

Adams Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2022

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Adams Lake Indian Band are the responsibility of management and have been approved by the Chief and Band Council.

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

The Adams Lake Indian Band maintains systems of internal accounting and administrative controls of sufficient 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 Adams Lake Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance Committee.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.



Chief

DocuSigned by:


FAC-Chair

Independent Auditor's Report

To the Chief and Council of Adams Lake Indian Band

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Adams Lake Indian Band (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Adams Lake Indian Band as at March 31, 2022, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation ("CMHC") to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets and accumulated surplus as at April 1, 2021 and March 31, 2022, the related amortization expense and annual surplus for the year ended March 31, 2022.

The financial statements for the certain Government Business Enterprises have not been prepared under a standard financial reporting framework. Canadian public sector accounting standards require that a Government Business Enterprise prepare its financial statements in accordance with international financial reporting standards (IFRS). We have not been engaged to audit the differences that may arise under IFRS. Therefore, we are unable to determine the impact of this departure from Canadian public sector accounting standards on investments in Government Business Enterprises and accumulated surplus as at April 1, 2021 and March 31, 2022, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2022.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Other Matter

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements September 27, 2021.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

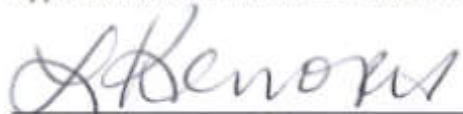
BDO Canada LLP

Kamloops, British Columbia
March 13, 2023

Adams Lake Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31,	2022	2021
Financial Assets		
Cash (Note 2)	\$ 8,511,989	\$ 8,538,692
Restricted cash (Note 3)	1,225,549	1,175,845
Accounts receivable (Note 4)	1,520,662	3,784,422
Short-term investments (Note 5)	17,291,176	14,048,858
Investments (Note 6)	68,869	68,869
Investments in Government Business Enterprises (Note 7)	1,128,201	-
Advances to related entities	4,829	-
Deferred lease costs	-	1,025,202
	29,751,275	28,641,888
Liabilities		
Accounts payable (Note 9)	1,495,344	1,966,650
Deferred revenue (Note 10)	6,673,363	6,012,490
Due to related entities	-	18,259
Long term debt (Note 11)	929,846	1,125,088
Silviculture liability (Note 17)	2,913,051	2,333,319
	12,011,604	11,455,806
Net Financial Assets	17,739,671	17,186,082
Non-financial Assets		
Tangible capital assets (Note 8)	23,460,487	18,133,461
Property held for resale	-	1,087,902
Prepaid expenses	224,963	160,773
	23,685,450	19,382,136
Accumulated surplus (Note 12)	\$ 41,425,121	\$ 36,568,218

Approved on behalf of the Band Council:



Chief



Councilor

Adams Lake Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31,	2022	2021
Annual surplus	\$ 4,856,903	\$ 3,669,669
Acquisition of tangible capital assets	(6,576,857)	(2,193,495)
Amortization of tangible capital assets	1,176,291	1,055,184
Tangible capital assets no longer recorded on consolidation (Note 18)	19,343	-
Buyout of Phase 11	54,196	-
Change in prepaid expenses	(64,190)	(160,773)
Property held for resale no longer recorded on consolidation (Note 18)	1,087,903	-
Net change in net financial assets	553,589	2,370,585
Net financial assets, beginning of year	17,186,082	14,815,497
Net financial assets, end of year	\$ 17,739,671	\$ 17,186,082

