



Williams Lake
FIRST NATION

WILLIAMS LAKE FIRST NATION

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended March 31, 2022

**WILLIAMS LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022**

CONTENTS

	<u>Page</u>
MANAGEMENT RESPONSIBILITY STATEMENT	
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CHANGES IN NET FINANCIAL ASSETS	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7 - 20
CONSOLIDATED SCHEDULE OF REVENUES	21
CONSOLIDATED SCHEDULE OF EXPENDITURES	22



Williams Lake
FIRST NATION

MANAGEMENT RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of Williams Lake First Nation are the responsibility of management and have been approved by Chief and 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 consolidated financial statements are presented fairly, in all material respects.

Williams Lake First Nation 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 that the Nation's assets are appropriately accounted for and adequately safeguarded.

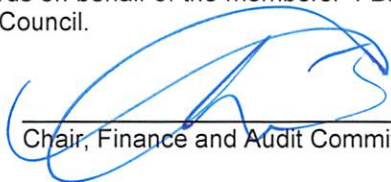
The Chief and Council are responsible for ensuring the integrity of the Nation's accounting and reporting systems and that appropriate internal controls are in place, including those for monitoring risk, financial reporting and compliance with the laws and that management fulfills its responsibilities for financial reporting. The Chief and Council are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review Williams Lake First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the independent auditor, to discuss internal controls over the financial reporting process, auditing matters and 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 independent auditor's report. The Chief and Council also consider the engagement of the independent auditor.

The consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. FBB Chartered Professional Accountants LLP has full access to the Chief and Council.



Chief



Chair, Finance and Audit Committee



Chief Financial Officer

July 13, 2022



223 Reid Street, Quesnel, BC, V2J 2M1
Telephone: 778-414-5678 FAX: 778-414-5679

INDEPENDENT AUDITOR'S REPORT

To the Members of

Williams Lake First Nation

Opinion

We have audited the consolidated financial statements of Williams Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and statement of changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the management as at March 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the management 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 the 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 management'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 Nation or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT, continued

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 Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

*FBB Chartered Professional
Accountants LLP*

Quesnel, BC
July 28, 2022

FBB CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

WILLIAMS LAKE FIRST NATION**CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
REVENUES, Schedule 1	\$ 11,746,764	\$ 24,815,371	\$ 15,116,819
EXPENDITURES, Schedule 2	<u>21,689,954</u>	<u>27,156,511</u>	<u>22,293,626</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>(9,943,190)</u>	<u>(2,341,140)</u>	<u>(7,176,807)</u>
OTHER EXPENSES (INCOME)			
Amortization	-	1,148,579	806,297
Gain on sale of tangible capital assets	-	(2,021)	-
Tangible capital asset acquisitions	-	(8,356,145)	(9,035,994)
Operating results of Nation Enterprises	-	2,346,067	904,432
Funding recoveries	-	45,297	20,243
	<u>-</u>	<u>(9,510,357)</u>	<u>(9,113,886)</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	<u>(9,943,190)</u>	<u>7,169,217</u>	<u>1,937,079</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>45,732,574</u>	<u>45,732,574</u>	<u>43,795,495</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 52,901,791</u>	<u>\$ 52,901,791</u>	<u>\$ 45,732,574</u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash	\$ 6,064,322	\$ 9,070,015
Accounts receivable (note 3)	3,043,546	1,762,227
Work in progress (note 4)	179,954	399,762
Trust funds held by Canada (note 5)	12,504	12,441
Investment in Nation business enterprises (note 6)	5,538,718	3,912,098
	<u>14,839,044</u>	<u>15,156,543</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 8)	1,082,378	1,707,998
Deferred revenue (note 9)	259,126	62,500
Bank indebtedness (note 10)	220,146	370,869
Long-term debt (note 11)	7,220,632	6,005,581
	<u>8,782,282</u>	<u>8,146,948</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	289,726	127,109
Inventory	158,525	142,400
Tangible capital assets (note 7)	47,298,708	39,355,400
	<u>47,746,959</u>	<u>39,624,909</u>
	<u>\$ 53,803,721</u>	<u>\$ 46,634,504</u>
Contributed surplus (note 12)	901,930	901,930
Accumulated surplus	52,901,791	45,732,574
NATION EQUITY (note 13)	<u>53,803,721</u>	<u>46,634,504</u>
	<u>\$ 53,803,721</u>	<u>\$ 46,634,504</u>

