

Adams Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2024

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For the year ended March 31, 2024

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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.

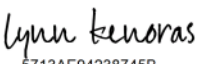
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen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

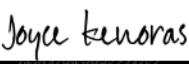
The Adams Lake Indian Band maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are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

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Chief

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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, 2024, 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, 2024, 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 retroactive 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, 2024 and 2023, tangible capital assets and the asset retirement obligation as at March 31, 2024 and 2023, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 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, 2023 and March 31, 2024, , Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2024.



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

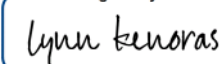
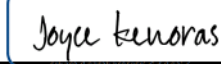
Kamloops, British Columbia
February 3, 2025

Adams Lake Indian Band

Exhibit A - Consolidated Statement of Financial Position

As at March 31	2024	2023
Financial Assets		
Cash (Note 2)	\$ 13,926,955	\$ 9,944,841
Restricted cash (Note 3)	1,318,215	1,265,691
Accounts receivable (Note 4)	5,479,745	2,928,702
Advances to related entities	442,957	12,310
Short-term investments (Note 5)	19,773,894	17,349,400
Investments (Note 6)	68,869	68,869
Investments in Government Business Enterprises (Note 7)	1,245,438	1,157,550
	42,256,073	32,727,363
Liabilities		
Accounts payable (Note 9)	3,324,926	1,742,358
Deferred revenue (Note 10)	10,384,932	7,841,648
Long term debt (Note 11)	4,609,801	763,257
Silviculture liability (Note 17)	2,362,312	2,246,433
	20,681,971	12,593,696
Net Financial Assets	21,574,102	20,133,667
Non-financial Assets		
Tangible capital assets (Note 8)	38,586,054	33,113,042
Prepaid expenses	47,742	293,143
	38,633,796	33,406,185
Accumulated surplus (Note 12)	\$ 60,207,898	\$ 53,539,852
Accumulated surplus is comprised of:		
Accumulated operating surplus	57,372,765	51,751,568
Accumulated remeasurement gains	2,835,133	1,788,284
	\$ 60,207,898	\$ 53,539,852

Approved on behalf of the Band Council:

DocuSigned by:  5713AE94238745B	Chief
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Adams Lake Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2024	2023
Annual surplus	\$ 8,180,474	\$ 11,727,930
Acquisition of tangible capital assets	(7,087,382)	(10,502,654)
Amortization of tangible capital assets	1,472,482	1,236,899
Completion of social housing phase	(1,512,428)	-
Disposal of capital assets	141,889	-
Change in prepaid expenses	245,400	(68,180)
Net change in net financial assets	1,440,435	2,393,995
Net financial assets, beginning of year	20,133,667	17,739,672
Net financial assets, end of year	\$ 21,574,102	\$ 20,133,667

Adams Lake Indian Band

Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget	2024	2023
Revenue			
Indigenous Services Canada	\$ 10,367,163	\$ 9,283,658	\$ 8,773,373
BC First Nations Gaming	-	572,219	-
BC Hydro	-	6,000	-
Canadian Mortgage and Housing Corporation	122,726	419,330	1,286,613
Contract revenue	727,629	2,402,936	1,297,341
Donations and sponsorships	40,000	10	-
First Nations Health Authority	1,712,637	1,302,236	2,841,442
First Nations Education Steering Commission	281,472	864,714	729,735
First Peoples' Cultural Council	-	433,082	401,639
Forest Consultation and Revenue Sharing Agreements	650,000	3,404,942	694,361
Government business enterprise income	-	87,888	29,349
Insurance proceeds	299,640	299,640	-
Interest income	391,924	951,495	113,468
Lease revenue	2,966,235	2,901,528	2,793,259
Logging revenue	1,019,686	1,581,686	1,346,044
New Relationship Trust	260,000	260,000	30,000
Other income	2,385,981	3,393,619	2,146,041
Project revenue	1,538,002	1,680,830	1,956,865
Property tax and utilities revenue	1,012,787	1,066,335	1,041,199
Province of BC	4,469,419	3,062,277	4,321,545
Rental revenue	255,590	745,402	353,613
Secwepemc Child and Family Services	775,000	335,869	930,542
Settlement Proceeds	500,000	506,389	-
Thompson Nicola Regional District	80,000	73,723	-
Unrealized market gain (loss)	500,000	1,100,998	(502,821)
	30,355,891	36,736,806	30,583,608
Expenses (Note 14)			
Band revenue	4,696,884	6,343,072	3,841,943
Administration	3,437,465	3,649,317	2,565,209
Maintenance services	2,577,926	2,473,782	1,577,320
Community services	3,816,422	4,094,603	2,151,118
Capital	1,161,735	1,026,173	525,703
Education	3,648,240	4,675,684	3,804,191
Health services	1,865,614	1,845,170	1,314,379
Natural resources	2,628,715	4,071,586	2,739,571
Social housing	279,819	376,945	336,244
	24,112,820	28,556,332	18,855,678
Surplus for the year	6,243,071	8,180,474	11,727,930
Adjustment on long term debt proceeds on social housing construction	-	(1,512,428)	-
Accumulated surplus, beginning of year	53,539,852	53,539,852	41,811,922
Accumulated surplus, end of year	\$ 59,782,923	\$ 60,207,898	\$ 53,539,852

