monthly installments of \$2,639 including interest at 1.67% per annum, secured by promissory notes of the Ministry and the Band, due June 2018 - Phase 3	266,820	293,301
All Nations Trust Company, repayable in monthly installments of \$3,093 including interest at 2.56% per annum, secured by promissory notes of the Ministry and the Band, due December 2015 - Phase 4	376,628	403,783
All Nations Trust Company, repayable in monthly installments of \$1,697 including interest at 2.17% per annum, secured by promissory notes of the Ministry and the Band, due December 2015 - Phase 6	<u>348,662</u>	<u>361,339</u>
	<u>1,563,169</u>	<u>1,668,242</u>
	<b><u>\$ 1,958,503</u></b>	<b><u>\$ 2,145,810</u></b>

The Social Housing mortgages are guaranteed by Aboriginal Affairs and Northern Development Canada.

Principal repayments due in the ensuing 5 years are approximately as follows:

2015	\$ 415,027
2016	773,294
2017	334,278
2018	281,586
2019	154,318

<b>NOTE A13. TANGIBLE CAPITAL ASSETS:</b>	<b>2014</b>	<b>2013</b>
Tangible capital assets consist of the following:		
Buildings	\$ 3,515,798	\$ 3,732,616
Water systems	5,085,104	4,989,389
Roads	1,537,664	1,633,930
Automotive equipment	574,444	375,763
Computer equipment	143,426	77,685
Sewer systems	445,670	452,710
Furniture and equipment	142,164	134,637
Construction in progress	208,985	-
Social Housing Operation - Phase 10-13	1,541,714	1,603,076
Social Housing Operation - Phase 1-4, 6	<u>2,228,677</u>	<u>2,330,378</u>
	<b><u>\$15,423,646</u></b>	<b><u>\$15,330,184</u></b>

For additional information, see the Summary Schedule of Tangible Capital assets (Appendix 1).

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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<b>NOTE A14. ACCUMULATED SURPLUS:</b>	<b>2014</b>	<b>2013</b>
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	<u>\$ 3,144,983</u>	<u>\$ 2,680,470</u>
Invested in tangible capital assets	<u>12,409,126</u>	<u>11,709,185</u>
Funded Reserves:		
Operating Reserve Fund (CMHC) (Note A6)	83,478	80,461
Replacement Reserve Fund (CMHC) (Note A6)	356,831	390,102
Ottawa Trust Funds (Note A6)	381,234	346,589
FCRSA Fund (Note A6)	<u>983,495</u>	<u>909,422</u>
	<u>1,805,038</u>	<u>1,726,574</u>
	<u><b>\$17,359,147</b></u>	<u><b>\$16,116,229</b></u>

**NOTE A15. COMMITMENTS AND CONTINGENCIES:**

**Commitments:**

The Band leases office equipment under long-term lease agreements the longest of which expires March 2018.

Future minimum lease payments as at March 31, 2014, are as follows:

2015	\$ 31,302
2016	31,302
2017	30,070
2018	<u>26,769</u>
	<u><b>\$ 119,443</b></u>

**Contingencies:**

a) Social Housing:

The Band is guarantor of Social Housing loans aggregating \$2,150,248 made by Canada Mortgage and Housing Corporation.

b) Lending Program - Loan Guarantees:

The Band has a program to offer lending to Band members of \$1,000,000 for on-reserve housing through the Bank of Montreal. The Band has guaranteed loans totaling \$530,612 at the Bank of Montreal.

c) Pension Plan:

The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$179,161 (2013 \$146,552).

d) Letters of Credit:

The Band has granted letters of credit in favour of the Minister of Finance to a maximum of \$93,047. The Band has granted letters of credit in favour of the Ministry of Forests and Range to a maximum of \$250,000. The Band has granted letters of credit in favour of Echelon General Insurance Company to a maximum of \$20,000. The Band has guaranteed a line of credit on behalf of Sexqeltkemc Limited Partnership, a significantly influenced partnership, to a maximum of \$100,000.