On behalf of the Chief, Council, Management, and Finance and Audit Committee


 _____ Chief

 _____ Chief Financial Officer

 _____ Chair, Finance and Audit Committee

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED CHANGES IN NET FINANCIAL ASSETS
As at March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
(Deficiency) excess of revenues over expenditures	<u>\$ (9,943,190)</u>	<u>\$ 7,169,217</u>	<u>\$ 1,937,079</u>
Acquisition of prepaid expenses	<u>-</u>	<u>(162,617)</u>	<u>(25,359)</u>
Acquisition of inventory	<u>-</u>	<u>(16,125)</u>	<u>(12,095)</u>
Acquisition of tangible capital assets	<u>-</u>	<u>(9,101,865)</u>	<u>(9,119,382)</u>
Amortization	<u>-</u>	<u>1,148,579</u>	<u>806,297</u>
	<u>-</u>	<u>(7,943,308)</u>	<u>(8,313,085)</u>
Decrease in net financial assets	<u>(9,943,190)</u>	<u>(952,833)</u>	<u>(6,413,460)</u>
Net financial assets, beginning of year	<u>7,009,595</u>	<u>7,009,595</u>	<u>13,423,055</u>
Net financial assets (net debt), end of year	<u><u>\$ (2,933,595)</u></u>	<u><u>\$ 6,056,762</u></u>	<u><u>\$ 7,009,595</u></u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 7,169,217	\$ 1,937,079
Items not affecting cash		
Amortization	1,148,579	806,297
Gain on sale of tangible capital assets	(2,021)	-
Operating results of Nation Owned Enterprises	(2,346,067)	(904,432)
Operating results of Williams Lake Community Forest	<u>(46,278)</u>	<u>347,212</u>
	5,923,430	2,186,156
Change in non-cash working capital items		
Accounts receivable	(1,281,319)	1,640,570
Work in progress	219,808	(399,762)
Accounts payable and accrued liabilities	(625,620)	(38,719)
Deferred revenue	196,626	62,500
Prepaid expenses	(162,617)	(25,359)
Inventory	<u>(16,125)</u>	<u>(12,095)</u>
	<u>4,254,183</u>	<u>3,413,291</u>
INVESTING ACTIVITIES		
(Increase) decrease in trust funds held by Canada	(63)	94
Purchase of tangible capital assets	(9,017,635)	(9,119,382)
Proceeds on disposal of tangible capital assets	<u>12,000</u>	<u>-</u>
	<u>(9,005,698)</u>	<u>(9,119,288)</u>
FINANCING ACTIVITIES		
Investment in related parties	681,494	(676,569)
Repayment of long-term debt	(409,147)	(138,518)
Proceeds of long-term debt	<u>1,624,198</u>	<u>594,099</u>
	<u>1,896,545</u>	<u>(220,988)</u>
(DECREASE) INCREASE IN CASH	(2,854,970)	(5,926,985)
CASH, BEGINNING OF YEAR	<u>8,699,146</u>	<u>14,626,131</u>
CASH, END OF YEAR	<u>\$ 5,844,176</u>	<u>\$ 8,699,146</u>
CASH CONSISTS OF:		
Cash	\$ 5,780,806	\$ 8,790,786
FNFA Debt Reserve Fund	283,516	279,229
Bank indebtedness	<u>(220,146)</u>	<u>(370,869)</u>
	<u>\$ 5,844,176</u>	<u>\$ 8,699,146</u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

1. Nature of operations

Williams Lake First Nation is a First Nation in the Williams Lake, B.C. area and provides various municipal services for its nation members.

2. Accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are detailed as follows:

(a) Basis of presentation

In order to satisfy the Reporting Guide's Financial Reporting Requirements of Indigenous Services Canada these consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined in the Chartered Professional Accountants Canada Public Sector Accounting Handbook, which encompasses the following:

- a. The focus of PSAB statements is on the financial position of the Nation and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Nation. Financial assets are economic resources controlled by the Nation as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the Nation to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.
- b. Williams Lake First Nation 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 operation of each fund are set out in the supplementary schedules.

Williams Lake First Nation maintains the following funds:

- The Operations Fund which reports the general activities of the Nation.
- The Capital Fund which reports the capital projects of the Nation together with their related financing, other than those capital assets funded by CMHC.
- The Investment Fund which reports the Nation's investments in related entities.
- The Trust Fund which reports on the trust funds owned by the Nation and held by third parties.
- The Treaty Self-Government Fund which reports on activities related to treaty negotiations.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. Accounting policies, continued

(b) Basis of consolidation

The Williams Lake First Nation reporting entity includes the Nation Government and all related entities which are accountable to the Nation Council and are either owned or controlled by the Nation.

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

- Nation Government administration (Operating and Capital Funds)
 - Nation Investment Fund
 - Nation Trust Fund (comprising the Ottawa Trust Funds)
 - Nation CMHC Social Housing Fund
 - Treaty Self-Government Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each fund, transactions amongst funds have not been eliminated on the individual schedules.

Business entities, which are owned or significantly influenced by the Williams Lake First Nation and which are not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. These include:

- Borland Creek Logging Ltd.
- Sugar Cane Development Corporation
- Sugarcane Petroleum Products Corporation
- Sugar Cane TreadPro Limited
- Sugar Cane Community Diversification Association
- Chief William RV-Campsite Ltd.
- Coyote Rock GP Ltd.
- Coyote Rock LP
- Unity Cannabis LP
- Sugar Cane Cannabis LP

(c) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Nation provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. Accounting policies, continued

(d) Tangible capital assets, continued

Buildings	2-4%
Equipment	20%
Vehicles	30%
Fences	10%

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Tangible capital assets are non-financial assets having physical substance that:

- Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible assets;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuous basis; and
- Are not for sale in the ordinary course of operations

Tangible capital assets purchased are recorded at cost. Tangible capital assets contributed are recorded at the fair market value as at the date of contribution. Assets are not amortized until they are put into use.

Housing tangible assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt, as required for Canada Mortgage and Housing Corporation reporting purposes.

(e) Investments

Investments in the Nation's wholly-owned enterprises are accounted for using the modified equity method. Under this method, the investments are initially recorded at cost and then increased or decreased to recognize subsequent earnings or losses. Investments are also increased or decreased to reflect advances to or repayments from the enterprises.

(f) Surplus recoveries and deficit funding

Under the terms of various funding agreements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(g) Trust funds held by Canada (Ottawa Trust Fund)

Ottawa Trust Fund operating account revenues are recorded on an accrual basis, and include interest earned on the Ottawa Trust account. Ottawa Trust Fund capital account revenues are recorded when the Nation is notified of their deposit by Indigenous Services Canada.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

2. Accounting policies, continued

(h) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Expenses are accounted for in the period the goods and services are acquired and a liability is incurred, or transfers are due.

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

(i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are the impairment of tangible capital assets and due from Nation entities, rates for amortization and the useful lives of tangible capital assets..

(j) Liability for Contaminated Sites

PS3260 of the CPA Canada Public Sector Accounting Standards notes that a liability for remediation of contaminated sites should be recognized when, as at the reporting date: an environmental standard exists; contamination exceeds the standards; the Nation has accepted responsibility for or is directly responsible; it is expected that future economic benefits will be given up; and a reasonable estimate can be made.

