

LAKE BABINE NATION



CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

LAKE BABINE NATION

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MARCH 31, 2022

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LAKE BABINE NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2022

The accompanying consolidated financial statements of Lake Babine Nation are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, 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 consolidated financial statements and the external auditor's report.

The external auditors, DMC Chartered Professional Accountants Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Lake Babine Nation and meet when required.

On behalf of Lake Babine Nation:

Chief

Sept 28/22
Date

Councillor

Sept 28, 22
Date

Chief Finance Officer

Sept 28, 2022
Date



Independent Auditor's Report

To the Members of
Lake Babine Nation

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Lake Babine Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of revenue, expenditures and accumulated surplus, change 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.

Except as noted in the following paragraph, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the as at and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As described in Note 4, the Band holds investments in government business enterprises which are accounted for using the modified equity method. Each of these government business enterprises does not have audited financial information available, and as such we are unable to determine whether any adjustment might be necessary to the Band's investment in these government business enterprises, and accumulated surplus (deficit) for the years ended March 31, 2022 and 2021. Our audit opinion has been modified accordingly because of the possible effects of this limitation of scope.

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 First Nation 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 the consolidated financial statements in accordance with PSAB, 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 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 First 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 First 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 First 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 First Nation 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.

Prince George, British Columbia
September 28, 2022

DMC Chartered Professional
Accountants Inc.

LAKE BABINE NATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****MARCH 31, 2022**

	2022	2021
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,084,630	\$ 1,931,517
Short term deposits (Note 2)	42,274,488	11,668,023
Restricted cash (Note 2)	308,578	327,518
Accounts receivable (Note 3)	7,083,966	3,423,675
Investment in Government business enterprises (Note 4) (Note 5)	18,919,795	10,447,621
Federal trust funds (Note 6)	1,682,303	1,644,980
	72,353,760	29,443,334
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,686,143	1,550,446
Deferred revenue (Note 8)	32,608,980	8,404,631
Long-term debt (Note 9)	6,287,206	6,682,558
	40,582,329	16,637,635
NET FINANCIAL ASSETS	31,771,431	12,805,699
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 10)	38,390,434	35,482,168
Prepaid expenses	118,874	120,759
	38,509,308	35,602,927
ACCUMULATED SURPLUS (Note 11)	\$ 70,280,739	\$ 48,408,626

Contingent Liabilities (Note 12)

Approved on behalf of the Lake Babine Nation

_____, Chief

_____, Councillor

_____, Chief Finance Officer

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2022

	2022 Budget	2022 Actual	2021 Actual
EXCESS OF REVENUE OVER EXPENDITURES	\$ (2,313,539)	\$ 21,872,113	\$ 12,141,739
Acquisition of tangible capital assets	-	(4,824,309)	(2,872,367)
Amortization of tangible capital assets	-	1,916,043	1,411,847
Gain (loss) on disposal of tangible capital assets	-	-	(7,280)
Proceeds on disposal of tangible capital assets	-	-	10,000
	-	(2,908,266)	(1,457,800)
Acquisition of prepaid asset	1,885	(109,168)	(120,769)
Use of prepaid asset	-	111,053	131,751
	1,885	1,885	10,982
(Decrease) increase in net financial assets	(2,311,654)	18,965,732	10,694,921
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	12,805,699	2,110,778
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 31,771,431	\$ 12,805,699

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2022

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Federal Government (Note 14)	\$ 12,287,999	\$ 22,887,827	\$ 16,155,247
Provincial Government (Note 14)	-	14,221,182	9,874,264
Other Aboriginal Groups	4,361,544	8,459,670	10,068,362
Band Generated	892,400	2,050,431	1,618,440
Miscellaneous	1,731,734	1,411,360	372,876
First Nations Gaming	-	525,377	922,851
Interest income	-	289,315	104,133
Deferred revenue	350,000	(1,988,421)	(2,032,652)
	19,623,677	47,856,741	37,083,521
EXPENDITURES			
Operations	3,774,338	3,601,967	3,983,067
LBN Education Program	6,581,225	9,151,847	7,228,043
Economic Development	436,762	561,159	423,559
Natural Resource Management	972,242	3,148,279	2,564,561
Social Housing Fund	1,054,100	2,194,839	2,105,293
Health Services Fund	3,773,710	5,426,862	3,854,581
LBN Social Development	2,967,898	2,328,323	2,672,187
Capital Projects 500	946,518	2,297,753	1,720,571
Operations & Maintenance	1,320,565	1,448,769	1,370,000
Fisheries Fund	-	1,106,965	502,758
Lake Babine Child & Family Services	109,858	2,617,267	1,348,239
	21,937,216	33,884,030	27,772,859
RECOVERY	-	(87,945)	-
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS	(2,313,539)	13,884,766	9,310,674
OTHER ITEMS			
Insurance Proceeds	-	-	292,809
Income from First Nation Entities	-	7,761,724	2,373,784
Forgiveness of debt	-	140,020	157,192
Gain on disposal of tangible capital assets	-	-	7,280
ISC escalator payments received in error	-	85,603	-
	-	7,987,347	2,831,065
EXCESS OF REVENUE OVER EXPENDITURES	(2,313,539)	21,872,113	12,141,739
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	48,408,626	36,266,887
ACCUMULATED SURPLUS AT END OF YEAR	\$ (2,313,539)	\$ 70,280,739	\$ 48,408,626