Adams Lake Indian Band

Exhibit D - Consolidated Statement of Remeasurement Gains and Losses

	2024	2023
Accumulated remeasurement gains (losses) at beginning of year	\$ 1,788,284	\$ -
Adoption of PSAS 3450 Financial instruments	<u>-</u>	<u>2,291,105</u>
Unrealised gains (losses) attributable to: Portfolio investments	1,100,998	(502,821)
Amounts reclassified to the statement of operations: Portfolio investments	<u>(54,149)</u>	<u>-</u>
Net remeasurement gains (losses) for the year	<u>1,046,849</u>	<u>1,788,284</u>
Accumulated remeasurement gains and (losses) at end of year	<u>\$ 2,835,133</u>	<u>\$ 1,788,284</u>

Adams Lake Indian Band

Exhibit E - Consolidated Statement of Cash Flows

For the year ended March 31	2024	2023
Operating activities		
Cash received from funding agreements and contracts	\$ 34,740,205	\$ 31,011,726
Cash paid to suppliers and employees	(25,371,760)	(18,106,564)
Interest earned	2,052,493	(389,353)
Cash flows from operating activities	11,420,938	12,515,809
Financing activities		
Repayment of long term debt	(165,884)	(166,589)
Proceeds from issuance of debt	4,012,428	-
Cash flows used in financing activities	3,846,544	(166,589)
Capital activities		
Purchase of capital assets	(7,087,382)	(10,502,654)
Phase 5 completion	(1,512,428)	-
Cash flows used in capital activities	(8,599,810)	(10,502,654)
Investing activities		
Purchase of investments	(87,888)	(29,349)
Purchase of short-term investments	(2,424,494)	(58,223)
Change in reserves	(120,652)	(286,001)
Cash flows used in investing activities	(2,633,034)	(373,573)
Increase in cash and cash equivalents	4,034,638	1,472,993
Cash and cash equivalents, beginning of year	11,210,532	9,737,539
Cash and cash equivalents, end of year	\$ 15,245,170	\$ 11,210,532
Represented by:		
Cash	\$ 13,926,955	\$ 9,944,841
Restricted cash	1,318,215	1,265,691
Cash and cash equivalents, end of year	\$ 15,245,170	\$ 11,210,532

Adams Lake Indian Band Summary of Significant Accounting Policies

March 31, 2024

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, 2024

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, 2024

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 2023/2024 operating and capital budgets approved by Chief and Council.

Adams Lake Indian Band

Summary of Significant Accounting Policies

March 31, 2024

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, 2024

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

	2024	2023
Band operations		
Cash	\$ 9,984,287	\$ 7,111,013
Property Tax- lease	2,219,402	2,151,702
Pierre's Point	841,593	492,155
Sandy Point	760,470	71,952
	13,805,752	9,826,822
Social Housing Operation		
Social Housing Operating - Pre-1997	121,203	118,019
	\$ 13,926,955	\$ 9,944,841

3. Restricted Cash

	2024	2023
Ottawa trust	\$ 623,674	\$ 587,879
Replacement reserve	418,475	408,345
Operating reserve	276,066	269,467
	\$ 1,318,215	\$ 1,265,691

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, 2024

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 (\$160,274) (2023 - (\$64,459)). The replacement reserve in Post was overfunded by \$576,204 (2023 - \$369,643) and in Pre was overfunded by \$72,614 (2023 - \$45,979).

4. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Accounts receivable -Trade	\$ 5,466,903	\$ 2,919,207
Social housing - Pre and Post	<u>12,842</u>	<u>9,495</u>
	<u>\$ 5,479,745</u>	<u>\$ 2,928,702</u>

5. Short-term Investments

	<u>2023</u>	<u>Contributions</u>	<u>Realized gain/(loss)</u>	<u>Unrealized gain/(loss)</u>	<u>2024</u>
RBC Balanced Fund - FRO	\$ 1,073,068	\$ -	\$ 24,281	\$ 38,850	\$ 1,136,199
RBC Redeemable GIC *	55,698	-	641	-	56,339
MFABC Ultra- Short Bond	59,516	-	1,551	1,162	62,229
RBC Balanced Fund- Impact	670,667	-	15,175	24,282	710,124
RBC Balanced Fund- Silviculture	938,934	-	21,246	33,994	994,174
RBC Dominion Securities	12,594,734	-	600,416	810,836	14,005,986
RBC Dominion Securities	<u>1,956,783</u>	<u>622,596</u>	<u>37,590</u>	<u>191,874</u>	<u>2,808,843</u>
	<u>\$ 17,349,400</u>	<u>\$ 622,596</u>	<u>\$ 700,900</u>	<u>\$ 1,100,998</u>	<u>\$ 19,773,894</u>

Short- term investments are recorded at fair market value.

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, 2024, earns interest at 2.750% and matures in a year.

Adams Lake Indian Band Notes to Consolidated Financial Statements

March 31, 2024

6. Investments

	<u>2024</u>	<u>2023</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
Sexqeltkcmc Enterprises Inc.	10	10
	<u>\$ 68,869</u>	<u>\$ 68,869</u>

7. Investments in Government Business Enterprises

	<u>2024</u>	<u>2023</u>
Adams Lake Indian Band Development Corporation	\$ 1,245,438	\$ 1,157,550

The band owns 100% of Adams Lake Indian Band Development Corporation. A summary of the financial statements for the year ended March 31, 2024 is as follows:

	<u>2024</u>
Balance Sheet	
Current assets	\$ 2,124,220
Capital assets	15,401
Other assets	1,006,274
	<u>\$ 3,145,895</u>
Current liabilities	\$ 1,404,013
Due to related parties	496,445
Share capital	1
Equity	1,245,437
	<u>\$ 3,145,896</u>
Statement of Operations	
Revenue	\$ 126,406
Expenses	38,518
Net Income	87,888
Equity, beginning of year	1,157,550
Equity, end of year	<u>\$ 1,245,438</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

8. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 301,885	\$ -	\$ 301,885	\$ -
Automotive	3,813,600	1,967,093	2,803,294	1,685,877
Buildings	17,854,730	8,829,224	13,370,094	8,405,135
Land Improvements	13,949,598	5,261,607	13,715,360	5,035,181
Equipment	2,277,873	1,366,065	1,505,232	1,053,953
Computer equipment	1,047,541	957,552	1,023,192	894,796
Infrastructure under construction	13,527,901	-	15,564,112	-
Social Housing	6,256,574	2,062,107	4,298,834	2,394,019
	59,029,702	20,443,648	52,582,003	19,468,961
Net Book Value		\$ 38,586,054		\$ 33,113,042

The tangible capital assets have not been assessed for asset retirement obligations as required by PS 3280 Asset Retirement Obligations. The assets listed may be understated by the amounts of any existing asset retirement obligation.

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

8. Tangible Capital Assets

	2024																	
	Infrastructure under construction		Automotive	Buildings	Land improvements	Equipment	Computer equipment	Social Housing	Total									
Cost, beginning 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
Additions		-		4,570,459		1,010,306		475,389		234,238		772,641		24,349		-		7,087,382
Disposals		-		-		-		-		-		-		-		(639,683)		(639,683)
Transfers		-		(6,606,670)		-		4,009,247		-		-		-		2,597,423		-
Cost, end of year	\$	301,885	\$	13,527,901	\$	3,813,600	\$	17,854,730	\$	13,949,598	\$	2,277,873	\$	1,047,541	\$	6,256,574	\$	59,029,702
Accumulated amortization, beginning of year	\$	-	\$	-	\$	1,685,877	\$	8,405,135	\$	5,035,181	\$	1,053,953	\$	894,796	\$	2,394,019	\$	19,468,961
Amortization		-		-		281,216		424,089		226,426		312,112		62,756		165,883		1,472,482
Disposals		-		-		-		-		-		-		-		(497,795)		(497,795)
Accumulated amortization, end of year	\$	-	\$	-	\$	1,967,093	\$	8,829,224	\$	5,261,607	\$	1,366,065	\$	957,552	\$	2,062,107	\$	20,443,648
Net carrying amount, end of year	\$	301,885	\$	13,527,901	\$	1,846,507	\$	9,025,506	\$	8,687,991	\$	911,808	\$	89,989	\$	4,194,467	\$	38,586,054