Adams Lake Indian Band

Exhibit C - Consolidated Statement of Operations

For the year ended March 31,	Budget	2022	2021
Revenue			
Indigenous Services Canada	\$ 4,507,356	\$ 6,415,670	\$ 6,430,112
First Nations Health Authority	1,420,052	3,045,053	1,438,236
First Nations Education Steering Committee	550,817	801,186	663,830
Secwepemc Child & Family Services Agency	715,680	1,060,048	332,530
FCRSA*	450,000	1,209,654	683,354
FPHLCC- First Peoples Award**	248,908	104,292	57,475
Province of BC	89,797	2,227,866	4,923,581
Forestry consulting services	1,413,000	1,282,054	1,256,232
Canada Mortgage and Housing Corporation	113,013	683,447	248,853
Project revenue	3,078,620	877,531	1,014,199
Leases and rentals	1,755,246	2,274,941	2,326,193
Property tax and utilities	1,568,787	1,040,338	962,658
Rental	235,148	246,598	253,994
Logging	1,811,429	2,080,991	1,007,794
Interest	846,758	2,803,818	363,797
Other revenue	785,448	1,094,292	2,081,445
	19,590,059	27,247,779	24,044,283
Expenses (Note 15)			
Band revenue	636,075	6,776,320	4,392,958
Administration	5,208,529	2,272,181	1,944,199
Maintenance services	1,733,683	1,758,377	1,330,925
Community services	1,685,631	2,113,764	2,101,406
Capital	-	836,254	2,188,987
Education	3,573,405	3,526,433	3,427,336
Health services	3,703,072	1,136,177	1,140,876
Natural resources	2,694,329	3,578,486	3,353,206
Social housing	469,558	392,884	494,721
	19,704,282	22,390,876	20,374,614
Surplus (deficit) for the year	(114,223)	4,856,903	3,669,669
Accumulated surplus, beginning of year	-	36,568,218	32,898,549
Accumulated surplus, end of year	\$ -	\$ 41,425,121	\$ 36,568,218

* Forestry Consultation and Revenue Sharing Agreement

** First Peoples' Heritage and Language Culture Council

Adams Lake Indian Band

Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31,	2022	2021
Operating activities		
Cash received from funding agreements and contracts	\$ 30,155,693	\$ 23,738,353
Cash paid to suppliers and employees	(21,687,381)	(18,897,107)
Interest earned	2,803,818	363,797
Cash flows from operating activities	11,272,130	5,205,043
Financing activities		
Repayment of long term debt	(195,242)	(143,805)
Cash flows from (used in) financing activities	(195,242)	(143,805)
Capital activities		
Purchase of capital assets	(6,576,857)	(2,193,495)
Cash flows used in capital activities	(6,576,857)	(2,193,495)
Investing activities		
Purchase of investments	(1,128,201)	(93,122)
Related party balances	13,430	18,259
Purchase of short-term investments	(3,242,319)	(2,769,918)
Cash held by entity no longer consolidated (Note 18)	(119,940)	-
Cash flows from investing activities	(4,477,030)	(2,844,781)
Increase in cash and cash equivalents	23,001	22,962
Cash and cash equivalents, beginning of year	9,714,537	9,691,575
Cash and cash equivalents, end of year	\$ 9,737,538	\$ 9,714,537
Represented by:		
Cash	\$ 8,511,989	\$ 8,538,692
Restricted cash	1,225,549	1,175,845
Cash and cash equivalents, end of year	\$ 9,737,538	\$ 9,714,537

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2022

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian Public sector accounting standards for government entities, as issued by the Canadian Public Sector Accounting Board.

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 Adams Lake Indian Band and are either owned or controlled by the Adams Lake Indian Band.

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following incorporated entities:

Adams Lake Indian Band Social Housing Fund - Pre-1997 Program
Adams Lake Indian Band Social Housing Fund - Post-1996 Program

Comparative figures also included Adams Lake Indian Band Development Corporation (Note 18)

Inter-entity balances have been eliminated on consolidation.

Under the modified equity method of accounting, only the Band's investment in the entity and the Band's portion of the entity's net income and other changes in equity are recorded.

Entities accounted for on a modified equity basis commencing in 2022 include:

Adams Lake Indian Band Development Corporation - 100% ownership

Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the summary balance sheet.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The Adams Lake Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, 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. Deferred sublease revenue is recognized in accordance with the terms of the sublease.

Timber processing revenue is recognized on a completed-project basis.

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2022

Deferred Revenue

Government contributions are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that the stipulations give rise to an obligation that meets the definition of a liability. They are recognized as deferred revenue when stipulations give rise to a liability.

Tangible Capital Assets Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution, with a corresponding amount recorded in revenue.

Tangible capital assets acquired as part of the Social Housing Fund are recorded in that fund.

Assets are amortized over their expected useful lives on the following bases:

Buildings	20 to 70 years
Land Improvements	50 to 80 years
Automotive	10 years
Computer equipment	5 years
Equipment	5 years

Social Housing Fund assets acquired under CMHC subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for CMHC reporting purposes.