**ADAMS LAKE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A15. COMMITMENTS AND CONTINGENCIES (continued):**

e) Unused Credit Facilities:

Under line of credit arrangements with Royal Bank of Canada, the Band may borrow up to \$500,000, calculated as the net balance of the Band's general and reserve bank accounts (which are disclosed separately). The line of credit bears interest at the Bank's prime rate plus 0.5% and is secured by a Band Council Resolution. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2014, the unused portion of the credit line was \$500,000.

f) Aboriginal Affairs and Northern Development Canada Funding:

The Band receives a portion of its funding under a contribution agreement with Aboriginal Affairs and Northern Development Canada (AANDC) which, if unexpended, may be refundable to AANDC. Further, amounts which are overexpended may be reimbursed by AANDC to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.

g) Environmental Contingency:

The Band is vulnerable to contingencies with respect to government regulations, in particular regulations concerning environmental issues relating to the Woods Division in Adams Lake Development Corporation. At the present time, it is impossible to determine any amount that the Band may have to pay to decontaminate the site. The Band believes that the total amount of these contingent obligations will not have a material and adverse effect on its financial position and consequently no provision has been made in the financial statements.

**NOTE A16. SEGMENTED INFORMATION:**

The Adams Lake Indian Band is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, social development, education, community development, capital works and natural resources. For management reporting purposes the First Nations operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Band Revenue**

The Band Revenue department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

**Administration**

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, Band government, economic development, community services and technical services.

**Maintenance Services**

Maintenance services supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**ADAMS LAKE BAND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE A16. SEGMENTED INFORMATION (continued):**

**Community Services**

Community services provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

**Capital**

Capital manages capital projects within the community undertaken to support the growth and or maintenance of the First Nations infrastructure.

**Education**

Education supports the members in expressing, preserving developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

**Health Services**

Health Services is responsible to provide assistance to community members with respect to health and wellness. The services provided by the department include, but are not limited to, aboriginal head start, home & community care, water quality monitoring, communicable disease control and patient travel.

**Natural Resources**

Natural Resources department is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy.

**Social Housing**

Social housing is responsible for the administration and management of social housing units.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

**NOTE A17. LAND SUBLEASE:**

Each purchaser of a home is given the option to prepay their land sublease or by monthly payments. Each sublease grants the lessee rights to the property for approximately 45 years, ending June 30, 2050. The purchaser has the option to extend the lease to another 50 years, ending June 30, 2099.

**Prepaid:**

If the purchaser prepays their sublease, he/she has no further obligation to the end of the lease term.

**Deferred:**

The purchaser is obligated to make monthly payments as follows:

2012 to 2016	\$ 345
2017 to 2021	400

**ADAMS LAKE BAND  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE A17. LAND SUBLEASE (continued):**

After the year 2021 the lease payment will be adjusted annually to reflect any year over year increase in the British Columbia Consumer Price Index, provided that in no event shall any annual increase prior to June 30, 2050 be permitted to exceed 2.5%. If the sublease is extended beyond June 30, 2050, the lease payment will be adjusted to reflect fair market value at that time.

The Band has recently been able to receive approval for 99-year subleases and is in the process of updating a number of leases to the longer term.

**NOTE A18. RELATED PARTY TRANSACTIONS:**

During the year, the Band earned, \$Nil (2013 \$9,000) for Administration and Accounting fees from Sexqeltkemc Limited Partnership, a significantly influenced partnership.

During the year, the Band earned, \$2,163,863 (2013 \$2,212,714) for Consulting services from Sexqeltkemc Limited Partnership, a significantly influenced partnership.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE A19. ECONOMIC DEPENDENCE:**

The Band receives revenues pursuant to a Funding Agreement with Aboriginal Affairs and Northern Development Canada. In the current fiscal year funding from Aboriginal Affairs and Northern Development Canada accounted for 25% (2013 - 26%) of the Band's gross revenues.

**NOTE A20. CASH FLOW INFORMATION:**

During the year, the Band paid interest on demand loans and mortgages of \$87,249 (2013 \$121,447) and received interest of \$119,568 (2013 \$59,185).

