

**Xaxli'p**  
**Consolidated Financial Statements**  
For the year ended March 31, 2014

**Xaxli'p**  
**Consolidated Financial Statements**  
For the year ended March 31, 2014

	<b>Contents</b>
<b>Management's Responsibility for Financial Reporting</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4 - 5</b>
<b>Consolidated Financial Statements</b>	
Exhibit A - Consolidated Statement of Financial Position	<b>6</b>
Exhibit B - Consolidated Statement of Change in Net Financial Assets	<b>7</b>
Exhibit C - Consolidated Statement of Operations	<b>8</b>
Exhibit D - Consolidated Statement of Cash Flows	<b>9</b>
Summary of Significant Accounting Policies	<b>10 - 11</b>
Notes to Consolidated Financial Statements	<b>12 - 24</b>

---

## Management's Responsibility for Financial Reporting

---

The accompanying consolidated financial statements of Xaxli'p are the responsibility of management and have been approved by the Chief and another Band Councillor of the 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 judgements. 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.

Xaxli'p maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Xaxli'p Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. This responsibility is performed through a quorum of the Band's Council.

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 financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also approve the engagement of the external auditors.

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

  
\_\_\_\_\_  
Chief  
\_\_\_\_\_  
Administrator



---

## Independent Auditor's Report

---

### To the Members of Xaxli'p

We have audited the accompanying consolidated financial statements of Xaxli'p, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of change in net financial assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding capital assets, the Social Housing capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian generally accepted accounting principles, which require that capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets. Xaxli'p also does not recognize loans and accrued interest outstanding from the treaty negotiation process as debt of the Band. As a result the long-term debt is understated by \$2,689,228 owed to the Government of Canada, and the Members' Equity is overstated by the same amount.



### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Xaxli'p as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Other Matters**

Xaxli'p has also prepared another set of consolidated financial statements for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements include unaudited supplementary exhibits and schedules which present detailed program revenues and expenditures prepared to assist management of Xaxli'p to meet the reporting requirements of various funding agencies. In addition, these consolidated financial statements have expanded disclosures for Chief and Council. Our audit report on the other set of consolidated financial statements was issued to Chief and Council of Xaxli'p and was dated July 23, 2014.

The signature is written in a cursive, handwritten style. It starts with a large, stylized 'B' that loops around, followed by the word 'Canada' and then 'LLP'.

**Chartered Accountants**



Kamloops, British Columbia  
July 23, 2014

**Xaxli'p**

**Exhibit A - Consolidated Statement of Financial Position**

As at March 31	2014	2013
<b>Financial Assets</b>		
Cash (Note 2)	\$ 823,338	\$ 1,350,401
Restricted cash (Note 3)	358,319	349,589
Short term deposits (Note 4)	366,688	177,969
Legacy funds (Note 5)	30,475,000	30,475,000
Accounts receivable (Note 6)	640,876	590,214
	<u>32,664,221</u>	<u>32,943,173</u>
<b>Liabilities</b>		
Accounts payable (Note 7)	431,637	477,634
Deferred revenue (Note 8)	950,639	985,012
Due to replacement reserve	133,690	145,555
Due to operating reserve	223,933	195,373
Long term debt (Note 9)	1,594,222	1,571,996
	<u>3,334,121</u>	<u>3,375,570</u>
<b>Net financial assets</b>	<u>29,330,100</u>	<u>29,567,603</u>
<b>Non-financial Assets</b>		
Prepaid expenses	-	24,525
Tangible capital assets (Note 10)	4,486,437	4,855,393
	<u>4,486,437</u>	<u>4,879,918</u>
<b>Accumulated Surplus (Note 11)</b>	<u>\$ 33,816,537</u>	<u>\$ 34,447,521</u>
<b>Commitments (Note 12)</b>		
<b>Contingencies (Note 13)</b>		

Approved on behalf of the Band Council:

