

**Adams Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2023**

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Consolidated Financial Statements
For the year ended March 31, 2023**

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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.

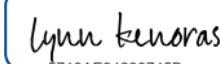
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen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

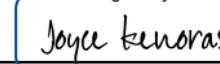
The Adams Lake Indian Band maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are 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.



Lynn Tenoras
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Chief
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Joyce Tenoras
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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, 2023, 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, 2023, 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

Effective April 1, 2022, the Group was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retrospective application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. As of the audit report date, management has not completed its assessment of the Group's tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at March 31, 2023 and 2022, and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

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, 2022 and March 31, 2023, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2023.



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.

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

Kamloops, British Columbia
November 23, 2023

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

As at March 31	2023	2022
Financial Assets		
Cash (Note 2)	\$ 9,944,841	\$ 8,511,989
Restricted cash (Note 3)	1,265,691	1,225,549
Accounts receivable (Note 4)	2,928,702	1,520,662
Advances to related entities	12,310	4,829
Short-term investments (Note 5)	17,349,400	17,291,176
Investments (Note 6)	68,869	68,869
Investments in Government Business Enterprises (Note 7)	<u>1,157,550</u>	<u>1,128,201</u>
	<u>32,727,363</u>	<u>29,751,275</u>
Liabilities		
Accounts payable (Note 9)	1,742,358	1,495,344
Deferred revenue (Note 10)	7,841,648	6,673,362
Long term debt (Note 11)	763,257	929,846
Silviculture liability (Note 17)	<u>2,246,433</u>	<u>2,913,051</u>
	<u>12,593,696</u>	<u>12,011,603</u>
Net Financial Assets	<u>20,133,667</u>	<u>17,739,672</u>
Non-financial Assets		
Tangible capital assets (Note 8)	33,113,042	23,847,287
Prepaid expenses	<u>293,143</u>	<u>224,963</u>
	<u>33,406,185</u>	<u>24,072,250</u>
Accumulated surplus (Note 12)	<u>\$ 53,539,852</u>	<u>\$ 41,811,922</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	51,751,568	41,811,922
Accumulated remeasurement gains	<u>1,788,284</u>	-
	<u>\$ 53,539,852</u>	<u>\$ 41,811,922</u>

Approved on behalf of the Band Council:

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Lynn Kenoras

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Chief

DocuSigned by:

Joyce Kenoras

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Councilor

Adams Lake Indian Band
Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2023	2022
Annual surplus	\$ 11,727,930	\$ 5,194,649
Acquisition of tangible capital assets	(10,502,654)	(6,903,657)
Amortization of tangible capital assets	1,236,899	1,176,291
Buyout of Phase 11	-	54,196
Change in prepaid expenses	<u>(68,180)</u>	<u>(64,190)</u>
Net change in net financial assets	2,393,995	(542,711)
Net financial assets, beginning of year	<u>17,739,672</u>	18,282,383
Net financial assets, end of year	<u>\$ 20,133,667</u>	\$ 17,739,672

Adams Lake Indian Band
Exhibit C - Consolidated Statement of Operations

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2023</u>	<u>2022</u>
Revenue			
Indigenous Services Canada	\$ 5,031,516	8,773,373	\$ 6,415,670
Canadian Mortgage and Housing Corporation	293,491	1,286,613	683,447
Contract revenue	312,750	1,267,383	1,288,160
First Nations Health Authority	2,151,737	2,841,442	3,377,607
First Nations Education Steering Commission	215,284	693,795	799,597
First Nations Schools Association (recovery)	-	35,940	(4,517)
First Peoples' Cultural Council	120,080	401,639	154,192
Forest Consultation and Revenue Sharing Agreements	550,000	694,361	1,209,654
Government business enterprise income	-	29,349	-
Interest income	1,155,700	113,468	399,315
Lease revenue	3,377,946	2,793,259	2,274,941
Logging revenue	2,102,664	1,346,044	2,080,991
Other income	1,280,645	2,228,956	711,238
Project revenue	1,137,882	1,956,865	877,531
Property tax and utilities revenue	1,012,787	1,041,199	1,040,338
Province of BC	3,760,802	4,298,588	2,227,866
Rental revenue	11,000	353,613	246,598
Secwepemc Child and Family Services	-	930,542	1,060,048
Unrealized market gain (loss)	-	(502,821)	2,404,503
	<hr/>	<hr/>	<hr/>
	22,514,284	30,583,608	27,247,179
Expenses (Note 14)			
Band revenue	678,348	3,953,895	6,788,439
Administration	5,127,604	2,565,209	2,272,180
Maintenance services	1,930,528	1,577,320	1,760,043
Community services	2,790,960	2,151,118	2,096,512
Capital	-	552,273	509,453
Education	3,497,949	3,781,035	3,526,433
Health services	4,336,089	1,314,379	1,133,231
Natural resources	2,851,700	2,624,205	3,573,355
Social housing	717,335	336,244	392,884
	<hr/>	<hr/>	<hr/>
	21,930,513	18,855,678	22,052,530
Surplus for the year			
	583,771	11,727,930	5,194,649
Accumulated surplus, beginning of year			
	-	41,811,922	36,617,273
Accumulated surplus, end of year			
	<hr/>	<hr/>	<hr/>
	\$ -	\$ 53,539,852	\$ 41,811,922