Cash and Cash Equivalents

Cash equivalents includes instruments that are readily convertible to known amounts of cash and that are subject to an significant risk of change in value.

Ottawa Trust Funds

Adams Lake Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the fund.

Leased Assets

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. Capital leases are amortized in a manner consistent with tangible capital asset type, and obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2022

Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could be different from those estimates. Significant estimates in these financial statements include valuation of accounts receivable, calculation of deferred revenue, and amortization of tangible capital assets.
Marketable Investments	Marketable investments are recorded at cost, unless there has been a loss in value that is other than a temporary decline.
Silviculture Liability	Silviculture liability is charged to earnings on the basis of the volume of timber cut. The estimate is based on various judgments 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.

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2022

Non-financial Assets	Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services or consumed in normal operations. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
Segmented Disclosure	A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Band. The Band identifies segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.
Budget	Budget information for individual programs has been included in the consolidated financial statements when information is available and represents the 2021/2022 operating and capital budgets approved by Chief and Council.

Adams Lake Indian Band Notes to Consolidated Financial Statements

March 31, 2022

1. Economic Dependence

The Adams Lake Indian Band receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada ("ISC").

2. Cash

	2022	2021
Band operations		
Cash	\$ 4,697,665	\$ 5,300,799
Property Tax- lease	2,121,797	2,116,191
Pierre's Point	897,701	409,522
Sandy Point	678,195	515,240
	8,395,358	8,341,752
Adams Lake Development Corporation		
General Account (Note 18)	-	119,940
Social Housing Operation		
Social Housing Operating - Pre-1997	116,631	77,000
	\$ 8,511,989	\$ 8,538,692

3. Restricted Cash

	2022	2021
Ottawa trust	\$ 554,741	\$ 528,740
Replacement reserve	404,098	420,832
Operating reserve	266,710	226,273
	\$ 1,225,549	\$ 1,175,845

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenses of capital funds requires the consent of Indigenous Services Canada ("ISC") and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

3. Restricted Cash (continued)

The replacement and operating reserve is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"); the account is to be credited annually. 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 CMHC from time to time. The operating reserve was underfunded by (\$58,865) (2021(\$55,322)). The replacement reserve in Post was overfunded by \$88,252 (2021- \$67,770) and in Pre was overfunded by \$24,792 (2021-\$ 89,413).

4. Accounts Receivable

	2022	2021
Accounts receivable -Trade	\$ 1,411,250	\$ 3,664,491
Social housing - Pre and Post	109,412	119,931
	\$ 1,520,662	\$ 3,784,422

5. Short-term Investments

	2022	2021
RBC Balanced Fund - FRO	\$ 1,110,933	\$ 977,005
RBC Redeemable GIC *	55,642	55,228
MFABC Ultra- Short Bond	58,879	61,433
RBC Balanced Fund- Impact	694,333	610,628
RBC Balanced Fund- Silviculture	972,067	828,934
RBC Dominion Securities	13,012,364	10,576,395
RBC Dominion Securities	1,386,958	939,235
	\$ 17,291,176	\$ 14,048,858

Short- term investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value. Unless the decline is determined to be temporary in nature.

The Band holds three balanced funds with RBC Royal Mutual Funds Inc. They also hold RBC Dominion securities.

* The RBC redeemable GIC was invested on May 07, 2021, earns interest at 0.100% and matures in a year.

Adams Lake Indian Band Notes to Consolidated Financial Statements

March 31, 2022

6. Investments

	<u>2022</u>	<u>2021</u>
All Nations Trust Company	\$ 67,748	\$ 67,748
ALDC Investment	1	1
BC First Nations Gaming Revenue Sharing	110	110
ALIB Construction Ltd.	1,000	1,000
Sexqeltkenc Enterprises Inc.	10	10
	<u>\$ 68,869</u>	<u>\$ 68,869</u>

7. Investments in Government Business Enterprises

	<u>2022</u>	<u>2021</u>
Adams Lake Indian Band Development Corporation	\$ 1,128,201	\$ -

The band owns 100% of Adams Lake Indian Band Development Corporation. A summary of the financial statements for the year ended March 31, 2022 is as follows:

	<u>2022</u>
Balance Sheet	
Current assets	\$ 2,302,918
Capital assets	17,831
Other assets	1,006,274
	<u>\$ 3,327,023</u>
Current liabilities	\$ 2,198,821
Share capital	1
Equity	1,128,201
	<u>\$ 3,327,023</u>
Statement of Operations	
Revenue	\$ 96,942
Expenses	239,739
Gain on forgiveness of debt	8,411,288
Net Income	8,268,491
Equity, beginning of year	(7,140,290)
Equity, end of year	<u>\$ 1,128,201</u>

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

8. Tangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 301,885	\$ -	\$ 301,885	\$ -
Automotive	2,116,862	1,464,426	1,967,729	1,299,428
Buildings	12,880,835	8,052,841	12,417,377	7,705,373
Land Improvements	12,390,142	4,782,297	11,607,917	4,514,057
Equipment	1,264,369	881,951	1,009,179	739,718
Computer equipment	1,013,546	823,117	971,872	736,044
Infrastructure under construction	7,426,076	-	2,560,242	-
Social Housing	4,496,117	2,424,713	4,550,314	2,258,434
	41,889,832	18,429,345	35,386,515	17,253,054
Net Book Value		\$ 23,460,487		\$ 18,133,461

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

8. Tangible Capital Assets

	Infrastructure under construction								2022
	Land		Automotive	Buildings	Land improvements	Equipment	Computer equipment	Social Housing	Total
Cost, beginning of year	\$ 301,885	\$	2,560,242	\$ 12,417,377	\$ 11,607,917	\$ 1,009,179	\$ 971,872	\$ 4,550,314	\$ 35,386,515
Additions	-		4,865,834	482,801	782,225	255,190	41,674	-	6,576,857
Disposals- Buyout of Phase 11	-		-	-	-	-	-	(54,197)	(54,197)
NBV of assets removed from ALIBDC	-		-	(19,343)	-	-	-	-	(19,343)
Cost, end of year	\$ 301,885	\$	7,426,076	\$ 12,880,835	\$ 12,390,142	\$ 1,264,369	\$ 1,013,546	\$ 4,496,117	\$ 41,889,832
Accumulated amortization, beginning of year	\$ -	\$	-	\$ 7,705,373	\$ 4,514,057	\$ 739,718	\$ 736,044	\$ 2,258,434	\$ 17,253,054
Amortization	-		-	347,468	268,240	142,233	87,073	166,279	1,176,291
Disposals	-		-	-	-	-	-	-	-
Accumulated amortization, end of year	\$ -	\$	-	\$ 8,052,841	\$ 4,782,297	\$ 881,951	\$ 823,117	\$ 2,424,713	\$ 18,429,345
Net carrying amount, end of year	\$ 301,885	\$	7,426,076	\$ 4,827,994	\$ 7,607,845	\$ 382,418	\$ 190,429	\$ 2,071,404	\$ 23,460,487

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

9. Accounts Payable

	2022	2021
Accounts payable - Trade	\$ 1,488,294	\$ 1,807,488
Social Housing- Post	4,934	5,099
Social Housing- Pre	2,116	2,116
Adams Lake Indian Band Development Corporation (Note 18)	-	151,947
	\$ 1,495,344	\$ 1,966,650

10. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2022	2021
Indigenous Services Canada	\$ 1,526,502	\$ -
Prepaid leases	2,024,098	2,195,799
Province of BC	1,860,038	849,899
School District No 73	117,880	24,263
First Nations Health Authority	120,659	332,554
Spatsin First Nation- Health Centre Agreement	24,780	24,780
First Nations Education Steering Committee	406,054	440,776
First Peoples Heritage, Language & Culture Council	145,708	34,835
Interior Health Authority	6,000	6,450
Secwepemc Child and Family Services Society	97,415	415,910
University of Victoria	22,988	51,553
Shuswap Nation Tribal Council Society	255,129	48,197
Aboriginal Skills Employment & Training Strategy	14,622	-
Deferred Lease revenue- ALIBDC (Note 18)	-	1,454,688
Other	51,490	132,786
	\$ 6,673,363	\$ 6,012,490