**NOTE A21. COMPARATIVE FIGURES:**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation used in the current year.

**ADAMS LAKE INDIAN BAND**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended March 31, 2014**

	Band Operations									Social Housing Operations		Totals	
	Buildings	Water Systems	Roads	Automotive Equipment	Sewer Systems	Furniture & Equipment	Computer Equipment	Construction In Progress	Phase 10-13	Phase 1-4, 6	2014	2013	
<b>Cost</b>													
Balance, beginning of year	\$ 8,880,124	\$ 6,364,898	\$ 2,801,582	\$ 1,017,007	\$ 563,179	\$ 342,358	\$ 237,538	\$ -	\$ 2,107,244	\$ 3,051,039	\$ 25,364,969	\$ 24,883,281	
Add: Additions during the year	65,452	182,988	-	277,618	-	57,198	120,739	208,985	-	-	912,980	481,688	
Balance, end of year	<u>8,945,576</u>	<u>6,547,886</u>	<u>2,801,582</u>	<u>1,294,625</u>	<u>563,179</u>	<u>399,556</u>	<u>358,277</u>	<u>208,985</u>	<u>2,107,244</u>	<u>3,051,039</u>	<u>26,277,949</u>	<u>25,364,969</u>	
<b>Accumulated amortization</b>													
Balance, beginning of year	5,147,508	1,375,509	1,167,652	641,244	110,469	207,721	159,853	-	504,168	720,661	10,034,785	9,289,814	
Add: Amortization	282,270	87,273	96,266	78,937	7,040	49,671	54,998	-	61,362	101,701	819,518	744,971	
Balance, end of year	<u>5,429,778</u>	<u>1,462,782</u>	<u>1,263,918</u>	<u>720,181</u>	<u>117,509</u>	<u>257,392</u>	<u>214,851</u>	<u>-</u>	<u>565,530</u>	<u>822,362</u>	<u>10,854,303</u>	<u>10,034,785</u>	
<b>Net Book Value of Tangible Capital Assets</b>													
	<u>\$ 3,515,798</u>	<u>\$ 5,085,104</u>	<u>\$ 1,537,664</u>	<u>\$ 574,444</u>	<u>\$ 445,670</u>	<u>\$ 142,164</u>	<u>\$ 143,426</u>	<u>\$ 208,985</u>	<u>\$ 1,541,714</u>	<u>\$ 2,228,677</u>	<u>\$ 15,423,646</u>	<u>\$ 15,330,184</u>	

See accompanying notes to financial statements.