The Nation is unaware of any contaminated sites on lands within the jurisdiction of the Nation. Should management become aware of any contaminated sites the Nation is responsible for remediating, a liability for contaminated sites would be setup in accordance with PS3260.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

3. Accounts receivable

	<u>2022</u>	<u>2021</u>
Rent and members	\$ 409,590	\$ 450,291
Rent to own - L. Billyboy	-	140,365
Allowance for doubtful accounts	(235,754)	(235,754)
Province of B.C.	517,348	2,885
Indigenous Services Canada	763,570	26,576
Natural Resources Canada	19,173	44,173
CMHC	12,000	12,000
FNESC	73,965	156,981
First Peoples' Heritage Language and Culture	1,889	1,889
First Nations Health Authority	8,400	8,400
First Nations Land Management Resource	90,000	-
New Relationship Trust	5,000	10,000
Northern Development Initiative Trust	-	27,692
PWC LLP	582,485	6,400
Williams Lake Community Forest	-	145,000
CCATEC	8,677	5,368
GST recoverable	70,104	57,944
Northern Shuswap Treaty Society	108,477	108,504
Northern Shuswap Tribal Council	139,750	-
Shuswap Nation Tribal Council	-	19,006
Three Corners Health Society	-	59,986
All other	164,918	258,119
Cantex Okanagan Construction	17,325	17,325
BC Aboriginal Childcare Society	-	74,080
Borland Creek Logging Ltd.	60,081	172,724
Chief William RV-Campsite Ltd.	2,092	-
Sugar Cane Development Corporation	41,441	15,056
Sugarcane Petroleum Products Corporation	7,771	293
Sugar Cane TreadPro Limited	-	1,600
Unity Cannabis LP	175,244	175,324
	<u>\$ 3,043,546</u>	<u>\$ 1,762,227</u>

4. Work in progress

	<u>2022</u>	<u>2021</u>
Member built homes	<u>\$ 179,954</u>	<u>\$ 399,762</u>

The Nation is currently building 2 member-built homes, whereby the Nation pays the building contractors utilizing loan funds from the Nation's lender. Upon satisfactory completion of the homes, the completed homes will be purchased from the Nation directly by the members.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

5. Trust funds held by Canada

	<u>2022</u>	<u>2021</u>
Ottawa Trust Accounts	\$ 12,504	\$ 12,441

The Ottawa Trust Accounts arise from monies 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. The management of these funds is primarily governed by Sections 63 and 69 of the Indian Act.

6. Investment in Nation business enterprises

	<u>2022</u>	<u>2021</u>
Borland Creek Logging Ltd.	\$ 1,658,576	\$ 1,400,465
Coyote Rock LP	841,831	412,753
Sugar Cane Development Corporation	1,825,890	1,446,586
Sugarcane Petroleum Products Corporation	684,132	404,448
Chief William RV-Campsite Ltd.	47,136	53,980
Sugar Cane TreadPro Limited	-	(1,634,862)
Sugar Cane Community Diversity Association	(9,742)	(9,742)
Coyote Rock GP Ltd.	(7,139)	(5,086)
Unity Cannabis LP	177,414	50,919
Williams Lake Community Forest LP	150,556	196,834
Sugar Cane Cannabis LP	(220,445)	-
	5,148,209	2,316,295
Advances - Coyote Rock LP	24,450	24,450
Advances - Sugar Cane Development Corporation	366,059	389,737
Advances - Sugar Cane TreadPro Limited	-	1,181,616
	<u>\$ 5,538,718</u>	<u>\$ 3,912,098</u>

The amounts due to the related companies are unsecured, non-interest bearing and have no specific terms of repayment. The investments are accounted for by the modified equity method. Under this method, the cost of the investments are adjusted for the earnings from the date of acquisition.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

7. Tangible capital assets

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 4,015,908	\$ -	\$ 4,015,908	\$ 3,771,524
Buildings	51,321,925	9,111,287	42,210,638	34,956,010
Equipment	903,880	525,708	378,172	188,632
Vehicles	1,001,051	422,431	578,620	321,775
Fences	132,284	16,914	115,370	117,459
	<u>\$ 57,375,048</u>	<u>\$ 10,076,340</u>	<u>\$ 47,298,708</u>	<u>\$ 39,355,400</u>