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
Cash flows from		
OPERATING ACTIVITIES		
EXCESS OF REVENUE OVER EXPENDITURES	\$ 21,872,113	\$ 12,141,739
Items not affecting cash		
Amortization	1,916,043	1,411,847
Contributions to Ottawa Trust fund	(37,323)	(102,660)
Income from investments in First Nations Enterprises	(7,761,724)	(2,373,784)
Forgiveness of debt	(140,020)	(157,192)
Gain on disposal of tangible capital assets	-	(7,280)
	15,849,089	10,912,670
Change in non-cash operating working capital		
Prepaid expenses	1,885	10,991
Accounts payable and accrued liabilities	135,697	(161,102)
Deferred revenue	24,204,349	2,027,080
Accounts receivable	(3,660,291)	797,805
	36,530,729	13,587,444
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,824,309)	(2,872,367)
Proceeds on sale of tangible capital assets	-	10,000
	(4,824,309)	(2,862,367)
FINANCING ACTIVITIES		
Proceeds on long term debt	-	134,015
Repayment of long term debt	(255,332)	(246,960)
Repayment of short term financing	-	(5,000)
	(255,332)	(117,945)
INVESTING ACTIVITIES		
Advances from First Nations Investments	(710,450)	747,507
INCREASE IN CASH AND CASH EQUIVALENTS	30,740,638	11,354,639
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,927,058	2,572,419
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 44,667,696	\$ 13,927,058
REPRESENTED BY		
Cash	\$ 2,084,630	\$ 1,931,517
Short term deposits	42,274,488	11,668,023
Restricted cash	308,578	327,518
	\$ 44,667,696	\$ 13,927,058

See accompanying notes to these financial statements.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

DESCRIPTION OF OPERATIONS

Lake Babine Nation is a self-governed First Nation Band and operates on Lake Babine Nation traditional territory, located at Burns Lake, BC and area.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Chartered Accountants.

(a) Reporting entity principles of financial reporting

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

The First Nation also prepares Financial Statements that summarize the assets, liabilities and results of operations for the following entities:

1. Lake Babine Nation Health Services Fund

All inter-entity balances have been eliminated.

(b) Fund accounting

The 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 purposes of presentation in the Summary Financial Statements. Detail of the operations of each fund are set out in the supplementary schedules. The First Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation including administration, education, social assistance, natural resource management, operations and maintenance, housing Lake Babine Child and Family, and other miscellaneous programs.
- The Ottawa Trust Fund, which reports the trust funds owned by the Nation and held in trust by the Government of Canada.
- The Equity in Government Business Enterprises fund, which reports the operations of the Nations investments in its government business enterprises on a modified equity basis.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, short term deposits and federal trust funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and long term debt.

Fair value is determined by the price that is quoted in an active market. The most recent quote price becomes its new carrying value. When a quoted price in an active market is not available for an equity instrument that is an investment, it is measured at cost.

The Nation does not currently have any financial instruments that are measured at fair value.

(d) Cash

Cash and cash equivalents include cash on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(e) Investments in Government Business Enterprises

Lake Babine Nation's investment in government business enterprises owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are accounted for using the modified equity method. Under the modified equity method, the equity method is modified only to the extent that the First Nation entity accounting principles are not adjusted to conform to those of the First Nation. The First Nation's investment in these entities is recorded at cost and increased or decreased for its proportionate share of the post acquisition earnings, losses and distributions received. Entities accounted for under the modified equity method include:

Burns Lake Native Development Corporation
Lake Babine Economic Development Society
Woyenne Enterprises Ltd.
Talok Fisheries Ltd.
Talok Fisheries Limited Partnership
Lake Babine Nation Forestry Ltd.
Lake Babine Nation Forestry Limited Partnership
Lake Babine Nation Construction Ltd.
Lake Babine Nation Ventures Ltd.
Lake Babine Nation Ventures LP
Nedut'een Development Corp.
Fort Babine Lake Property Ltd.
1203001 B.C. Ltd.
BC First Nations Gaming Revenue Sharing LP

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Trust funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Lake Babine Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance basis based on each asset class' estimated useful lives as follows:

Automotive equipment	30%
Buildings and infrastructure	4%
Computer equipment	30%
Equipment	20%
Fisheries equipment	20%
Water and sewer	5%
Roads and bridges	5%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Lake Babine Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Assets under construction are not amortized until the asset is available to be put into service.

(h) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as excess of the carrying value of the asset over its fair value.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Surplus recoveries and deficit funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency. These recoveries and additional fundings are recognized when recovered or received from the funding arrangement.

(j) Revenue recognition

Revenue and funding are recognized as follows:

i) Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Any such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.

Government transfers without stipulations are recognized in the period in which the transfer is authorized, any eligibility criteria have been met and a reasonable estimate of the amount to be received can be made.

ii) Housing revenue is recognized based on lower end of market (LEM) rent for CMHC subsidized housing and based on collected receipts for non-subsidized houses. Rents not collected are written off to bad debts.

iii) Income from investments is recorded on the accrual basis.

iv) Funding received under the terms of specified use agreements (other than government transfers) is recognized as revenue when the related expenditures are incurred. To the extent that such funding meets the definition of a liability it is recorded as deferred revenue until such time that is expended.