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

11. Long Term Debt

Post

	<u>2022</u>	<u>2021</u>
All Nations Trust Company, repayable in monthly installments of \$1,923, including interest at 1.30% per annum, secured by promissory notes of the Ministry and the Band and buildings, due February 2026	\$ 88,190	\$ 109,886
All Nations Trust Company, repayable in monthly installments of \$2,259, including interest at 2.13% per annum, secured by promissory notes of the Ministry and the Band and buildings, due October 2022	138,843	162,486
All Nations Trust Company, repayable in monthly installments of \$2,692, including interest at 2.50% per annum, secured by promissory notes of the Ministry and the Band and buildings, due April 2023	34,572	65,528
All Nations Trust Company, repayable in monthly installments of \$2,872, including interest at 0.76% per annum, secured by promissory notes of the Ministry and the Band and buildings, due December 2025	127,444	160,718
All Nations Trust Company, repayable in monthly installments of \$1,488, including interest at 0.76% per annum, secured by promissory notes of the Ministry and the Band and buildings, due December 2025	231,883	247,766
All Nations Trust Company, repayable in monthly installments of \$1,305, including interest at 2.06% per annum, secured by promissory notes of the Ministry and the Band and buildings, due January 2025	234,146	244,487
	<u>\$ 855,078</u>	<u>\$ 990,871</u>

Pre

	<u>2022</u>	<u>2021</u>
Mortgage repaid to ANTCO during the year	\$ -	\$ 4,371
Mortgage repayable to ANTCO in monthly installments of \$2,321, including interest at 1.83% per annum, maturing December 2024	74,768	100,885
	<u>\$ 74,768</u>	<u>\$ 105,256</u>

Band

	<u>2022</u>	<u>2021</u>
Royal Bank of Canada, term loan, repaid during the year	\$ -	\$ 28,961
	-	28,961

Total Long term debt

<u>\$ 929,846</u>	<u>\$ 1,125,088</u>
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The estimated principal repayments on the above long term debt required over the next four years are as follows:

2023	\$ 281,021
2024	113,575
2025	305,543
2026	229,707
	<u>\$ 929,846</u>

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

12 . Accumulated Surplus

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 10,323,119	\$ 11,072,352
Equity in tangible capital assets	23,359,254	17,846,607
Equity in Ottawa Trust (Note 3)	554,741	528,740
Internally Restricted Equity	6,575,356	6,575,356
Operating Reserve	320,991	281,512
Replacement Reserve	291,660	263,650
ALIBDC Common shares	-	1
	<u>\$ 41,425,121</u>	<u>\$ 36,568,218</u>

The Internally Restricted Equity above represents funds that have been internally designated by the Band for the specific purposes determined by Chief and Council.

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

13. Comparative Figures

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

14. Economic Uncertainty

The impact of COVID-19 in Canada and on the global economy is ongoing. The global pandemic has disrupted economic activities and supply chains. As of the financial statements date the performance of the Band has been relatively unaffected by COVID-19.

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

15. Expenses by Object

	<u>2022</u>	<u>2021</u>
Donations	\$ 2,025	\$ -
Amortization	1,176,291	1,055,184
Automotive	64,352	55,124
Bad debts and write downs	954,105	35,038
Education	1,006,230	1,163,784
Interest and bank charges	37,694	46,079
Leases	311,238	292,717
Wellness support	652,841	945,830
Honorarium	464,890	397,229
Materials and supplies	1,514,011	1,838,687
Insurance	218,602	243,799
Contract services	4,158,138	3,536,094
Meetings and ceremonies	288,197	78,470
Advertising and marketing	2,057	2,783
Professional fees	315,829	553,594
Licenses, dues and fees	13,087	23,111
Repairs and maintenance	472,679	1,238,654
Wages and benefits	7,977,220	6,373,556
Office and other	619,790	454,748
Travel	410,791	219,873
Logging	938,327	1,158,194
Training	72,028	65,536
Utilities	720,454	596,530
	<u>\$ 22,390,876</u>	<u>\$ 20,374,614</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

16. Segment Disclosure

The Adams Lake Indian Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Band Revenue

The band revenue department is responsible for administering projects the Band is involved in annually and on an ongoing basis relating to the overall objectives of the Band.

Administration

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to a specific segment.

Maintenance Services

This service area provides services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

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

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

Education

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Band's Members.

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

This service area provides for the development of economic opportunities to the Members, along with the exploration of the development of natural resource revenues.