During the year, the Nation purchased the following tangible capital assets:

	<u>2022</u>
Sugar Cane Cannabis building in progress	\$ 702,680
New Administration building in progress	3,430,387
New housing project in progress	2,484,783
98 3rd Avenue S lot	127,134
Elder building	9,335
Community Sweat Lodge	82,590
Treadpro building	649,490
Little Chief's daycare playground equipment	32,418
Cemetery columbarium	30,090
Coyote Creek Road infrastructure repairs/improvements	591,190
Borland Creek Dam infrastructure repairs/improvements	182,734
Arbour electrical upgrades	10,422
Trail construction	117,250
2022 Ford F350	60,907
2022 PB105 Western Canada Bus	133,704
2012 PTH Drum Chipper and attachments	136,513
John Deere 4255 Tractor and attachments	59,074
2021 Case Skidsteer	84,230
Administration computers	16,492
Furniture and fixtures - new office	160,441
	<u>\$ 9,101,864</u>

During the year, the Nation traded in its 2015 Chevrolet 4500 bus on the new bus for a value of \$12,000.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

8. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Trade payables and accrued liabilities	\$ 582,005	\$ 1,464,888
Payroll and withholding taxes	156,939	130,869
GST payable	51,557	53,511
Other accrued liabilities	24,000	24,000
Borland Creek Logging Ltd.	168,984	33,730
Sugar Cane Development Corporation	98,315	-
Sugarcane Petroleum Products Corporation	578	1,000
	<u>\$ 1,082,378</u>	<u>\$ 1,707,998</u>

9. Deferred revenue

	<u>2022</u>	<u>2021</u>
Rental lease	\$ 62,500	\$ 62,500
ISC - member housing revenues unspent	196,626	-
	<u>\$ 259,126</u>	<u>\$ 62,500</u>

The above mentioned lease payment was received in March 2022, but is for the lease term of April 1, 2022 to March 31, 2023 and therefore is deferred to the subsequent fiscal year.

10. Bank indebtedness

	<u>2022</u>	<u>2021</u>
BMO - Demand loan bearing interest at prime plus 0.5% per annum (March 31, 2022 - 3.2%), repayable in monthly blended instalments of \$1,070	\$ 220,146	\$ 230,504
BMO - Demand loan repaid	-	140,365
	<u>\$ 220,146</u>	<u>\$ 370,869</u>
Estimated principal repayments are as follows:		
2023	\$ 10,165	
2024	10,495	
2025	10,836	
2026	11,187	
2027	11,551	
Subsequent years	165,912	
	<u>\$ 220,146</u>	

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

10. Bank indebtedness, continued

The above demand loans and unused line of credit are secured by a general security agreement. The line of credit also bears interest at prime plus 0.5% and has an aggregate limit of \$350,000. The demand loans are secured by Sugar Cane TreadPro Limited and Sugarcane Petroleum Products Corporation.

11. Long-term debt

	<u>2022</u>	<u>2021</u>
FNFA - Demand loan bearing interest at their prime rate (March 31, 2021 - 2.7%) repayable in annual instalments tied to the Nation's B.C. First Nation Gaming Revenue Sharing Limited Partnership	\$ 5,262,456	\$ 5,428,140
Ford Credit Canada - Conditional sales contract repayable in monthly interest-free instalments of \$1,489, secured by a specific vehicle with a net carrying amount of \$80,410	65,519	83,388
BMO - Loan repayable in monthly blended instalments of \$2,074 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	227,356	245,207
BMO - Loan repayable in monthly blended instalments of \$1,458 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	-	248,846
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	244,753	-
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	244,764	-
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	244,792	-
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	<u>244,764</u>	<u>-</u>
Carried forward	\$ 6,534,404	\$ 6,005,581