(k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(l) Net Financial Assets

The Nation's financial statements are presented so as to highlight net financial Assets as the measurement of financial position. The net assets of the Nation is determined by its financial assets less its liabilities. Net assets is comprised of two components, non-financial assets and accumulated surplus.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(m) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(n) 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accounts specifically affected by estimates in these financial statements are allowance for doubtful accounts and accounts receivable impairment. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

	2022	2021
Internally restricted		
Short term deposit - Premium Investment Savings Account	\$ 42,274,488	\$ 11,668,023
Capital projects	308,578	327,518
	42,583,066	11,995,541
Unrestricted		
Operating	1,738,700	1,656,489
Health	78,942	18,308
Natural Resources Department	101,979	37,324
Social Housing	165,009	219,396
	2,084,630	1,931,517
Total cash and cash equivalents	\$ 44,667,696	\$ 13,927,058

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

3. ACCOUNTS RECEIVABLE

	2022	2021
Due from government and funders		
Indigenous Services Canada (ISC)	\$ 2,313,230	\$ 732,784
Department of Fisheries and Oceans	299,322	311,998
Other First Nation Funding agencies	3,937,147	1,801,599
Province of British Columbia	453,843	530,848
Government Remittances	80,424	46,446
	7,083,966	3,423,675
Due from members		
Rent receivable	7,745,547	6,924,927
Allowance for doubtful accounts - rent receivable	(7,745,547)	(6,924,927)
	-	-
	\$ 7,083,966	\$ 3,423,675

4. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

- ♦ Burns Lake Native Development Corporation (BLNDC), 62.87% ownership
- ♦ Woyenne Enterprises Ltd., 100% ownership
- ♦ Talok Fisheries Corporation Ltd. (Talok Ltd.), 100% ownership
- ♦ Talok Fisheries LP (Talok LP), 99.99% ownership
- ♦ Lake Babine Nation Construction Ltd., 100% ownership
- ♦ Lake Babine Nation Ventures (GP) Ltd., 100% ownership
- ♦ Lake Babine Nation Ventures LP, 99.99% ownership
- ♦ Nedut'een Development Corporation, 100% ownership
- ♦ Lake Babine Nation Forestry LP, 99.99% ownership
- ♦ Lake Babine Nation Forestry Ltd., 100% ownership
- ♦ Fort Babine Lake Property Ltd., 100% ownership
- ♦ 1203001 B.C. Ltd., 100% ownership
- ♦ Lake Babine Economic Development Society (LBEDS) - LBEDS acts as an agent to Lake Babine Nation as the Chief and Council hold and exert significant decision making power within the Society.

Qualification on Audit Report:

The above noted companies have not had a year end completed as at March 31, 2022, and as a result, we were unable to determine whether adjustments were required in respect of investments and advances, other income (charges), excess revenues (expenditures) for the year and fund balances at end of year.

Cash distributions of equity from investments in Government business enterprises are as follows:

	2022	2021
LBN Forestry Services LP	\$ -	\$ 921,473

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	2022 Unaudited	2021 Unaudited
Burns Lake Native Development Corporation (62.87%)		
BLNDC shares, at cost	\$ 63	\$ 63
BLNDC share of net assets	4,658,823	4,658,823
	4,658,886	4,658,886
Lake Babine Economic Development Society (100%)		
Advances to Lake Babine Economic Development Society	591,166	591,166
Lake Babine Economic Development Society, deficiency in net assets	(173,611)	(173,611)
	417,555	417,555
Woyenne Enterprises Ltd. (100%), shares at cost		
Woyenne Enterprises Ltd., shares at cost	2	2
Talok Fisheries Ltd. (100%)		
Talok Fisheries Ltd. shares at cost	1	1
Talok Fisheries Ltd. share of net assets	73,937	73,937
Advances from Talok Fisheries Ltd.	(2,743)	(4,492)
	71,195	69,446
Talok Fisheries LP (99.99%)		
Partnership Units	1,200	1,200
LBN share of net assets	373,462	373,462
Advances from Talok Fisheries LP	300,028	329,228
	674,690	703,890
Lake Babine Nation Forestry LP (99.99%)		
Advances to Lake Babine Nation Forestry LP	3,174	3,174
LBN share of net assets	12,093,145	4,331,421
	12,096,319	4,334,595
1203001 B.C. Ltd. (100%)		
1203001 B.C. Ltd. shares, at cost	1	1
Advances to 1203001 B.C. Ltd.	973,029	263,136
	973,030	263,137
BC First Nations Gaming Revenue Sharing General Partnership		
Partnership Units	110	110
Fort Babine Lake Property Ltd.		
Advances to 1203001 B.C. Ltd.	28,008	-
	\$ 18,919,795	\$ 10,447,621

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	2022 Revenue	2022 Capital	2022 Total	2021 Total
Surplus, beginning of year	\$ 843,936	\$ 801,044	\$ 1,644,980	\$ 1,542,320
Interest earnings	37,323	-	37,323	102,660
Surplus, end of year	\$ 881,259	\$ 801,044	\$ 1,682,303	\$ 1,644,980

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trades accounts payable	\$ 487,172	\$ 344,275
Accrued payables	139,430	532,201
Payroll and benefits	1,059,541	673,970
	\$ 1,686,143	\$ 1,550,446