Chief

Councillor

**Exhibit B - Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2014</b>	<b>2013</b>
<b>Annual deficit</b>	<b>\$ (804,459)</b>	<b>\$ (1,080,692)</b>
Acquisition of tangible capital assets	<b>(85,270)</b>	(132,954)
Amortization of tangible capital assets	<b>453,998</b>	494,157
	<b>(435,731)</b>	(719,489)
Change in prepaid expenses	<b>25,180</b>	(25,574)
Equity change in Ottawa Trust	<b>11,432</b>	13,402
Equity change in funded reserves	<b>(2,702)</b>	(76,580)
Equity change due to maturing units in Social Housing	<b>164,318</b>	-
	<b>173,048</b>	(63,178)
<b>Change in net financial assets</b>	<b>(237,503)</b>	(808,241)
<b>Net financial assets, beginning of year</b>	<b>29,567,603</b>	30,375,844
<b>Net financial assets, end of year</b>	<b>\$ 29,330,100</b>	<b>\$ 29,567,603</b>

**Xaxli'p**

**Exhibit C - Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	\$ 1,869,035	\$ 1,931,757
Health Canada	288,151	688,121
First Nations Health Authority	350,535	-
Fisheries and Oceans	16,900	16,900
Canada Mortgage and Housing Corporation	74,232	86,425
Miscellaneous revenue	2,373,480	2,085,350
	<u>4,621,798</u>	<u>4,808,553</u>
<b>Expenses</b>		
Community Welfare	687,462	758,263
Administration	2,000,609	2,205,130
Operations & Maintenance	542,900	639,222
Education	628,077	590,372
Natural Resources & Economic Development	1,007,485	1,324,981
Capital	301,025	86,557
Social Housing	258,699	284,720
	<u>5,426,257</u>	<u>5,889,245</u>
<b>Annual deficit</b>	<u>\$ (804,459)</u>	<u>\$ (1,080,692)</u>



**Xaxli'p**

**Exhibit D - Consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Cash receipts from various sources	\$ 4,534,061	\$ 4,848,164
Cash paid to employees and suppliers	(4,755,022)	(5,179,395)
Interest paid	(57,042)	(51,919)
<b>Cash flows from operating activities</b>	<u>(278,003)</u>	<u>(383,150)</u>
<b>Capital activity</b>		
Purchase of tangible capital assets	(85,270)	(132,953)
<b>Investing activities</b>		
Change in short-term deposits	(188,719)	193,589
Change in equity in Ottawa Trust Funds	11,433	13,401
<b>Cash flows from investing activities</b>	<u>(177,286)</u>	<u>206,990</u>
<b>Financing activities</b>		
Proceeds from issuance of long term debt	156,352	-
Repayment of long term debt	(134,126)	(148,794)
Repayment of obligation under capital lease	-	(3,929)
<b>Cash flows from financing activities</b>	<u>22,226</u>	<u>(152,723)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(518,333)</u>	<u>(461,836)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>1,699,990</u>	<u>2,161,826</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,181,657</u>	<u>\$ 1,699,990</u>
<b>Represented by:</b>		
Cash	\$ 823,338	\$ 1,350,401
Restricted cash	358,319	349,589
	<u>\$ 1,181,657</u>	<u>\$ 1,699,990</u>

---

## **Xaxli'p**

### **Summary of Significant Accounting Policies**

**March 31, 2014**

---

**Basis of Presentation** These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting Handbook, which encompasses the following principles.

**Reporting Entity and  
Principles of Financial  
Reporting**

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

These financial statements consolidate the assets, liabilities and results of operations for Xaxli'p Social Housing, Fountain Ranch Ltd. and Xaxli'p Community Forest Corporation.

All inter-entity balances have been eliminated on consolidation.

**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 consolidated statement of financial position.

Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.

**Ottawa Trust Funds** Xaxli'p uses the accrual method of accounting for Ottawa Trust Fund Transactions. Revenue is recognized in the Band when the funds are withdrawn from the Ottawa Trust Funds.

---

## Xaxli'p

### Summary of Significant Accounting Policies

**March 31, 2014**

---

**Tangible Capital Assets** Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenses are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in capital assets.

Amortization is charged against tangible capital assets on a straight-line basis at the following rates:

Automotive and machinery	30% declining balance
Buildings	20 years straight line
Infrastructure	20 years straight line
Office furniture and equipment	5 years straight line

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

**Use of Estimates** The preparation of financial statements in accordance with Canadian public sector accounting principles requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates.