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

11. Long-term debt, continued

	<u>2022</u>	<u>2021</u>
Carried forward	\$ 6,534,404	\$ 6,005,581
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	244,764	-
BMO - Loan repayable in monthly blended instalments of \$360 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	63,560	-
BMO - Loan repayable in monthly blended instalments of \$360 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	63,560	-
BMO - Conditional sales contract repayable in 60 monthly interest-free instalments of \$1,403, due April 2026, secured by a specific piece of equipment with a net carrying value of \$68,788	68,788	-
BMO - Loan repayable in monthly blended instalments of \$1,389 bearing interest at bank prime plus 0.5% (March 31, 2022 - 3.2%), secured by a general security agreement as disclosed in Note 10	<u>245,556</u>	<u>-</u>
	<u>\$ 7,220,632</u>	<u>\$ 6,005,581</u>

The FNFA loan is secured by an assignment of the funding provided to the Nation by the B.C. First Nation Gaming Revenue Sharing Limited Partnership.

Estimated principal repayments are as follows:

2023	\$ 238,385
2024	244,625
2025	251,055
2026	251,730
2027	211,059
Subsequent years	<u>6,023,778</u>
	<u>\$ 7,220,632</u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

12. Contributed surplus

	<u>2022</u>	<u>2021</u>
Nation construction contribution	\$ 522,430	\$ 522,430
Land	<u>379,500</u>	<u>379,500</u>
	<u>\$ 901,930</u>	<u>\$ 901,930</u>

13. Nation equity

	<u>2022</u>	<u>2021</u>
Operating and capital funds	\$ 48,869,999	\$ 44,037,959
Ottawa Trust Funds	12,504	12,441
Investment in Nation Business Enterprises	3,919,811	1,573,744
Treaty Self-Government Fund	99,477	108,430
Contributed surplus (Note 12)	<u>901,930</u>	<u>901,930</u>
	<u>\$ 53,803,721</u>	<u>\$ 46,634,504</u>

14. Other cash flow information

Non-cash financing and investing activities:

Tangible capital asset financed with long-term debt	<u>\$ 84,230</u>	<u>\$ -</u>
Building transferred from Nation Business Entity	<u>\$ 649,490</u>	<u>\$ -</u>

15. Financial instruments

The Nation's financial instruments consist of cash, cash restricted as to use, accounts receivable, trust funds held by Canada, debt reserve fund, investments, bank advances accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Nation is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Nation provides services may experience financial difficulty and be unable to fulfill their obligations.

The Nation is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and does not hold any financial instruments that mitigate this risk.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

16. Reconciliation of ISC Funding Arrangement Revenue

	<u>2022</u>
ISC Funding Confirmation	<u>\$ 8,618,906</u>
ISC Revenue per Schedule 1	<u>\$ 8,618,906</u>

17. Nation Registered Pension Plan

The Nation provides a defined contribution pension plan to qualifying employees. Under the plan, the defined members' contributions, the Nation contributions, and the related plan earnings comprise the members' money purchase amounts. The plan is registered with Canada Revenue Agency.

The Nation contributed \$218,603 to the plan during the year ended March 31, 2022 (2021 - \$142,123) to match its employees' required contributions.

18. Contingent asset

On February 2, 2018, the Supreme Court of Canada found in favour of the Williams Lake First Nation in Case Docket 36983. This Case was an appeal by the Nation against a decision by the Federal Court of Canada overturning a previous decision by the Indian Claims Tribunal that had found in favour of the Nation in its decision in 2014.

Canada had applied to the Federal Court of Canada for a judicial review of the Tribunal's decision. The Federal Court of Canada, after its review, dismissed the Nation's claim. The Nation appealed to the Supreme Court of Canada.

The Supreme Court of Canada heard the case and ruled that the Tribunal reasonably found that both the Imperial Crown and the Crown in right of Canada had owed, and breached, fiduciary obligations to the Nation in relation to the protection of its Village lands from pre-emption and that the Nation's pre-Confederation specific claim was valid under the Act.