**ADAMS LAKE INDIAN BAND**  
**2014 STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2014**

	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total 2014	Total 2013
<b>REVENUE:</b>											
Aboriginal Affairs and Northern Development Canada	\$ 165,397	\$ 679,146	\$ 299,526	\$ 410,254	\$ 402,276	\$ 1,887,316	\$ -	\$ -	\$ 267,636	<b>\$ 3,843,915</b>	\$ 3,619,727
Leases and rentals	1,553,511	-	12,474	-	-	-	-	-	130,671	<b>1,833,621</b>	1,865,241
CMHC	-	-	-	-	-	-	-	-	-	<b>130,671</b>	138,007
Province of BC	395,948	-	-	-	-	-	-	-	-	<b>395,948</b>	703,982
Consulting and contract	675,572	25,000	-	91,952	-	332,079	67,083	2,377,694	-	<b>3,569,380</b>	4,251,709
Interest and tax penalties	118,306	-	-	-	-	-	-	-	1,262	<b>119,568</b>	59,185
Timber harvesting	-	-	-	-	-	-	-	2,106,364	-	<b>2,106,364</b>	280,474
Health Canada/First Nations Health Authority	-	-	-	-	-	-	877,711	-	-	<b>877,711</b>	810,060
Property taxes	807,461	-	-	-	-	-	-	-	-	<b>807,461</b>	958,761
Real estate sales	-	17,500	-	-	-	-	-	-	-	<b>17,500</b>	37,287
Miscellaneous	731,798	140,071	21,237	269,864	1,110	106,198	10,000	112,264	134,420	<b>1,526,962</b>	1,410,117
	<b>4,447,993</b>	<b>861,717</b>	<b>333,237</b>	<b>772,070</b>	<b>403,386</b>	<b>2,325,593</b>	<b>954,794</b>	<b>4,596,322</b>	<b>533,989</b>	<b>15,229,101</b>	<b>14,134,550</b>
<b>EXPENSES:</b>											
Administration fees	-	-	-	-	-	-	2,845	-	28,898	<b>31,743</b>	113,385
Amortization	118,642	19,383	388,109	607	-	84,636	27,601	17,478	163,063	<b>819,519</b>	744,971
Assistance	-	-	-	225,151	-	-	-	-	-	<b>225,151</b>	294,480
Automotive	7,708	3,119	12,428	-	-	22,914	-	14,811	-	<b>60,980</b>	56,344
Bad debts and write downs	205,931	-	-	-	-	-	-	-	-	<b>205,931</b>	211,415
Contract services	482,224	142,535	47,066	107,990	24,005	54,382	90,730	1,205,855	32,798	<b>2,187,585</b>	2,828,223
Education	-	-	-	-	-	1,000,402	-	-	-	<b>1,000,402</b>	1,064,859
Honorarium	13,860	365,187	-	-	-	550	450	-	-	<b>380,047</b>	338,120
Insurance	10,839	10,167	24,762	3,632	-	10,151	7,546	9,856	18,186	<b>95,139</b>	97,447
Interest and bank charges	-	13,783	-	-	-	-	-	6,711	-	<b>20,494</b>	19,040
Interest on demand loans and mortgages	3,040	38,027	-	-	-	-	-	-	46,182	<b>87,249</b>	121,447
Leases	103,025	19,197	3,882	904	-	4,846	11,012	5,739	-	<b>148,605</b>	141,367
Licences, dues and fees	15,860	4,144	-	-	-	-	-	-	-	<b>20,004</b>	20,485
Logging	-	-	-	-	-	-	-	1,098,222	-	<b>1,098,222</b>	88,636
Materials and supplies	43,916	36,440	16,837	18,027	-	131,362	27,087	146,631	-	<b>420,300</b>	338,977
Office and other	166,648	61,381	96,692	19,059	-	(18,155)	30,552	20,536	-	<b>376,713</b>	417,578
Professional fees	187,459	148,925	-	-	-	-	11,187	-	10,665	<b>358,236</b>	359,300
Repairs and maintenance	45,833	66,697	116,993	5,852	28,632	23,330	4,278	4,200	111,513	<b>407,328</b>	281,636
Training	27,494	15,702	12,494	3,342	-	45,969	7,458	3,097	-	<b>115,556</b>	100,222
Travel	49,774	67,709	48,973	19,725	-	33,185	32,756	56,256	-	<b>308,378</b>	303,419
Utilities	52,989	54,002	197,613	11,271	-	19,400	21,835	7,649	-	<b>364,759</b>	351,050
Wages and benefits	656,560	727,410	503,213	588,374	-	1,040,214	525,479	1,212,592	-	<b>5,253,842</b>	4,512,418
	<b>2,191,802</b>	<b>1,793,808</b>	<b>1,469,062</b>	<b>1,003,934</b>	<b>52,637</b>	<b>2,453,186</b>	<b>800,816</b>	<b>3,809,633</b>	<b>411,305</b>	<b>13,986,183</b>	<b>12,804,819</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>											
	<b>\$ 2,256,191</b>	<b>\$ (932,091)</b>	<b>\$ (1,135,825)</b>	<b>\$ (231,864)</b>	<b>\$ 350,749</b>	<b>\$ (127,593)</b>	<b>\$ 153,978</b>	<b>\$ 786,689</b>	<b>\$ 122,684</b>	<b>\$ 1,242,918</b>	<b>\$ 1,329,731</b>

See accompanying notes to financial statements.