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

8. DEFERRED REVENUE

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Indigenous Services Canada (ISC)				
ISC - Nation rebuilding	\$ 398,559	\$ -	\$ (264,422)	\$ 134,137
CPMS 7769 Surplus Account	1,776	-	-	1,776
Village of BL - WTP	377,853	-	-	377,853
A&C Wastewater	16,030	-	(14,295)	1,735
ACRES Group 2	22,190	-	-	22,190
Digitization project	43,974	-	(29,687)	14,287
COVID 19 Emergency Management	144,811	-	-	144,811
COVID 19 Special Needs	75,508	-	-	75,508
FNESS - Emergency Training	2,379	-	-	2,379
COVID 19 LEDSP-CEDP-ICBF	128,573	134,926	(101,573)	161,926
IND Community	520,327	-	(260,338)	259,989
COVID 19 Base needs	69,240	104,860	-	174,100
COVID 19 OCI REO	19,862	-	(4,290)	15,572
COVID 19 Income assistance	256,661	-	(17,850)	238,811
Asset management system	25,035	-	(25,035)	-
Child and Family Coordinator	281,272	-	(281,272)	-
Woyenne Drainage	-	4,763,323	(2,699,572)	2,063,751
Remediation and waste management	-	250,000	-	250,000
	2,384,050	5,253,109	(3,698,334)	3,938,825
Provincial Government				
Joint Forestry Forum	15,673	-	-	15,673
Community resource coordinator	181,784	-	(181,784)	-
Negotiation and implementation fund	3,208,091	3,015,397	(1,694,861)	4,528,627
Consultation and engagement	20,000	-	(265)	19,735
Negotiation agreements	25,000	-	-	25,000
Infrastructure	999,318	-	(140,471)	858,847
LMP Project	223,071	-	(181,024)	42,047
Reconnect Project	75,000	-	(67,246)	7,754
Foundation agreement	-	29,000,000	(7,000,000)	22,000,000
Crime prevention and remediation	-	30,000	-	30,000
Bulkley TSA	-	85,000	-	85,000
Lake resiliency project	-	24,000	-	24,000
	4,747,937	32,154,397	(9,265,651)	27,636,683

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

Other				
Tree planting	70,000	-	-	70,000
FNESCS - school bus purchase	191,535	103,440	(216,819)	78,156
FNHA - Mobile support team	147,658	-	(147,658)	-
First Nation home and community care	201,270	-	(3,500)	197,770
OGC - RFS Aboriginal liaison program	95,959	-	(95,959)	-
FNHA - Traditional projects	14,025	-	(14,025)	-
FNHA - Project COVID 19 emergency	64,313	63,614	-	127,927
PGNAETA Bladerunners	67,543	-	(32,534)	35,009
NNDAP mental health	235,342	92,970	-	328,312
Prenatal program	54,315	27,828	-	82,143
PGNAETA health forum	10,000	-	-	10,000
Family violence prevention	17,871	13,784	-	31,655
Child and family coordinator	90,283	-	(90,283)	-
Woyenne Drainage	12,530	-	(12,530)	-
FPCC language vitality	-	72,500	-	72,500
	1,272,644	374,136	(613,308)	1,033,472
	\$ 8,404,631	\$ 37,781,642	\$ (13,577,293)	\$ 32,608,980

9. LONG-TERM DEBT

	2022	2021
Gas Bar term loan bearing interest at prime plus 0.5% per annum, repayable in monthly payments of \$14,445. The loan is secured by general security agreement. The loan matures on July 13, 2043.	\$ 2,254,160	\$ 2,427,500
Safehouse - On-reserve Shelter Enhancement Program loan bearing interest at 0% per annum, forgivable at 1/15th per annum, ending on March 31, 2035.	1,654,048	1,772,194
Natural Resource Building term loan bearing interest at prime plus 5.11% per annum, repayable in monthly payments of \$7,920 including interest. The loan is secured by general security agreement. The loan matures on July 13, 2043.	1,246,300	1,276,784
Fort Babine Lodge term loan bearing interest at prime plus 0.0% per annum, repayable in monthly payments once the final draw has been made.	775,525	775,525
Triplex term loan bearing interest at prime plus 1.25% per annum, repayable in monthly payments of \$2,169 excluding interest. The loan is secured by general security agreement. The loan matures on June 30, 2023.	293,443	319,479
Vehicle loan bearing interest at 6.99% per annum, repayable in monthly payments of \$1,081 including interest, due on demand. The loan is secured by specific equipment with a net book value of \$18,623. The loan matures on January 22, 2024.	22,269	33,276

LAKE BABINE NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****9. LONG-TERM DEBT, continued**

	2022	2021
Vehicle loan bearing interest at 6.99% per annum, repayable in monthly payments of \$951 including interest, due on demand. The loan is secured by specific equipment with a net book value of \$17,293. The loan matures on January 22, 2024.	19,587	29,269
On-reserve Residential Rehabilitation Assistance Program loan bearing interest at 5.375% per annum. The loan is forgivable over a 5 year period and must be repaid in full including interest should the Nation default on the loan. The loan matures on December 18, 2023.	12,000	24,000
On-reserve Residential Rehabilitation Assistance Program loan bearing interest at 4.875% per annum. The loan is forgivable over a 5 year period and must be repaid in full including interest should the Nation default on the loan. The loan matures on January 15, 2023.	9,874	19,748
Loan repaid during the year	-	4,783
	\$ 6,287,206	\$ 6,682,558

All of the above On-reserve Residential Rehabilitation Assistance Program loans are secured by promissory notes signed by the Nation stating that the loans are forgiven on a straight line basis over the period of the loan should they remain in compliance with the agreements. If the Nation is not in compliance, the principal plus any accrued interest becomes due on demand. As at March 31, 2022 the Nation was in compliance with the agreements.