The Supreme Court of Canada referred the matter back to Specific Claims Tribunal for determination of the financial compensation award. The Supreme Court also awarded costs to the Nation.

On June 29, 2022, members of the Williams Lake First Nation voted in favour to ratify the proposed settlement with Canada. The settlement includes compensation in the amount of \$135 million and setup of the WLFN Community Trust. The compensation is expected to be funded in fall of 2022 and will be recorded at the time of receipt.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

19. Contingent liabilities

The Nation has guaranteed a \$100,000 line of credit and an equipment line of credit of \$200,000 for Borland Creek Logging Ltd. As at March 31, 2021, Borland Creek Logging Ltd. had no outstanding indebtedness on these lines of credit. The Nation has guaranteed financing agreements for log harvest equipment operated by Borland Creek Logging Ltd. As at March 31, 2021, the balances of the conditional financing agreements aggregated \$965,762.

The Nation has guaranteed a bank line of credit of \$200,000 and demand loans for Sugarcane Petroleum Products Corporation aggregating \$700,000. As at March 31, 2021, the balances outstanding were \$415,902. The Nation has also guaranteed a letter of credit in favour of a supplier in the amount of \$155,000.

The Band has guaranteed loans made in previous years by various financial institutions to Band members. The original balances on these loans were \$1,513,801. As at March 31, 2022, the balances outstanding were \$255,913.

20. Segment Disclosures

The Nation is a diversified organization that provides a wide range of services to its members. Distinguishable function segments have been separately disclosed in segmented information. The nature of the segments and the activities they encompass are as follows:

ADMINISTRATION

This segment relates to the revenue and expenses that are related to the administrative operations of the Nation and those other functions cannot be directly attributed to another specific segment.

ECONOMIC DEVELOPMENT

This segment is related to the revenues and expenses of the economic activities of the Nation and further development efforts.

NATURAL RESOURCES

This segment is related to the revenue and expenses that are generated through the Nation's stewardship of the natural resources that are owned by the Nation.

PUBLIC WORKS AND HOUSING

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

EDUCATION

This segment provides educational services through post-secondary education support and the operation of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Nation's members.

SOCIAL DEVELOPMENT

This segment provides services to assist Nation members by providing a variety of program, community services and social services.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2022

20. Segment Disclosures, continued

RECREATION

This segment provides services to assist Nation members with obtaining recreation and fitness activities.

TREATY NEGOTIATION SUPPORT PROGRAM

This segment is working towards the finalization of treaty negotiations.

21. Expenses by object

	<u>2022</u>	<u>2021</u>
Wages and benefits	\$ 5,516,090	\$ 4,612,218
Materials and supplies	1,007,452	741,001
Contracted services	16,018,665	12,862,835
Rent, maintenance and utilities	1,798,550	984,139
Honoraria	168,779	124,343
Insurance	191,402	140,325
Education	1,331,379	1,212,864
Bank charges and interest	171,531	139,401
Travel	154,212	71,131
Social assistance	283,495	240,101
All other service delivery costs	514,956	1,165,268
	<u>\$ 27,156,511</u>	<u>\$ 22,293,626</u>

22. Comparative figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the excess of revenue over expenditures or surpluses.