**Financial Instruments** Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

# Xaxli'p

## Notes to Consolidated Financial Statements

**March 31, 2014**

### 1. Economic Dependence

Xaxli'p receives a significant portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada ("AANDC").

### 2. Cash

	2014	2013
Operating Fund	\$ 640,632	\$ 1,137,931
Social Housing	48,130	53,026
Health	98,201	73,107
Fountain Ranch Ltd.	3,161	6,750
Xaxli'p Community Forest Corporation	33,214	79,587
	<u>\$ 823,338</u>	<u>\$ 1,350,401</u>

### 3. Restricted Cash

	2014	2013
Ottawa Trust - Revenue	\$ 297,886	\$ 286,454
Ottawa Trust - Capital	18,690	18,690
	<u>316,576</u>	<u>305,144</u>
Housing replacement reserve fund	41,743	44,445
	<u>\$ 358,319</u>	<u>\$ 349,589</u>

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 Aboriginal Affairs and Northern Development Canada 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.

---

**Xaxli'p**  
**Notes to Financial Statements**

**March 31, 2014**

---

**4. Short-term Deposits**

Short-term deposits consist of the following investments:

	<u>2014</u>	<u>2013</u>
Guaranteed investment certificate	\$ 39,429	\$ 37,969
Mutual funds	327,259	140,000
	<u>\$ 366,688</u>	<u>\$ 177,969</u>

---

**5. Legacy Funds**

	<u>2014</u>	<u>2013</u>
Legacy Fund	\$ 30,475,000	\$ 30,475,000

---

In 2011, Xaxli'p and other members of the St'at'imc Nation signed an agreement to establish a Trust. The amount above represents Xaxli'p's proportionate share of the assets of the Trust to be funded over the next 50 years. The capital of the Trust is subject to restriction but revenue earned on an annual basis is available for Xaxli'p for their use.

---

**6. Accounts Receivable**

Accounts receivable by program area is summarized as follows:

	<u>2014</u>	<u>2013</u>
Accounts receivable - Operating	\$ 414,094	\$ 408,445
Accounts receivable - Social Housing	203,289	178,207
Accounts receivable - Xaxli'p Community Forest Corporation	23,493	3,562
	<u>\$ 640,876</u>	<u>\$ 590,214</u>

---

**Xaxli'p**  
**Notes to Financial Statements**

**March 31, 2014**

---

**7. Accounts Payable**

	<u>2014</u>	<u>2013</u>
Accounts payable and accrued liabilities	\$ 380,724	\$ 432,627
Accounts payable - Social Housing	12,292	12,301
Accounts payable - Fountain Ranch Ltd.	1,968	4,868
Accounts payable - Xaxli'p Community Forest Corporation	36,653	27,838
	<u>\$ 431,637</u>	<u>\$ 477,634</u>

---

**8. Deferred Revenue**

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

	<u>2014</u>	<u>2013</u>
<b>Aboriginal Affairs and Northern Development Canada</b>		
Rusty Creek	\$ -	\$ 47,447
 <b>Other deferred revenue</b>	 <u>950,639</u>	 <u>937,565</u>
	<u>\$ 950,639</u>	<u>\$ 985,012</u>

**Xaxli'p**  
**Notes to Financial Statements**

**March 31, 2014**

**9. Long Term Debt**

	<u>2014</u>	<u>2013</u>
<b><u>Xaxli'p - Capital</u></b>		
Mortgage, repayable in monthly instalments of \$1,180 plus interest at 4.75%, maturing June 2017.	\$ 42,433	\$ 53,157
Mortgage, repayable in monthly instalments of \$776 including interest at 3.42%, maturing August 2018.	154,035	-
John Deere loan, paid out during the year.	-	14,018
	<u>196,468</u>	<u>67,175</u>

**Xaxli'p Community Forest Corporation**

Finance contract, repayable in monthly instalments of \$821 including interest at 8.5% per annum, secured by specified vehicle, due June 2016	<u>21,267</u>	<u>29,021</u>
---	---------------	---------------

**Xaxli'p Social Housing**

Social housing mortgages, repayable in monthly instalments of \$10,558 including interest ranging from 1.67% to 2.65% per annum, due February 2015 to September 2017	1,376,487	1,475,800
	<u>\$ 1,594,222</u>	<u>\$ 1,571,996</u>

