

Xaxli'p First Nation
Consolidated Financial Statements
March 31, 2018

Management's Responsibility**Independent Auditors' Report****Consolidated Financial Statements**

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Change in Net Financial Assets (Net Debt).....	3
Consolidated Statement of Cash Flows	4

Notes to the Consolidated Financial Statements..... 5

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	12
Schedule 2 - Consolidated Schedule of Expenses by Object.....	13
Schedule 3 - Schedule of Revenue and Expenses - Administration.....	14
Schedule 4 - Schedule of Revenue and Expenses - Public Works.....	15
Schedule 5 - Schedule of Revenue and Expenses - Housing.....	16
Schedule 6 - Schedule of Revenue and Expenses - Community and Human Services.....	17
Schedule 7 - Schedule of Revenue and Expenses - Education.....	18
Schedule 8 - Schedule of Revenue and Expenses - Resources.....	19
Schedule 9 - Schedule of Revenue and Expenses - Economic Development.....	20

Management's Responsibility

To the Members of Xaxli'p First Nation

The accompanying consolidated financial statements of Xaxli'p First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Xaxli'p First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 30, 2018

Colleen Jacob

Chief

Pauline Mitchell

Councillor

Independent Auditors' Report

To the Members of Xaxli'p First Nation:

We have audited the accompanying consolidated financial statements of Xaxli'p First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) 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 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 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 and fair presentation 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

Xaxli'p First Nation does not recognize Investment in Treaty nor Treaty Loans outstanding from the treaty negotiation. As a result, long-term debt and investment in treaty loan are both understated by approximately \$2,800,000. Prior year's audit opinions were modified due to this same exception.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Xaxli'p First Nation as at March 31, 2018 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The consolidated financial statements of Xaxli'p First Nation for the year ended March 31, 2017 were audited by Anton, Bryson & Schindler Chartered Professional Accountants LLP of Nanaimo, Canada, prior to its merger with MNP LLP. Anton, Bryson & Schindler Chartered Professional Accountants LLP expressed a modified opinion on those statements on July 27, 2017.

Nanaimo, British Columbia

July 30, 2018

MNP LLP

Chartered Professional Accountants

Xaxli'p First Nation Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents	651,496	992,180
Accounts receivable (Note 3)	418,266	436,537
Portfolio investments	327,894	322,596
Investment in Nation business entity (Note 14)	707,000	-
Funds held in trust (Note 5)	355,965	345,576
Restricted cash (Note 4)	112,012	78,420
Total financial assets	2,572,633	2,175,309
Liabilities		
Accounts payable and accruals	206,153	400,085
Deferred revenue (Note 6)	263,360	679,409
Long-term debt (Note 7)	1,103,308	1,223,871
Total of financial liabilities	1,572,821	2,303,365
Net financial assets (net debt)	999,812	(128,056)
Contingencies (Note 8)		
Non-financial assets		
Tangible capital assets (Schedule 1)	3,818,676	3,912,439
Prepaid expenses	18,111	8,716
Total non-financial assets	3,836,787	3,921,155
Accumulated surplus	4,836,599	3,793,099

Approved on behalf of the Council



Chief



Councillor

Xaxli'p First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget - Note 10</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada				
Elementary/secondary education		-	201,161	177,811
Post-secondary education		601,811	470,502	427,273
Indian government support		653,189	555,207	448,515
Community infrastructure		458,092	845,407	431,774
Social assistance		697,465	527,195	517,339
Canada Mortgage and Housing Corporation				
Canada Mortgage and Housing Corporation		-	78,169	48,772
Non-profit on-reserve housing		75,188	75,186	75,362
RRAP conversions		-	110,736	17,850
Housing internship initiative for First Nation and Inuit youth		-	22,671	13,489
First Nations Health Authority		831,209	940,393	875,262
Other revenue		276,081	1,509,529	1,046,771
Xaxli'p Settlement Funds		10,486	343,755	154,310
Work Opportunity Program		39,744	60,488	10,980
FNESC		-	49,698	36,551
Rental income		188,656	210,681	190,713
Interest income		-	21,242	18,789
ASETS		-	13,346	37,033
Province of BC		-	404,313	466,568
Allocation to RRF		-	27,093	27,093
Total revenue		3,831,921	6,466,772	5,022,255
Program expenses				
Administration	3	1,033,098	1,239,078	1,175,341
Public Works	4	478,807	477,337	872,062
Housing	5	256,844	522,584	422,075
Community and Human Services	6	1,701,594	2,119,600	1,779,012
Education	7	562,928	695,368	576,233
Resources	8	26,400	330,712	280,692
Economic Development	9	-	38,593	119,917
Total expenses		4,059,671	5,423,272	5,225,332
Annual Surplus (deficit)		(227,750)	1,043,500	(203,077)
Accumulated surplus, beginning of year		3,793,099	3,793,099	3,996,176
Accumulated surplus, end of year		3,565,349	4,836,599	3,793,099