Adams Lake Indian Band
Exhibit D - Consolidated Statement of Remeasurement Gains and Losses

	2023	2022
Accumulated remeasurement gains (losses) at beginning of year	\$ _____ -	\$ _____ -
Adoption of PSAS 3450 Financial instruments	<u>2,291,105</u>	_____ -
Unrealized gains (losses) attributable to:		
Portfolio investments	(502,821)	- -
Amounts reclassified to the statement of operations:		
Portfolio investments	- -	- -
Net remeasurement gains (losses) for the year	<u>(502,821)</u>	- -
Accumulated remeasurement gains and (losses) at end of year	\$ 1,788,284	\$ - -

Adams Lake Indian Band
Exhibit E - Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Operating activities		
Cash received from funding agreements and contracts	\$ 30,800,188	\$ 29,558,847
Cash paid to suppliers and employees	(17,911,842)	(20,680,057)
Interest earned	(389,353)	2,803,818
Cash flows from operating activities	12,498,993	11,682,608
Financing activities		
Repayment of long term debt	(166,589)	(195,242)
Cash flows used in financing activities	(166,589)	(195,242)
Capital activities		
Purchase of capital assets	(10,502,653)	(6,903,657)
Cash flows used in capital activities	(10,502,653)	(6,903,657)
Investing activities		
Purchase of investments	(12,533)	(1,265,939)
Purchase of short-term investments	(58,223)	(3,242,319)
Change in reserves	(286,001)	67,489
Cash flows used in investing activities	(356,757)	(4,440,769)
Increase in cash and cash equivalents	1,472,994	142,940
Cash and cash equivalents, beginning of year	9,737,538	9,594,598
Cash and cash equivalents, end of year	\$ 11,210,532	\$ 9,737,538
Represented by:		
Cash	\$ 9,944,841	\$ 8,511,989
Restricted cash	1,265,691	1,225,549
Cash and cash equivalents, end of year	\$ 11,210,532	\$ 9,737,538

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2023

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

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 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, 2023

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	<p>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.</p> <p>Tangible capital assets acquired as part of the Social Housing Fund are recorded in that fund.</p> <p>Assets are amortized over their expected useful lives on the following bases:</p> <table><tbody><tr><td>Buildings</td><td>20 to 70 years</td></tr><tr><td>Land Improvements</td><td>50 to 80 years</td></tr><tr><td>Automotive</td><td>10 years</td></tr><tr><td>Computer equipment</td><td>5 years</td></tr><tr><td>Equipment</td><td>5 years</td></tr></tbody></table> <p>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.</p>	Buildings	20 to 70 years	Land Improvements	50 to 80 years	Automotive	10 years	Computer equipment	5 years	Equipment	5 years
Buildings	20 to 70 years										
Land Improvements	50 to 80 years										
Automotive	10 years										
Computer equipment	5 years										
Equipment	5 years										
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, 2023

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 fair market value.
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.
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 2022/2023 operating and capital budgets approved by Chief and Council.

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2023

Financial Instruments During the year Adams Lake Indian Band adopted PSAS 3450 - Financial Instruments. Recognition, derecognition and measurement policies followed in financial statements for periods prior to the effective date of this Section are not reversed and, therefore, those financial statements are not restated.