Social Housing

This service area provides social housing to the Members.

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

16. Segment Disclosure (continued)

<u>2022</u>	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total
Revenue										
ISC	\$ 1,143,322	\$ 730,615	\$ 691,334	\$ 950,214	\$ 771,356	\$ 1,961,313	\$ 167,516	\$ -	\$ -	\$ 6,415,670
Other	9,412,636	156,053	19,383	1,144,556	480,189	1,124,895	3,750,636	4,256,422	487,339	20,832,109
Total	10,555,958	886,668	710,717	2,094,770	1,251,545	3,086,208	3,918,152	4,256,422	487,339	27,247,779
Expenses										
Wages & benefits	1,612,663	1,094,252	557,603	862,601	209,941	1,668,484	579,742	1,331,807	-	7,917,093
Purchases	4,153,645	1,177,929	1,200,774	1,251,163	626,313	1,857,949	556,435	2,246,679	226,605	13,297,492
Amortization	1,010,012	-	-	-	-	-	-	-	166,279	1,176,291
Total	6,776,320	2,272,181	1,758,377	2,113,764	836,254	3,526,433	1,136,177	3,578,486	392,884	22,390,876
Surplus (deficit)	\$ 3,779,638	\$ (1,385,513)	\$ (1,047,660)	\$ (18,994)	\$ 415,291	\$ (440,225)	\$ 2,781,975	\$ 677,936	\$ 94,455	\$ 4,856,903

<u>2021</u>	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total
Revenue										
ISC	\$ 689,943	\$ 712,796	\$ 714,733	\$ 1,540,786	\$ 46,185	\$ 2,521,276	\$ 204,393	\$ -	\$ -	\$ 6,430,112
Other	10,626,280	89,114	9,412	748,671	136,290	1,172,226	1,553,622	2,742,694	535,862	17,614,171
Total	11,316,223	801,910	724,145	2,289,457	182,475	3,693,502	1,758,015	2,742,694	535,862	24,044,283
Expenses										
Wages & benefits	1,195,053	1,041,550	493,477	647,352	3,654	1,558,631	512,703	914,406	-	6,366,826
Purchases	2,316,929	902,649	837,448	1,454,054	2,183,892	1,868,705	628,173	2,438,800	321,954	12,952,604
Amortization	880,976	-	-	-	1,441	-	-	-	172,767	1,055,184
Total	4,392,958	1,944,199	1,330,925	2,101,406	2,188,987	3,427,336	1,140,876	3,353,206	494,721	20,374,614
Surplus (deficit)	\$ 6,923,265	\$ (1,142,289)	\$ (606,780)	\$ 188,051	\$ (2,006,512)	\$ 266,166	\$ 617,139	\$ (610,512)	\$ 41,141	\$ 3,669,669

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2022

17. Silviculture Liability

A silviculture liability was established to bear the responsibility of funding silviculture expenditures with regards the to Band owned timber licenses. The Band funds the silviculture liability based on a set charge per cubic metre of logs harvested. Balance accrued for March 31, 2022 based on logging performance is \$2,913,051 (2021- \$2,333,319).

Adams Lake Indian Band Notes to Consolidated Financial Statements

March 31, 2022

18. Change of status Adams Lake Indian Band Development Corporation

During the year Adams Lake Indian Band Development Corporation met the criteria to be classified as a Government Business Enterprise and, therefore, is accounted for under the modified equity method in the current year. Previously the entity was fully consolidated in the Band.

Effect on the statement of financial position upon removal of consolidation as at April 1, 2021 is as follows:

Statement of Financial Position:

	Upon Consolidation
Financial Assets	
Cash	\$(119,940)
Accounts receivable	(62,783)
Deferred charges	(1,025,202)
Investment in Government Business Enterprises	<u>(7,140,290)</u>
	<u>(8,348,215)</u>
Liabilities	
Accounts payable	151,947
Deferred revenue	1,454,689
Due to related parties	<u>7,848,824</u>
	<u>9,455,460</u>
Impact on Net Financial Assets	<u>\$1,107,245</u>
Non-Financial Assets	
Land development costs	\$(1,087,902)
Tangible capital assets	<u>(19,343)</u>
Impact on Non-Financial Assets	<u>\$(1,107,245)</u>