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

8. Tangible Capital Assets (continued)

	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	
Transfer	-	(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	\$	\$ 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, 2024

9. Accounts Payable

	<u>2024</u>	<u>2023</u>
Accounts payable - Trade	\$ 3,303,545	\$ 1,701,125
Social Housing- Post	14,393	33,553
Social Housing- Pre	<u>6,988</u>	<u>7,680</u>
	<u>\$ 3,324,926</u>	<u>\$ 1,742,358</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

10. Deferred Revenue

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

	2023	Recognized Revenue	Funding Received	2024
ISC contributions:				
Asset Management Plan	-	-	362,708	362,708
CFS	-	-	654,944	654,944
CFSR Estates Capacity	-	-	11,178	11,178
Comm Dev Wrap Around Init	-	-	492,727	492,727
Community Opportunity Readiness Program	116,583	(84,351)	-	32,232
Construction	1,579,425	(959,949)	-	619,476
Elementary/Secondary Education	618,289	-	362,184	980,473
FN Representative Service	112,514	-	38,044	150,558
HR Mgmt Gov Cap Dev	-	-	18,474	18,474
ICSF - DIR All EMAP	51,590	(51,590)	-	-
LEDSP Targeted - Economic Development	40,000	(40,000)	-	-
Major Renos	171,133	(171,133)	-	-
NFR - Assisted Living	-	-	82,485	82,485
NFR - Income Assistance	522,091	(239,145)	-	282,946
NFR - Reserve Land Management	51,100	-	37,743	88,843
NFR - Water & Wastewater O&M	-	-	678,621	678,621
Pathways Safe Indigenous Community	308,627	(308,627)	-	-
Preparedness/Mitigation	-	-	3,090	3,090
Project Administration	17,889	(17,889)	-	-
Water - Over 1.5M	-	-	48,289	48,289
	3,589,241	(1,872,684)	2,790,487	4,507,044
Other Contributions:				
First Nations Education Steering Committee	169,062	-	48,864	217,926
First Nations Health Authority	807,051	-	78,722	885,773
First Peoples Cultural Council	66,575	-	152,061	218,636
Prepaid Leases	1,985,634	-	404,816	2,390,450
Province of BC	412,917	-	1,028,959	1,441,876
Secwepemc Child & Family Services	297,615	(297,615)	-	-
Shuswap Nation Tribal Council Society	282,094	-	212,191	494,285
Other	231,459	(2,517)	-	228,942
	4,252,407	(300,132)	1,925,613	5,877,888
	\$ 7,841,648	\$ (2,172,816)	\$ 4,716,100	\$ 10,384,932

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

11. Long Term Debt

Post

	<u>2024</u>	<u>2023</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	\$ 43,670	\$ 66,025
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	90,121	114,503
All Nations Trust Company, repaid during the year	-	2,691
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	59,887	93,752
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	199,307	215,580
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	211,582	222,769
All Nations Trust Company, repayable in monthly installments of \$7,744, including interest at 3.74% per annum, secured by promissory notes of the Ministry and the Band and buildings, due June 2028	1,484,502	-
	<u>\$ 2,089,069</u>	<u>\$ 715,320</u>

Pre

All Nations Trust Company, repayable in monthly installments of \$2,321, including interest at 1.83% per annum, secured by promissory notes of the Ministry and the Band and buildings, due December 2024	\$ 20,732	\$ 47,937
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Band

Royal Bank of Canada, term loan, repayable interest only	\$ 2,500,000	\$ -
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Total Long term debt	<u>\$ 4,609,801</u>	<u>\$ 763,257</u>
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The estimated principal repayments on the above long term debt required over the next four years are as follows:

2025	\$ 2,869,330
2026	295,781
2027	68,538
2028	54,416
2029 and thereafter	1,321,736
	<u>\$ 4,609,801</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

12 . Accumulated Surplus

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ 12,662,871	\$ 11,083,284
Equity in tangible capital assets	37,304,866	33,178,399
Equity in Ottawa Trust (Note 3)	623,674	587,879
Internally Restricted Equity	6,575,356	6,575,356
Operating Reserve	436,341	333,926
Replacement Reserve	(230,343)	(7,276)
Accumulated remeasurement gain	2,835,133	1,788,284
	<u>\$ 60,207,898</u>	<u>\$ 53,539,852</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.