	2022	2021
Interest expense for the year on long-term debt	\$ 167,762	\$ 180,582

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

10. TANGIBLE CAPITAL ASSETS

	Cost	Additions	Disposals	Accumulated amortization	2022 Net book value
Land	\$ 4,743,539	\$ -	\$ -	\$ -	\$ 4,743,539
Buildings and infrastructure	54,700,709	666,420	-	36,393,077	18,974,052
Automotive equipment	2,108,965	520,376	-	1,240,128	1,389,219
Computer equipment	1,099,908	165,142	-	745,305	519,745
Equipment	2,327,041	70,730	-	2,103,079	294,692
Fisheries equipment	249,903	251,249	-	196,396	304,756
Water and sewer	14,217,780	92,042	-	7,094,082	7,215,740
Roads and bridges	5,406,815	3,058,350	-	3,516,474	4,948,691
	\$ 84,854,660	\$ 4,824,309	\$ -	\$ 51,288,541	\$ 38,390,434

	Cost	Additions	Disposals	Accumulated amortization	2021 Net book value
Land	\$ 4,743,539	\$ -	\$ -	\$ -	\$ 4,743,539
Buildings and infrastructure	54,485,227	215,482	-	35,611,415	19,089,294
Automotive equipment	1,668,254	539,017	98,306	1,010,888	1,098,077
Computer equipment	749,200	350,708	-	581,254	518,654
Equipment	2,272,387	54,654	-	2,036,788	290,253
Fisheries equipment	249,903	-	-	160,168	89,735
Water and sewer	12,632,670	1,585,110	-	6,714,306	7,503,474
Roads and bridges	5,279,419	127,396	-	3,257,673	2,149,142
	\$ 82,080,599	\$ 2,872,367	\$ 98,306	\$ 49,372,492	\$ 35,482,168

Buildings under construction in the amount of \$154,666 (2021 - \$1,671,478) are included in Buildings and Infrastructure and will not be amortized until construction is complete.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

11. ACCUMULATED SURPLUS

	2022	2021
Restricted		
Equity in Investments in Government business enterprises	\$ 17,020,739	\$ 9,259,015
Equity in Ottawa Trust Funds	2,057,108	2,019,784
	19,077,847	11,278,799
Unrestricted		
Operating equity	51,202,892	36,071,827
	\$ 70,280,739	\$ 47,350,626

12. CONTINGENT LIABILITIES

Lake Babine Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

Nation has an Bank indebtedness consists of operating line of credit authorized to \$150,000 bearing interest at prime plus 2.65% per annum, and is unsecured.

In addition, in the normal course of its operations, Lake Babine Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Lake Babine Nation's financial statements. In managements opinions there are no losses resulting in the accrual of a liability present as at the date of the audit report.

13. ECONOMIC DEPENDENCE

Lake Babine Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada. The Nation's ability to operate certain programs depends on the continuation of this funding.

LAKE BABINE NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****14. GOVERNMENT TRANSFERS**

	2022		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 16,781,458	\$ 4,733,323	\$ 21,514,781
OGC - Capacity Funding	145,758	-	145,758
Canada Mortgage and Housing Corporation	9,359	-	9,359
Department of Fisheries and Oceans	987,832	-	987,832
Pacific Salmon Commission	230,097	-	230,097
Total	18,154,504	4,733,323	22,887,827
Provincial government transfers	14,221,182	-	14,221,182
	\$ 32,375,686	\$ 4,733,323	\$ 37,109,009
	2021		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 14,066,803	\$ 933,920	\$ 15,000,723
OGC - Capacity Funding	111,202	-	111,202
Department of Fisheries and Oceans	551,023	-	551,023
Government of Canada	492,299	-	492,299
Total	15,221,327	933,920	16,155,247
Provincial government transfers	9,874,264	-	9,874,264
	\$ 25,095,591	\$ 933,920	\$ 26,029,511

15. EMPLOYMENT RETIREMENT PLAN

The First Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 3% and 8% of their gross pay with the organization making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2022 were \$242,458 (2021 - \$210,530).

16. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates provided by management, and were approved by Chief and Council on March 28, 2021.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

17. COVID-19

On March 1, 2020, the World Health Organization categorized Covid-19 as a pandemic. The potential effects within the First Nations environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus could have a material impact on the First Nation's operations.

The extent of the impact of this outbreak and related containment measures on the First Nation are unknown at this time

18. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period.

19. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

(a) Credit Risk

The Band is exposed to credit risk from their investment in Lake Babine Economic Development Society ("LBEDS"), which is in the same geographical area and does significant business with members of the Nation. The Nation has advanced significant amounts to LBEDS to assist with start up and construction costs, and payroll, management considers their risk of collection of these receivables to be acceptable and appropriately managed.

(b) Interest rate risk

The band is exposed to interest rate risk. Interest rate risk is the risk that the band has interest rate exposure on its bank contingent liabilities, and long-term debt, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The band reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans that are at fixed term rates and do not affect interest rate risk. The band does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk to the band is low and is not material.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