WILLIAMS LAKE FIRST NATION
Consolidated SCHEDULE OF REVENUES
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
ISC Operating	\$ 3,915,065	\$ 8,618,906	\$ 5,748,928
Northern Shuswap Treaty Society	434,014	434,014	434,014
CCATEC	84,824	133,022	94,810
Northern Shuswap Tribal Council	50,000	155,372	187,914
CMHC	16,000	618,293	29,870
Three Corners Health Services Society	315,115	295,824	185,628
Government of Canada	267,999	323,479	373,010
Province of British Columbia	2,355,252	4,319,632	2,499,488
Tolko Industries Ltd.	60,000	1,432,868	444,088
Rentals	505,575	541,842	564,091
All other	1,555,337	3,696,564	1,346,585
Mount Polley Gold Mines	-	2,280	45,000
Royalties	225,000	225,000	225,000
Service contracts	280,000	305,882	56,267
Daycare fees	40,000	67,862	44,653
Enbridge	150,000	151,000	114,000
BC Hydro	6,158	6,158	6,158
Northern Development Initiatives Trust	257,500	267,386	44,542
FNESC	245,226	306,963	413,365
Knucwentwecw Society	250,000	280,000	235,000
Donations and fundraising	35,000	62,618	19,506
Borland Creek Logging	41,000	48,549	36,434
Property taxes	27,784	28,303	24,122
Gibraltar Mine	110,000	135,000	110,000
New Relationship Trust	-	500	20,000
First Nations Health Authority	163,549	270,711	201,891
Insurance proceeds	20,000	40,775	24,050
First Peoples Cultural Council	-	30,113	47,476
Interest	30,000	34,156	106,750
Administration fees	(46,634)	13,364	2,466
Lake Excavating	76,000	266,125	470,788
Sugar Cane Development Corporation	65,000	140,814	80,241
Price Waterhouse Coopers	200,000	970,219	874,684
West Fraser Mills	12,000	788,403	6,000
Deferred revenue to following year	-	(196,626)	-
	\$ 11,746,764	\$ 24,815,371	\$ 15,116,819

WILLIAMS LAKE FIRST NATION
CONSOLIDATED SCHEDULE OF EXPENDITURES
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Administration	\$ 9,176,081	\$ 9,047,530	\$ 8,862,433
Economic development	1,611,397	1,894,811	4,211,888
Education	2,983,959	2,743,012	2,362,146
Natural resources	2,950,402	4,739,748	2,071,380
Public works and housing	2,818,835	6,935,757	3,276,432
Recreation	336,292	222,975	225,140
Social development	1,313,946	1,173,113	908,960
Treaty	499,042	399,565	375,247
	<u>\$ 21,689,954</u>	<u>\$ 27,156,511</u>	<u>\$ 22,293,626</u>

Williams Lake First Nation
Statement of Operations by Reporting Segment
Year Ended March 31, 2022

Schedule 3

	Administration	Economic Development	Natural Resources	Public Works	Education	Social Development	Recreation	Treaty Negotiation	Capital Projects	Ottawa Trust Funds	Band-Owned Enterprises	Totals
Revenue												
ISC	\$ 3,113,457	\$ 386,610	\$ -	\$ 2,502,870	\$ 2,039,734	\$ 576,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,618,906
Other	4,213,326	1,474,440	6,059,002	3,123,804	1,123,903	963,544	97,080	434,014	8,358,166	2,076	2,346,067	28,195,422
Total	7,326,783	1,861,050	6,059,002	5,626,674	3,163,637	1,539,779	97,080	434,014	8,358,166	2,076	2,346,067	36,814,328
Expenses	9,338,362	2,303,240	5,024,089	7,041,974	2,993,493	1,297,794	231,008	442,967	1,148,579	-	-	29,821,506
Net revenue for the year	(2,011,579)	(442,190)	1,034,913	(1,415,300)	170,144	241,985	(133,928)	(8,953)	7,209,587	2,076	2,346,067	6,992,822
Transfers	(73,712)	796,098	(4,524,297)	805,203	68,838	67,928	142,358	-	3,137,916	(2,014)	-	418,318
Surplus recovery	-	-	-	-	-	(45,297)	-	-	-	-	-	(45,297)
Change in deferred revenue	-	-	-	(196,626)	-	-	-	-	-	-	-	(196,626)
Surplus (deficit), Beginning	5,465,634	1,124,453	6,706,863	775,887	1,032,195	468,330	139,665	108,429	29,226,862	12,442	1,573,744	46,634,504
Surplus (Deficit), ending	\$ 3,380,343	\$ 1,478,361	\$ 3,217,479	\$ (30,836)	\$ 1,271,177	\$ 732,946	\$ 148,095	\$ 99,476	\$ 39,574,365	\$ 12,504	\$ 3,919,811	\$ 53,803,721