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealised gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2023

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

	2023	2022
Band operations		
Cash	\$ 7,111,013	\$ 4,697,665
Property Tax- lease	2,151,702	2,121,797
Pierre's Point	492,155	897,701
Sandy Point	<u>71,952</u>	678,195
	9,826,822	8,395,358
Social Housing Operation		
Social Housing Operating - Pre-1997	118,019	116,631
	<hr/>	<hr/>
	\$ 9,944,841	\$ 8,511,989

3. Restricted Cash

	2023	2022
Ottawa trust	\$ 587,879	\$ 554,741
Replacement reserve	408,345	404,098
Operating reserve	<u>269,467</u>	266,710
	<hr/>	<hr/>
	\$ 1,265,691	\$ 1,225,549

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, 2023

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 (\$64,459) (2022 - (\$54,281)). The replacement reserve in Post was overfunded by \$369,643 (2022 - \$88,251) and in Pre was overfunded by \$45,979 (2022 - \$24,186).

4. Accounts Receivable

	2023	2022
Accounts receivable -Trade	\$ 2,919,207	\$ 1,411,250
Social housing - Pre and Post	<u>9,495</u>	<u>109,412</u>
	<u>\$ 2,928,702</u>	<u>\$ 1,520,662</u>

5. Short-term Investments

	2023	Contributions	Realized gain/(loss)	Unrealized gain/(loss)	2022
RBC Balanced Fund - FRO	\$ 1,110,933	\$ -	\$ 22,304	\$ (60,169)	\$ 1,073,068
RBC Redeemable GIC *	55,642	-	56	-	55,698
MFABC Ultra- Short Bond	58,879	-	3,091	(2,454)	59,516
RBC Balanced Fund- Impact	694,333	-	13,940	(37,606)	670,667
RBC Balanced Fund- Silviculture	972,067	-	19,515	(52,648)	938,934
RBC Dominion Securities	13,012,364	-	1,918	(419,548)	12,594,734
RBC Dominion Securities	1,386,958	573,600	(73,378)	69,603	1,956,783
	<u>\$ 17,291,176</u>	<u>\$ 573,600</u>	<u>\$ (12,554)</u>	<u>\$ (502,822)</u>	<u>\$ 17,349,400</u>

Short- term investments are recorded at fair market value. In the prior year investments were recorded at fair market value and as such there was no adjustment due to as

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, 2022, earns interest at 1.150% and matures in a year.

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

6. Investments

	2023	2022
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
Sexqeltkemc Enterprises Inc.	10	10
	<hr/>	<hr/>
	\$ 68,869	\$ 68,869

7. Investments in Government Business Enterprises

	2023	2022
Adams Lake Indian Band Development Corporation	<hr/>	<hr/>
	\$ 1,157,550	\$ 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, 2023 is as follows:

	2023
Balance Sheet	
Current assets	\$ 2,065,891
Capital assets	16,531
Other assets	<hr/>
	1,006,274
	<hr/>
	\$ 3,088,696
Current liabilities	\$ 1,832,958
Due to related parties	98,187
Share capital	1
Equity	<hr/>
	1,157,550
	<hr/>
	\$ 3,088,696
Statement of Operations	
Revenue	\$ 702,956
Expenses	<hr/>
Net Income	673,607
Equity, beginning of year	<hr/>
	29,349
	<hr/>
	1,128,201
Equity, end of year	<hr/>
	\$ 1,157,550

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Tangible Capital Assets

	2023									
	Land	Infrastructure under construction	Automotive	Buildings	Land improvements	Equipment	Computer equipment	Social Housing	Total	
Cost, beginning of year	\$ 301,885	\$ 7,812,876	\$ 2,116,862	\$ 12,880,835	\$ 12,390,142	\$ 1,264,369	\$ 1,013,546	\$ 4,298,834	\$ 42,079,349	
Additions	-	8,999,748	686,432	357,245	208,720	240,863	9,646	-	10,502,654	
Transfers	-	(1,248,512)	-	132,014	1,116,498	-	-	-	-	
Cost, end of year	\$ 301,885	\$ 15,564,112	\$ 2,803,294	\$ 13,370,094	\$ 13,715,360	\$ 1,505,232	\$ 1,023,192	\$ 4,298,834	\$ 52,582,003	
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,464,426	\$ 8,052,841	\$ 4,782,296	\$ 881,951	\$ 823,118	\$ 2,227,430	\$ 18,232,062	
Amortization	-	-	221,451	352,294	252,885	172,002	71,678	166,589	1,236,899	
Accumulated amortization, end of year	\$ -	\$ -	\$ 1,685,877	\$ 8,405,135	\$ 5,035,181	\$ 1,053,953	\$ 894,796	\$ 2,394,019	\$ 19,468,961	
Net carrying amount, end of year	\$ 301,885	\$ 15,564,112	\$ 1,117,417	\$ 4,964,959	\$ 8,680,179	\$ 451,279	\$ 128,396	\$ 1,904,815	\$ 33,113,042	