20. EXPENDITURES BY OBJECT

	2022 Budget	2022 Actual	2021 Actual
Administration fees	\$ 961,552	\$ 69,033	\$ 1,704
Advertising	35,300	21,316	19,060
Amortization	-	1,916,043	1,411,847
Awards day	21,000	13,149	19,569
Bad debts	-	1,723,155	975,471
Capital purchases	161,971	-	-
Catering	124,100	137,977	65,557
Christmas	65,200	66,862	69,039
Community Support	165,900	319,914	134,681
Contracted services	893,492	451,163	740,724
Equipment leases and rentals	52,177	118,018	62,681
Fees	89,005	252,436	573,203
Field trips	8,000	4,598	2,806
Fuel and oil	93,400	79,412	70,202
GST (Recovery)	-	-	(280,841)
General operating expense	96,000	119,624	28,880
Honorarium	611,184	1,333,442	912,098
Incentives	105,500	162,327	107,200
Insurance	180,590	448,797	410,785
Interest and bank charges	77,739	209,467	217,967
Janitorial	-	16,514	-
Meeting expenses	514,363	163,294	168,089
Nutrition	163,000	237,451	160,260
Other expense	412,934	356,949	387,602
Professional development	80,800	98,460	60,581
Professional fees	323,148	1,487,045	1,167,683
Property taxes	355	3,829	11,848
Purchases	10,000	6,746	2,446
Rent	275,932	329,307	327,106
Repairs and maintenance	785,440	1,251,314	1,090,517
Social assistance and support	1,779,898	1,746,740	2,053,632
Supplies	578,853	2,487,345	1,525,756
Traditional food	42,379	43,979	28,442
Training	15,255	282,745	70,112
Travel	1,535,484	2,160,899	1,051,123
Tuitions and allowances	2,853,825	3,182,087	2,932,135
Utilities and telephone	776,704	944,128	842,741
Wages and benefits	7,957,336	11,517,194	10,240,270
Wood delivery	89,400	121,271	109,883
	\$ 21,937,216	\$ 33,884,030	\$ 27,772,859

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION

Lake Babine Nation is a First Nation organization that provides a wide range of services to its members including social, education, housing, capital, economic development and community services. For management reporting purposes, the Nation's operations and activities are organized and reported by segments. Segments were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations.

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

Operations

The Operations program provides administration support to the First Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

Education

The Education program provides primary and secondary instructional services and financial support to eligible post-secondary First Nations students.

Economic Development

The Economic Development program provides planning and capacity development initiatives under various agreements.

Natural Resource Management

The Natural Resources program administers and oversees natural resource based projects.

Social Housing

The Housing program provides on-reserve housing to eligible members under the CMHC housing programs for First Nations, and reports on the respective revenue and expenditures.

Health Services

The Health program provides a variety of health and wellness programs and support to First Nation members.

Social Development

The Social Development program Administers the provision of social assistance to qualifying First Nation members, as well as providing social development programs to the First Nation.

Capital

The Capital program administers the development of new capital projects and infrastructure programs on the reserve.

Operations and Maintenance

The Operations and Maintenance program provides regular maintenance services throughout the First Nation.

Fisheries

The Fisheries program administers fishing operations, habitat restoration, and research on First Nation land.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

Child and Family Services

The Child and Family Services program provides special needs and prevention services to the First Nations members

Equity in First Nation Investments

The Equity in First Nation Investments program includes all activity from investments in other entities by the First Nation.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

	2022 Budget	Operations		2021 Actual	LBN Education Program		2021 Actual	2022		Economic Development	
		2022 Actual	2021 Actual		2022 Budget	2022 Actual		2022 Budget	2022 Actual	2022 Budget	2021 Actual
Revenues											
Indigenous Services Canada	\$ 772,280	\$ 7,074,178	\$ 1,713,540	\$ 5,818,248	\$ 5,721,335	\$ 5,542,570	\$ 155,070	\$ 156,046	\$ 152,986		
Provincial Government	-	7,048,529	1,150,206	-	906,355	955,368	-	2,199,813	2,278,816		
Other Aboriginal Groups	-	-	439,820	728,352	2,640,653	2,631,994	-	-	-		
Band Generated	6,000	8,400	5,000	-	23,823	3,775	25,000	243,051	167,447		
Interest income	-	288,761	103,510	-	-	-	-	-	-		
Administration fee	1,219,237	82,995	1,276	-	-	-	-	-	-		
Transfer from deferred revenue	-	113,753	1,305,283	-	145,913	-	-	-	-		
Other revenue	10,000	(8,314,914)	(809,768)	-	122,100	(235,358)	123,636	100	56,351		
Total revenue	2,007,517	6,301,702	3,908,867	6,546,600	9,560,179	8,898,349	303,706	2,599,010	2,655,600		
Expenses											
Administration fees	2,800	2,800	(371,661)	413,688	15,404	(124,995)	15,000	-	15,299		
Capital purchases	75,739	(922,508)	-	15,500	332,801	-	1,332	2,129	-		
Contracted services	82,325	3,423	113,624	-	17,782	1,510	-	60,000	-		
Professional fees	132,288	222,918	271,468	2,500	5,502	240	8,600	14	25,382		
Repairs and maintenance	10,200	30,841	150,735	17,750	195,821	98,152	2,990	1,287	7,980		
Travel	426,050	170,146	84,669	61,000	141,430	47,673	12,000	6,331	3,776		
Wages and benefits	1,416,818	1,670,425	1,918,426	2,734,728	3,604,007	3,573,250	183,585	147,918	115,507		
Other expenses	1,628,118	2,423,922	1,815,806	3,336,059	4,839,100	3,632,213	213,255	343,480	255,615		
Total expenses	3,774,338	3,601,967	3,983,067	6,581,225	9,151,847	7,228,043	436,762	561,159	423,559		
Recoveries											
Other income (expenses)	(1,766,821)	2,699,735	(74,200)	(34,625)	408,332	1,670,306	(133,056)	2,037,851	2,232,041		
	-	(9,963)	-	-	(15,921)	-	-	(2,342)	-		
	-	9,963	-	-	15,921	-	-	-	-		
Annual surplus (deficit)	\$ (1,766,821)	\$ 2,699,735	\$ (74,200)	\$ (34,625)	\$ 408,332	\$ 1,670,306	\$ (133,056)	\$ 2,035,509	\$ 2,232,041		