**ADAMS LAKE INDIAN BAND**  
**2013 STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2013**

	Band Revenue	Admini- stration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total 2013
<b>REVENUE:</b>										
Aboriginal Affairs and Northern Development Canada	\$ 66,421	\$ 724,346	\$ 300,024	\$ 591,195	\$ 255,787	\$ 1,681,954	\$ -	\$ -	\$ -	\$ 3,619,727
Leases and rentals	1,575,386	-	12,024	-	-	-	-	-	277,831	1,865,241
CMHC	-	-	-	-	-	-	-	-	138,007	138,007
Province of BC	460,756	-	-	173,062	-	-	-	70,164	-	703,982
Consulting and contract	526,611	496,619	4,635	106,771	-	395,570	83,750	2,637,753	-	4,251,709
Interest and tax penalties	58,158	-	-	-	-	-	-	-	1,027	59,185
Timber harvesting	-	-	-	-	-	-	-	280,474	-	280,474
Health Canada	-	-	(49,818)	-	-	-	859,878	-	-	810,060
Property taxes	958,761	-	-	-	-	-	-	-	-	958,761
Real estate sales	-	37,287	-	-	-	-	-	-	-	37,287
Miscellaneous	676,433	122,647	48,645	307,600	-	176,804	11,550	66,438	-	1,410,117
	4,322,526	1,380,899	315,510	1,178,628	255,787	2,254,328	955,178	3,054,829	416,865	14,134,550
<b>EXPENSES:</b>										
Administration fees	-	-	-	-	-	-	73,944	-	39,441	113,385
Amortization	118,642	12,723	325,178	607	-	84,636	24,629	15,493	163,063	744,971
Assistance	-	-	-	294,480	-	-	-	-	-	294,480
Automotive	3,623	1,556	19,659	-	-	13,556	-	17,950	-	56,344
Bad debts and write downs	203,836	7,579	-	-	-	-	-	-	-	211,415
Contract services	1,022,888	51,921	84,770	179,839	91,198	106,025	67,391	1,199,650	24,541	2,828,223
Education	-	-	-	-	-	1,064,859	-	-	-	1,064,859
Honorarium	855	334,216	-	1,535	-	691	823	-	-	338,120
Insurance	13,899	7,270	23,288	4,208	-	12,206	8,214	11,188	17,174	97,447
Interest and bank charges	-	12,329	-	-	-	-	-	6,711	-	19,040
Interest on demand loans and mortgages	11,284	50,269	102	49	135	-	869	758	57,981	121,447
Leases	95,020	29,558	1,914	453	-	2,557	9,989	1,876	-	141,367
Licences, dues and fees	15,397	4,142	-	-	-	946	-	-	-	20,485
Logging	-	-	-	-	-	-	-	88,636	-	88,636
Materials and supplies	22,770	39,145	18,530	25,432	-	100,046	36,857	96,197	-	338,977
Office and other	149,611	176,520	45	35,521	-	28,021	22,163	5,697	-	417,578
Professional fees	211,205	122,471	-	-	-	-	14,400	559	10,665	359,300
Repairs and maintenance	20,932	80,683	121,131	5,958	-	29,879	6,157	3,514	13,382	281,636
Training	20,634	10,160	2,214	12,356	-	25,043	8,122	21,693	-	100,222
Travel	44,932	78,363	42,851	15,508	-	39,077	29,570	53,118	-	303,419
Utilities	43,991	52,103	200,829	10,496	-	20,956	14,577	8,098	-	351,050
Wages and benefits	635,188	681,992	444,725	535,582	-	891,178	481,032	842,721	-	4,512,418
	2,634,707	1,753,000	1,285,236	1,122,024	91,333	2,419,676	798,737	2,373,859	326,247	12,804,819
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 1,687,819	\$ (372,101)	\$ (969,726)	\$ 56,604	\$ 164,454	\$ (165,348)	\$ 156,441	\$ 680,970	\$ 90,618	\$ 1,329,731

See accompanying notes to financial statements.