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Tangible Capital Assets (continued)

	2022								
	Land	Infrastructure under Construction	Automotive	Buildings	Land Improvements	Equipment	Computer Equipment	Social Housing	Total
Cost, beginning of year	\$ 301,885	\$ 2,620,242	\$ 1,967,729	\$ 12,398,034	\$ 11,607,917	\$ 1,009,179	\$ 971,872	\$ 4,550,314	\$ 35,427,172
Additions	-	5,192,634	149,133	482,801	782,225	255,190	41,674	-	6,903,657
Disposals			-	-	-	-	-	(251,480)	(251,480)
Cost, end of year	\$ 301,885	\$ 7,812,876	\$ 2,116,862	\$ 12,880,835	\$ 12,390,142	\$ 1,264,369	\$ -	\$ 4,298,834	\$ 42,079,349
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,299,428	\$ 7,705,373	\$ 4,514,056	\$ 739,718	\$ 736,045	\$ 2,258,433	\$ 17,253,053
Amortization	-	-	164,998	347,468	268,240	142,233	87,073	166,279	1,176,291
Disposals			-	-	-	-	-	(197,282)	(197,282)
Accumulated amortization, end of year	\$ -	\$ -	\$ 1,464,426	\$ 8,052,841	\$ 4,782,296	\$ 881,951	\$ 823,118	\$ 2,227,430	\$ 18,232,062
Net carrying amount, end of year	\$ 301,885	\$ 7,812,876	\$ 652,436	\$ 4,827,994	\$ 7,607,846	\$ 382,418	\$ 190,428	\$ 2,071,404	\$ 23,847,287

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

9. Accounts Payable

	2023	2022
Accounts payable - Trade	\$ 1,701,125	\$ 1,479,294
Social Housing- Post	33,553	9,434
Social Housing- Pre	7,680	6,616
	<u>\$ 1,742,358</u>	<u>\$ 1,495,344</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2023

10. Deferred Revenue

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

	2022	Recognized Revenue	Funding Received	2023
ISC contributions:				
Pathways Safe Indigenous Community	-	-	308,627	308,627
ICSF - DIR All EMAP	-	-	51,590	51,590
NFR - Reserve Land Management	8,679	-	42,421	51,100
Community Opportunity Readiness Program	-	-	116,583	116,583
LEDSP Targeted - Economic Development	-	-	40,000	40,000
Elementary/Secondary Education	404,327	-	213,962	618,289
Major Renos	-	-	171,133	171,133
Project Administration	147,519	(129,630)	-	17,889
Construction	682,200	-	897,225	1,579,425
FN Representative Service	-	-	112,514	112,514
NFR - Income Assistance	283,777	-	238,314	522,091
	1,526,502	(129,630)	2,192,369	3,589,241
Other Contributions:				
First Nations Education Steering Committee	120,659	-	48,403	169,062
First Nations Health Authority	387,874	-	419,177	807,051
First Peoples Cultural Council	145,708	(79,133)	-	66,575
Prepaid Leases	2,024,098	(38,464)	-	1,985,634
Province of BC	1,860,038	(1,447,121)	-	412,917
Secwepemc Child & Family Services	97,415	-	200,200	297,615
Shuswap Nation Tribal Council Society	273,309	-	8,785	282,094
Other	237,759	(6,300)	-	231,459
	5,146,860	(1,571,018)	676,565	4,252,407
	\$ 6,673,362	\$ (1,700,648)	\$ 2,868,934	\$ 7,841,648

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

11. Long Term Debt

Post

	2023	2022
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	\$ 66,025	\$ 88,190
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 2027	114,503	138,843
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	2,691	34,572
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	93,752	127,444
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	215,580	231,883
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	222,769	234,146
	<hr/>	<hr/>
	\$ 715,320	\$ 855,078

Pre

Mortgage repayable to ANTCO in monthly installments of \$2,321, including interest at 1.83% per annum, maturing December 2024	\$ 47,937	\$ 74,768
	<hr/>	<hr/>

Total Long term debt

\$ 763,257 **\$ 929,846**

The estimated principal repayments on the above long term debt required over the next four years are as follows:

2023	\$ 137,918
2024	330,736
2025	255,847
2026	27,098
2027	11,658
	<hr/>
	\$ 763,257