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

	Natural Resource Management			Social Housing Fund			Health Services Fund		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 378,656	\$ 581,039	\$ -	\$ -	\$ -	\$ -
Federal Government	-	-	-	-	9,359	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	103,045	60,000
Other Aboriginal Groups	-	-	-	-	-	-	3,633,192	4,343,331	5,483,267
Band Generated	-	-	-	700,000	1,490,321	1,124,003	-	-	-
Interest Income	-	-	-	-	74	70	-	-	-
Transfer from deferred revenue	-	-	-	-	-	-	-	165,183	269,691
Other revenue	709,167	12,108,440	5,009,252	-	-	926	-	(184,412)	(701,672)
Total revenue	709,167	12,108,440	5,009,252	1,078,656	2,080,793	1,124,999	3,633,192	4,427,147	5,111,286
Expenses									
Administration fees	-	-	-	-	-	427	91,946	(9,987)	(10,000)
Amortization	-	-	-	-	15,069	15,588	-	215,278	99,313
Capital purchases	-	-	-	-	-	-	48,400	1	(251,929)
Contracted services	-	-	-	-	-	-	111,663	52,593	346,999
Professional fees	-	-	-	-	13,445	7,500	9,500	9,500	9,500
Repairs and maintenance	-	-	-	469,400	571,078	462,358	120,900	228,184	114,874
Travel	-	-	-	20,000	6,056	5,327	848,165	1,371,211	779,681
Wages and benefits	-	-	-	485,600	309,555	353,022	1,533,586	2,203,260	1,850,072
Other expenses	972,242	3,148,279	2,564,561	79,100	1,279,636	1,261,071	1,009,550	1,356,822	916,071
Total expenses	972,242	3,148,279	2,564,561	1,054,100	2,194,839	2,105,293	3,773,710	5,426,862	3,854,581
Recoveries									
Other income (expenses)	(263,075)	8,960,161	2,444,691	24,556	(114,046)	(980,294)	(140,518)	(999,715)	1,256,705
Annual surplus (deficit)	\$ (263,075)\$	8,960,161 \$	2,444,691 \$	24,556 \$	25,974 \$	(530,293)\$	(140,518)\$	(999,715)\$	1,263,985

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

	LBN Social Development			Capital Projects 500			Operations & Maintenance			
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	
Revenues										
Indigenous Services Canada	\$	2,967,898	\$	3,640,820	\$	4,012,823	\$	973,920	\$	1,192,579
Federal Government	-	-	-	-	-	-	-	493,085	-	-
Band Generated	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	480	553	-	284,836	-	271,256
Transfer from deferred revenue	-	-	200	-	5,977	1,300,118	-	-	-	-
Other revenue	-	4,816	(268,532)	-	-	(25,035)	-	-	-	-
Total revenue		2,967,898	3,645,636	3,744,491	946,518	1,339,271	2,742,641	1,320,565	1,758,527	1,463,835
Expenses										
Administration fees	297,565	-	-	94,644	-	94,680	-	-	-	-
Amortization	-	-	-	-	1,632,330	1,263,493	-	-	-	-
Capital purchases	20,000	2,666	-	-	183,489	-	-	-	2,666	-
Contracted services	-	-	-	699,504	285,282	215,995	-	-	2	-
Professional fees	-	-	-	8,160	25,644	65,116	-	-	-	-
Repairs and maintenance	1,000	220	825	-	-	-	163,200	209,710	175,634	-
Travel	33,957	18,005	15,061	19,200	9,228	5,324	5,400	4,696	1,663	-
Wages and benefits	539,474	283,242	316,141	108,810	67,192	63,838	467,160	492,552	471,227	-
Other expenses	2,075,902	2,024,190	2,340,160	16,200	94,588	12,125	684,805	739,143	721,476	-
Total expenses		2,967,898	2,328,323	2,672,187	946,518	2,297,753	1,720,571	1,320,565	1,448,769	1,370,000
Recoveries										
Other income (expenses)	-	1,317,313	1,072,304	-	(958,482)	1,022,070	-	309,758	93,835	-
	-	(36,609)	-	-	(7,632)	-	-	(10,390)	-	-
	-	36,609	-	-	7,632	-	-	10,390	-	-
Annual surplus (deficit)	\$	-	\$	1,317,313	\$	1,072,304	\$	-	\$	93,835

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

Fisheries Fund				Natural Resources Department				Equity in First Nation Investments			
	2022	2022	2021	2022	2022	2021	2022	2022	2021	2022	2021
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual
Revenues											
Indigenous Services Canada	\$ -	\$ -	\$ -	359,167 \$	775,000 \$	1,080,413 \$	-	\$ -	-	-	\$ -
Federal Government	-	1,217,929	550,237	-	145,758	111,202	-	-	-	-	-
Provincial Government	-	-	-	-	3,846,009	5,244,263	-	-	-	-	-
Other Aboriginal Groups	-	-	-	-	-	100,000	-	-	-	-	-
Band Generated	-	-	7,359	-	-	39,600	-	-	-	-	-
Transfer from deferred revenue	-	-	90,451	-	868,353	1,242,236	-	-	-	-	-
Other revenue	-	93,577	5,500	(359,167)	(5,635,120)	(7,817,714)	-	-	-	-	-
Total revenue	-	1,311,506	653,547	-	-	-	-	-	-	-	-
Expenses											
Administration fees	-	25,034	38,278	35,922	25,495	349,676	-	-	-	-	-
Amortization	-	53,366	33,453	-	-	-	-	-	-	-	-
Capital purchases	-	-	-	1,000	50,857	-	-	-	-	-	-
Contracted services	-	-	-	-	13,444	52,398	-	-	-	-	-
Professional fees	-	109,625	51,825	162,100	1,049,704	729,711	-	-	-	-	-
Repairs and maintenance	-	-	-	-	5,293	6,464	-	-	-	-	-
Travel	-	50,445	6,126	91,310	94,531	41,415	-	-	-	-	-
Wages and benefits	-	562,467	280,936	418,106	1,467,423	920,026	-	-	-	-	-
Other expenses	-	306,028	92,140	(708,438)	(2,706,747)	(2,099,690)	-	-	-	-	-
Total expenses	-	1,106,965	502,758	-	-	-	-	-	-	-	-
Recoveries											
Other income (expenses)	-	204,541	150,789	-	-	-	-	-	-	-	-
Annual surplus (deficit)	\$ -	\$ 204,541	\$ 150,789	\$ -	\$ -	\$ -	\$ -	\$ 7,761,724	\$ 2,373,784	\$ -	\$ -