Xaxli'p First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2018

	<i>2018 Budget - Note 10</i>	<i>2018</i>	<i>2017</i>
Annual surplus (deficit)	(227,750)	1,043,500	(203,077)
Purchases of tangible capital assets	-	(142,578)	(98,721)
Amortization of tangible capital assets	-	236,340	222,509
	-	93,762	123,788
Acquisition of prepaid expenses	-	(9,395)	(8,721)
Increase in net financial assets (increase in net debt)	(227,750)	1,127,867	(88,010)
Net debt, beginning of year	(128,057)	(128,055)	(40,046)
Net financial assets (net debt), end of year	(355,807)	999,812	(128,056)

Xaxli'p First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual Surplus (deficit)	1,043,500	(203,077)
Non-cash items		
Amortization	236,340	222,509
	1,279,840	19,432
Changes in working capital accounts		
Accounts receivable	18,271	(24,235)
Prepaid expenses	(9,395)	(8,721)
Accounts payable and accruals	(193,933)	271,211
Deferred revenue	(416,049)	(164,830)
Trust assets	(10,389)	(9,148)
Restricted cash	(33,590)	(28,500)
	634,755	55,209
Financing activities		
Repayment of long-term debt	(120,563)	(131,302)
Capital activities		
Purchases of tangible capital assets	(142,578)	(98,721)
Investing activities		
Reinvested in portfolio	(5,298)	-
Proceeds on disposal of portfolio	-	67,293
Investment in First Nation business entity	(707,000)	-
	(712,298)	67,293
Decrease in cash resources	(340,684)	(107,521)
Cash resources, beginning of year	992,180	1,099,701
Cash resources, end of year	651,496	992,180

1. Operations

The Xaxli'p First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Xaxli'p First Nation includes the Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Operating Fund
- Trust Fund
- Social Housing Fund
- Capital Fund

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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

- Xaxli'p Development Corporation.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	declining balance	5 %
Office equipment	declining balance	20 %
Infrastructure	declining balance	4

2. Significant accounting policies *(Continued from previous page)*

Automotive equipment	declining balance	10 %
----------------------	-------------------	------

Portfolio investments

Portfolio investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets. The First Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Asset classification

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2018, no liability for contaminated site exists.

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

- i) **Government Funding**
The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) **Housing rental income**
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) **Own source and other revenue**
Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.
- vi) **Investment income**
Investment income is recognized by the First Nation when investment income is earned.

Measurement uncertainty

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus (deficit) in the periods in which they become known.

Segments

The First Nation conducts its business through a number of reportable segments as described in note 9. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Xaxli'p First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Accounts receivable

	2018	2017
Accounts receivable	449,131	473,398
CMHC subsidy assistance receivable	5,491	5,491
Rent receivable	199,652	193,656
	654,274	672,545
Less: Allowance for doubtful accounts	236,008	236,008
	418,266	436,537

4. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve 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 funds in the account may only be used as approved by CMHC. At year end, these reserves were under-funded

Restricted cash is comprised of the following:

	2018	2017
Replacement reserve	112,012	78,420

5. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Chief and Council.

	2018	2017
Capital Trust		
Balance, beginning of year	18,690	18,690
Balance, end of year	18,690	18,690
Revenue Trust		
Balance, beginning of year	321,331	323,293
Interest	15,944	3,593
Balance, end of year	337,275	326,886
Combined balance end of year	355,965	345,576

6. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Recognized as revenue</i>	<i>Balance, end of year</i>
Capital projects ISC	257,294	-	257,294	-
St'at'imc Trust	422,115	-	158,755	263,360
	679,409	-	416,049	263,360

Xaxli'p First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Long-term debt

	2018	2017
RBC loan	-	3,363
RBC loan repayable on demand, unsecured and bearing interest at 3.42% per annum	136,523	141,261
RBC loan repayable in monthly installments of \$600 including interest at 3.78% per annum, maturing July 15, 2019 - secured by a vehicle	12,132	16,059
All Nations Trust mortgage repayable in monthly installments of \$2,344 including interest at 1.43% per annum, maturing March 1, 2024 - secured by ministerial guarantee	161,675	187,283
All Nations Trust mortgage repayable in monthly installments of \$2,698 including interest at 1.12% per annum, maturing January 1, 2025 - secured by ministerial guarantee	212,884	242,700
All Nations Trust mortgage repayable in monthly installments of \$3,178 including interest at 1.84% per annum, maturing August 1, 2032	482,854	512,007
All Nations Trust mortgage repayable in monthly installments of \$2,129 including interest at 1.43% per annum, maturing February 1, 2022 - secured by ministerial guarantee	97,240	121,197
	1,103,308	1,223,870

Principal repayments on long-term debt in each of the next five years , are estimated as follows:

	Principal
2019	127,184
2020	116,804
2021	118,655
2022	118,343
2023	112,413
	593,399
Thereafter	509,909

8. Contingencies

The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.

9. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration:

Includes general operations, support, and financial management of the Nation.

Education:

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the First Nation.

Public Works:

Includes revenue and expenditures related to capital projects.