---

**Xaxli'p**  
**Notes to Financial Statements**

**March 31, 2014**

---

**9. Long Term Debt** (continued)

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

2015	\$ 427,616
2016	102,343
2017	98,985
2018	828,556
2019	136,722
	<u>\$ 1,594,222</u>



**Xaxli'p**  
**Notes to Financial Statements**

**March 31, 2014**

**10. Tangible Capital Assets**

	<b>2014</b>		<b>2013</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
Automotive and machinery	\$ 610,951	\$ 497,212	\$ 610,951	\$ 448,467
Buildings	3,184,757	1,939,269	3,184,757	1,780,030
Infrastructure	2,361,000	1,523,963	2,361,000	1,425,897
Office furniture and equipment	416,211	365,674	396,771	333,658
Land	65,000	-	-	-
	<b>6,637,919</b>	<b>4,326,118</b>	<b>6,553,479</b>	<b>3,988,052</b>
Capital assets - Housing	<b>3,414,337</b>	<b>1,715,554</b>	<b>3,414,337</b>	<b>1,616,241</b>
Negotiations Funding Agreement	<b>16,366</b>	<b>-</b>	<b>16,366</b>	<b>-</b>
Fountain Ranch Ltd.				
Automotive	10,750	9,675	25,915	24,152
Buildings	211,000	167,941	211,000	163,157
Farm equipment	44,819	36,678	44,819	34,643
Farm machinery	201,744	195,230	201,744	193,601
Land	381,505	-	381,505	-
Tack	4,800	4,755	4,800	4,744
Tools and equipment	53,532	52,370	53,532	52,080
	<b>908,150</b>	<b>466,649</b>	<b>923,315</b>	<b>472,377</b>
Xaxli'p Community Forest Corporation				
Automotive	55,859	39,580	55,859	32,596
Equipment	3,657	1,950	2,827	1,524
	<b>59,516</b>	<b>41,530</b>	<b>58,686</b>	<b>34,120</b>
	<b>11,036,288</b>	<b>6,549,851</b>	<b>10,966,183</b>	<b>6,110,790</b>
Net book value		<b>\$ 4,486,437</b>		<b>\$ 4,855,393</b>

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**10. Tangible Capital Assets (continued)**

	<b>2014</b>				
	Automotive and machinery	Buildings	Infrastructure	Office furniture and equipment	Total
Cost, beginning of year	\$ 894,469	\$ 6,810,086	\$ 2,361,000	\$ 519,123	\$ 10,966,183
Additions	-	-	-	20,270	85,270
Disposals	(15,165)	-	-	-	(15,165)
Cost, end of year	\$ 879,304	\$ 6,810,086	\$ 2,361,000	\$ 539,393	\$ 11,036,288
Accumulated amortization, beginning of year	\$ 698,816	\$ 3,559,428	\$ 1,425,897	\$ 426,649	\$ 6,110,790
Amortization	57,819	263,336	98,066	34,778	453,999
Disposals	(14,938)	-	-	-	(14,938)
Accumulated amortization, end of year	\$ 741,697	\$ 3,822,764	\$ 1,523,963	\$ 461,427	\$ 6,549,851
Net carrying amount, end of year	\$ 137,607	\$ 2,987,322	\$ 837,037	\$ 77,966	\$ 4,486,437

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**10. Tangible Capital Assets (continued)**

	2013				
	Automotive and machinery	Buildings	Infrastructure	Office furniture and equipment	Land
Cost, beginning of year	\$ 804,969	\$ 6,810,086	\$ 2,361,000	\$ 475,680	\$ 381,505
Additions	89,500	-	-	43,443	-
Cost, end of year	\$ 894,469	\$ 6,810,086	\$ 2,361,000	\$ 519,123	\$ 381,505
Accumulated amortization, beginning of year	\$ 638,986	\$ 3,275,085	\$ 1,312,582	\$ 405,492	\$ -
Amortization	59,830	284,343	113,315	21,157	-
Accumulated amortization, end of year	\$ 698,816	\$ 3,559,428	\$ 1,425,897	\$ 426,649	\$ -
Net carrying amount, end of year	\$ 195,653	\$ 3,250,658	\$ 935,103	\$ 92,474	\$ 381,505
					\$ 4,855,393