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENTED INFORMATION, continued

	Treaty Negotiation Fund		Lake Babine Child & Family Services		Consolidated totals	
	2022 Budget	2022 Actual	2022 Budget	2022 Actual	2022 Budget	2021 Actual
Revenues						
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,723
Federal Government	-	-	-	-	-	1,154,524
Provincial Government	-	-	-	-	-	9,874,264
Other Aboriginal Groups	-	-	-	-	-	10,068,362
Band Generated	-	-	-	-	-	1,618,440
Interest income	-	-	-	-	-	104,133
Administration fee	-	-	-	-	-	82,995
Transfer from deferred revenue	-	-	-	-	-	1,276
Other revenue	-	-	-	-	-	4,329,021
Total revenue	-	-	109,858	2,724,530	19,623,677	37,083,521
Expenses						
Administration fees	-	-	9,987	10,287	961,552	69,033
Amortization	-	-	-	-	-	1,916,043
Capital purchases	-	-	-	-	161,971	1
Contracted services	-	-	-	-	893,492	451,163
Professional fees	-	-	-	-	323,148	1,487,045
Repairs and maintenance	-	-	-	-	785,440	1,251,314
Travel	-	-	-	-	1,535,484	2,160,899
Wages and benefits	-	-	18,402	288,820	7,957,336	11,517,194
Other expenses	-	-	69,469	709,153	9,318,793	15,031,338
Total expenses	-	-	109,858	2,617,267	21,937,216	33,884,030
Other income (expenses)	-	-	-	-	-	-
Other income (expenses)	-	-	-	-	-	-
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ 107,263	\$ (2,313,539)	\$ 21,872,113
						\$ 12,141,727



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

We have reviewed the accompanying Schedule of Remuneration and Expenses – Elected Officials of Lake Babine Nation (the 'Schedule') for the year ended March 31, 2022. The Schedule has been prepared by management of Lake Babine Nation, in accordance with the provisions of Section 7.3 of the Indigenous Services Canada Financial Reporting Requirements.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the provisions of Section 7.3 of the Indigenous Services Canada Financial Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying Schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the Schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the Schedule.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Schedule is not prepared, in all material respects, in accordance with the provisions of Section 7.3 of the Indigenous Services Canada Financial Reporting Requirements.

Basis of accounting

Without modifying our conclusion, we draw attention to the fact that the Schedule is prepared to assist Lake Babine Nation to comply with the financial reporting requirements of Section 7.3 of the Indigenous Services Canada Financial Reporting Requirements. As a result the Schedule may not be suitable for another purpose.

Prince George, BC
September 28, 2022

**DMC Chartered Professional
Accountants Inc.**

ANNEX B

Schedule of Remuneration and Expenses (Chiefs and Councillors)

**Name of Recipient: LAKE BABINE NATION
For the Year Ended March 31, 2022**

Name of Individual	Position Title	Number of Months [Note 1]	Remuneration [Note 2]	Expenses [Note 3]
Murphy Abraham	Chief	9	79,838	28,371
Gordon Alec	Chief	3	23,420	
Derek Macdonald	Deputy Chief	12	62,000	6,127
Murphy Abraham	Woyenne Councillor	3	12,000	
Melvin Joseph	Woyenne Councillor	12	50,000	8,224
Debbie West	Woyenne Councillor	9	38,000	4,956
Jason Charlie	Woyenne Councillor	9	38,000	5,498
Cheyenne Dennis	Woyenne Councillor	3	17,030	
Dolores Alec	Tachet Councillor	3	12,000	917
Wayne Johnson	Tachet Councillor	9	38,000	8,063
Millie Alec-George	Tachet Councillor	9	37,700	7,051
Shane Modine	Tachet Councillor	3	13,757	403
Bessie West	Fort Babine Councillor	12	49,700	11,573
John West	Fort Babine Councillor	3	13,975	737
Robbie Reid	Fort Babine Councillor	9	38,000	12,509
Verna Power	Old Fort Councillor	12	50,000	17,725

1. The number of months during the fiscal year that the individual was a chief or councillor.

2. As per the First Nations Financial Transparency Act:

"remuneration" means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary benefits

— other than the reimbursement of expenses — and non-monetary benefits.

Examples are provided in the supporting document which accompanies this document on ISC's Internet site entitled: "Supplementary Information".

3. As per the First Nations Financial Transparency Act:

"expenses" includes the costs of transportation, accommodation, meals, hospitality and incidental expenses.