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

12 . Accumulated Surplus

	2023	2022
Unrestricted surplus	\$ 11,083,284	\$ 10,323,119
Equity in tangible capital assets	33,178,399	23,746,055
Equity in Ottawa Trust (Note 3)	587,879	554,741
Internally Restricted Equity	6,575,356	6,575,356
Operating Reserve	333,926	320,991
Replacement Reserve	(7,276)	291,660
Accumulated remeasurement gain	<u>1,788,284</u>	-
	<u>\$ 53,539,852</u>	<u>\$ 41,811,922</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, 2023

13. Comparative Figures

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

14. Expenses by Object

	2023	2022
Advertising and gifts	\$ 6,351	\$ 4,082
Amortization	1,236,898	1,176,291
Automotive	46,336	64,352
Bad debts and write downs (recovery)	(1,473,387)	954,105
Contract services	3,544,194	4,158,138
Education	1,062,608	1,005,715
Honorarium	538,226	464,890
Insurance	289,440	218,602
Interest and bank charges	35,763	37,694
Leases	323,242	309,528
Licenses, dues and fees	44,936	15,669
Logging (recovery)	(243,130)	938,327
Materials and supplies	1,067,514	1,195,612
Meetings and ceremonies	308,963	289,636
Office and other	969,541	617,207
Professional fees	334,433	309,138
Program expenses	591,118	652,841
Repairs and maintenance	469,279	320,285
Reserve contributions	39,685	140,851
Training	130,156	72,028
Travel	467,704	410,791
Utilities	846,630	720,451
Wages and benefits	<u>8,219,178</u>	<u>7,976,297</u>
	<hr/> <u>\$ 18,855,678</u>	<hr/> <u>\$ 22,052,530</u>

Adams Lake Indian Band Notes to Consolidated Financial Statements

March 31, 2023

15. 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 administrating 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, 2023

15. Segment Disclosure (continued)

2023	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total
Revenue										
ISC	\$ 851,211	\$ 710,384	\$ 991,858	\$ 1,047,711	\$ 2,630,105	\$ 2,429,731	\$ 112,373	\$ -	\$ -	\$ 8,773,373
Other	9,552,968	294,319	199,987	1,443,847	1,201,598	1,490,883	2,997,060	4,295,054	334,519	21,810,235
Total	10,404,179	1,004,703	1,191,845	2,491,558	3,831,703	3,920,614	3,109,433	4,295,054	334,519	30,583,608
Expenses										
Wages & benefits	1,640,759	1,227,019	504,565	756,683	283,877	1,822,856	714,200	1,269,219	-	8,219,178
Purchases	1,242,827	1,338,190	1,072,755	1,394,435	268,396	1,958,179	600,179	1,354,986	169,655	9,399,602
Amortization	1,070,309	-	-	-	-	-	-	-	166,589	1,236,898
Total	3,953,895	2,565,209	1,577,320	2,151,118	552,273	3,781,035	1,314,379	2,624,205	336,244	18,855,678
Surplus (deficit)	\$ 6,450,284	\$ (1,560,506)	\$ (385,475)	\$ 340,440	\$ 3,279,430	\$ 139,579	\$ 1,795,054	\$ 1,670,849	\$ (1,725)	\$ 11,727,930
2022	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total
Revenue										
ISC	\$ 858,079	\$ 730,615	\$ 691,334	\$ 950,214	\$ 1,056,599	\$ 1,961,313	\$ 167,516	\$ -	\$ -	\$ 6,415,670
Other	9,412,036	156,053	19,383	1,144,556	480,189	1,124,895	3,750,636	4,256,422	487,339	20,831,509
Total	10,270,115	886,668	710,717	2,094,770	1,536,788	3,086,208	3,918,152	4,256,422	487,339	27,247,179
Expenses										
Wages & benefits	1,629,915	1,093,329	557,603	854,546	209,941	1,714,974	584,182	1,331,807	-	7,976,297
Purchases	4,148,512	1,178,851	1,202,440	1,241,966	299,512	1,811,459	549,049	2,241,548	226,605	12,899,942
Amortization	1,010,012	-	-	-	-	-	-	-	166,279	1,176,291
Total	6,788,439	2,272,180	1,760,043	2,096,512	509,453	3,526,433	1,133,231	3,573,355	392,884	22,052,530
Surplus (deficit)	\$ 3,481,676	\$ (1,385,512)	\$ (1,049,326)	\$ (1,742)	\$ 1,027,335	\$ (440,225)	\$ 2,784,921	\$ 683,067	\$ 94,455	\$ 5,194,649

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

16. Silviculture Liability

A silviculture liability was established to bear the responsibility of funding silviculture expenditures with regards 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, 2023 based on logging performance is \$2,246,433 (2022 - \$2,913,051).