---

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

---

**11. Accumulated Surplus**

	<u>2014</u>	<u>2013</u>
Funded reserves	\$ 41,743	\$ 44,445
Equity in investments	8	8
Equity in Ottawa Trust	316,576	305,144
Equity in capital assets	2,848,276	3,077,161
Surplus	30,609,934	31,020,763
	<u>\$ 33,816,537</u>	<u>\$ 34,447,521</u>

---

**12. Commitments**

Xaxli'p has committed to three equipment leases. Minimum annual lease payments over the next four years, until expiry, are as follows:

	<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>Total</u>
\$	16,388	\$	16,388	\$	16,388	\$	10,584	\$	59,748

---

**13. Contingencies**

Xaxli'p has guaranteed certain band member loans. The total amount guaranteed amounts to \$369,786 (2013 - \$369,786) with \$278,718 being outstanding at March 31, 2014 (2013 - \$286,240).

---

**14. Federal Assistance Payments**

Xaxli'p has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2014 was \$74,232 (2013 - \$85,252). This assistance will continue, providing the Band is not in default of the agreement.

---

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

---

**15. Funded Reserves**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$27,093 annually (2013 - \$29,176). These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

---

**16. Employee Benefits**

Xaxli'p has a defined contribution plan providing pension benefits to certain of its employees. The pension cost charge represents contributions payable by the Band to the plan and amounts to \$66,000 (2013 - \$63,342).

---

**17. Financial Instruments**

Fair Value Risk

Fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates.

Concentration of Credit Risk

Concentration of credit risk arises due to the band having cash in excess of the amount insured by Canadian Deposit Insurance Corporation in bank accounts.

---

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

---

**18. Segment Disclosure**

The 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:

**Community Welfare**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

**Administration**

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

**Operations and Maintenance**

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

**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.

**Natural Resources and Economic Development**

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

**Capital**

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

**Social Housing**

This service area provides for social housing to the Members.

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**18. Segment Disclosure  
(continued)**

2014

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
AANDC	\$ 666,097	\$ 443,856	\$ 169,539	\$ 507,835	\$ 15,038	\$ 66,670	\$ -	\$ 1,869,035
Other	-	1,211,011	23,898	79,450	1,014,084	211,296	213,024	2,752,763
Total	666,097	1,654,867	193,437	587,285	1,029,122	277,966	213,024	4,621,798
<b>Expenses</b>								
Wages & benefits	85,359	869,404	101,308	166,282	515,117	-	40,306	1,777,776
Purchases	602,103	1,117,682	117,049	461,795	475,748	301,025	119,081	3,194,483
Amortization	-	13,523	324,543	-	16,620	-	99,312	453,998
Total	687,462	2,000,609	542,900	628,077	1,007,485	301,025	258,699	5,426,257
Surplus (deficit)	\$ (21,365)	\$ (345,742)	\$ (349,463)	\$ (40,792)	\$ 21,637	\$ (23,059)	\$ (45,675)	\$ (804,459)

2013

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
AANDC	\$ 617,842	\$ 452,979	\$ 172,256	\$ 544,407	\$ 51,367	\$ 92,906	\$ -	\$ 1,931,757
Other	-	1,477,972	31,163	116,245	991,280	3,687	256,449	2,876,796
Total	617,842	1,930,951	203,419	660,652	1,042,647	96,593	256,449	4,808,553
<b>Expenses</b>								
Wages & benefits	75,021	891,717	148,289	189,528	324,149	-	43,400	1,672,104
Purchases	683,242	1,299,649	145,089	400,844	979,507	86,557	128,096	3,722,984
Amortization	-	13,764	345,844	-	21,325	-	113,224	494,157
Total	758,263	2,205,130	639,222	590,372	1,324,981	86,557	284,720	5,889,245
Surplus (deficit)	\$ (140,421)	\$ (274,179)	\$ (435,803)	\$ 70,280	\$ (282,334)	\$ 10,036	\$ (28,271)	\$ (1,080,692)

---

**Xaxli'p**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

---

**19. Fiscal Plan**

Canadian public sector accounting standards requires that the Band's budget be presented in the financial statements. As the Band currently does not prepare a budget, no budgeted figures have been presented as otherwise required.

---

**20. Comparative Figures**

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.