13. Comparative Figures

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

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

14. Expenses by Object

	<u>2024</u>	<u>2023</u>
Advertising and gifts	\$ 12,971	\$ 6,351
Amortization	1,472,482	1,236,899
Automotive	159,839	123,227
Bad debts and write downs (recovery)	175,654	(1,473,387)
Contract services	4,263,619	3,678,994
Loss on disposal of capital assets	141,889	-
Education	1,053,880	1,062,608
Honorarium	639,605	538,226
Insurance	432,846	255,756
Interest and bank charges	309,620	110,739
Leases	392,176	296,671
Licenses, dues and fees	210,126	84,794
Logging (recovery)	650,133	(334,142)
Materials and supplies	1,885,554	1,034,374
Meetings and ceremonies	389,354	308,963
Office and other	881,672	891,482
Professional fees	524,434	317,972
Program expenses	671,910	593,268
Repairs and maintenance	1,123,148	395,822
Reserve contributions	41,160	39,685
Training	167,909	130,156
Travel	721,016	483,233
Utilities	950,333	854,809
Wages and benefits	11,285,002	8,219,178
	<u>\$ 28,556,332</u>	<u>\$ 18,855,678</u>

Adams Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

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 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, 2024

15. Segment Disclosure (continued)

2024	Band Revenue	Administration	Maintenance Services	Community Services	Capital	Education	Health Services	Natural Resources	Social Housing	Total
Revenue										
ISC	\$ 1,316,535	\$ 908,235	\$ 489,036	\$ 2,377,628	\$ 2,241,882	\$ 1,938,793	\$ 11,549	\$ -	\$ -	\$ 9,283,658
Other	14,605,956	537,974	776,023	2,686,854	287,847	1,887,378	1,743,390	4,457,252	470,474	27,453,148
Total	15,922,491	1,446,209	1,265,059	5,064,482	2,529,729	3,826,171	1,754,939	4,457,252	470,474	36,736,806
Expenses										
Wages & benefits	2,022,006	1,667,899	791,316	2,134,071	259,657	2,388,074	886,434	1,135,545	-	11,285,002
Purchases	3,014,467	1,981,418	1,682,466	1,960,532	766,516	2,287,610	958,736	2,936,041	211,062	15,798,848
Amortization	1,306,599	-	-	-	-	-	-	-	165,883	1,472,482
Total	6,343,072	3,649,317	2,473,782	4,094,603	1,026,173	4,675,684	1,845,170	4,071,586	376,945	28,556,332
Surplus (deficit)	\$ 9,579,419	\$ (2,203,108)	\$ (1,208,723)	\$ 969,879	\$ 1,503,556	\$ (849,513)	\$ (90,231)	\$ 385,666	\$ 93,529	\$ 8,180,474

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	9,549,597	294,319	199,987	1,443,847	1,201,598	1,513,640	2,997,060	4,275,668	334,519	21,810,235
Total	10,400,808	1,004,703	1,191,845	2,491,558	3,831,703	3,943,371	3,109,433	4,275,668	334,519	30,583,608
Expenses										
Wages & benefits	1,627,370	1,227,019	504,565	756,683	283,877	1,825,688	714,200	1,279,776	-	8,219,178
Purchases	1,144,263	1,338,190	1,072,755	1,394,435	241,826	1,978,503	600,179	1,459,795	169,655	9,399,601
Amortization	1,070,310	-	-	-	-	-	-	-	166,589	1,236,899
Total	3,841,943	2,565,209	1,577,320	2,151,118	525,703	3,804,191	1,314,379	2,739,571	336,244	18,855,678
Surplus (deficit)	\$ 6,558,865	\$ (1,560,506)	\$ (385,475)	\$ 340,440	\$ 3,306,000	\$ 139,180	\$ 1,795,054	\$ 1,536,097	\$ (1,725)	\$ 11,727,930

Adams Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

16. 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, 2024 based on logging performance is \$2,362,312 (2023 - \$2,246,433).