9. Segments *(Continued from previous page)*

Community and Human Services:

Includes revenue and expenditures related to the social assistance and health services to the members of the First Nation.

Housing:

Includes revenue and expenses related to band owned and social housing of the members of the First Nation.

Resources:

Includes revenue and expenses related to conservation and stewardship of the First Nation's land and resources.

Economic Development

Includes revenue and expenses related to economic endeavours of the First Nation.

10. Budget information

The disclosed budget information has been approved by the Chief and Council of the Xaxli'p First Nation on May 15, 2017. Budget information was not prepared for the full scope of activities performed by the First Nation for the year ended March 31, 2018. Budget information was not prepared, available or approved for several departments.

11. Economic dependence

Xaxli'p First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

13. Change in accounting policy

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the consolidated financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

Xaxli'p First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. Change in accounting policy *(Continued from previous page)*

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

There was no material impact on the consolidated financial statements of adopting the new Sections.

14. Investments in First Nation business entities

The First Nation has investments in the following entities:

				2018
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Wholly-owned Businesses:				
Xaxli'p Development Corp	-	707,000	-	707,000

Summary unaudited financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Xaxli'p Development Corporation As at March 31, 2018</i>
Assets	
Cash	186,807
Accounts receivable	626,750
Prepaid expenses	3,818
Property, plant and equipment	2,880
Total assets	820,255
Liabilities	
Accounts payable and accruals	820,733
Total liabilities	820,733
	(478)
Total revenue	916,986
Total expenses	916,891
	95
	95

Xaxli'p First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Land</i>	<i>Buildings</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Automotive equipment</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	496,445	6,810,095	2,361,000	584,510	850,134	11,102,184	11,003,463
Acquisition of tangible capital assets	9,721	-	-	-	132,857	142,578	98,721
Balance, end of year	506,166	6,810,095	2,361,000	584,510	982,991	11,244,762	11,102,184
Accumulated amortization							
Balance, beginning of year	-	4,284,586	1,604,946	501,566	798,647	7,189,745	6,967,237
Annual amortization	-	154,135	30,242	16,589	35,375	236,341	222,508
Balance, end of year	-	4,438,721	1,635,188	518,155	834,022	7,426,086	7,189,745
Net book value of tangible capital assets	506,166	2,371,374	725,812	66,355	148,969	3,818,676	3,912,439
2017 Net book value of tangible capital assets	496,445	2,525,509	756,054	82,944	51,487	3,912,439	

Xaxli'p First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 <i>Budget - Note</i> 10	2018	2017
Consolidated expenses by object			
Administration	189,691	144,439	120,712
Advertising	8,823	2,146	17,065
Amortization	-	236,340	222,509
Bank charges and interest	10,400	13,607	13,684
Contracted services	180,224	49,527	59,813
Elders fees	-	28,050	29,719
Equipment lease	-	38,738	36,569
Fuel	-	18,966	26,328
Furniture and equipment	49,678	51,699	22,839
Honoraria	87,800	122,495	158,446
Insurance	42,718	76,985	78,868
Interest on long-term debt	124,047	24,687	22,199
Meeting	-	5,280	4,169
Miscellaneous	38,450	28,474	12,519
National child benefit - projects	50,450	54,317	52,881
Postage	-	2,303	4,164
Professional fees	79,450	306,617	493,036
Program expense	302,692	754,579	641,105
Property tax	-	2,243	1,426
Rent	-	3,125	556
Repairs and maintenance	306,330	397,722	308,875
Replacement reserve transfers	27,093	27,093	27,093
Salaries and benefits	1,338,332	1,431,317	1,492,303
Social assistance	583,889	605,792	510,037
Student expenses	317,370	300,636	233,029
Supplies	31,013	138,029	115,597
Telephone	28,600	37,176	45,705
Training	27,990	83,200	46,853
Travel	87,650	200,270	251,986
Tuition costs	121,823	156,795	119,936
Utilities	25,158	80,625	55,311
Total expenses	4,059,671	5,423,272	5,225,332

**Xaxli'p First Nation
Administration**

Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Indian government support	653,189	550,427	435,810
Community infrastructure	-	2,235	-
Other revenue	194,526	1,066,696	421,899
Work Opportunity Program	14,640	34,564	4,270
Interest income	-	21,242	18,789
Province of BC	-	129,000	100,000
FNESC	-	13,610	-
Total revenue	862,355	1,817,774	980,768
Expenses			
Administration	-	750	-
Advertising	8,823	1,846	16,765
Amortization	-	119,160	104,177
Bank charges and interest	10,000	11,053	11,051
Elders fees	-	20,540	29,719
Equipment lease	-	18,458	19,851
Furniture and equipment	31,450	6,086	-
Honoraria	84,000	84,827	94,131
Insurance	25,300	31,540	27,510
Miscellaneous	31,450	15,243	7,617
Postage	-	2,262	2,287
Professional fees	64,500	184,346	204,973
Program expense	127,299	102,241	85,881
Rent	-	125	-
Repairs and maintenance	137,863	13,720	504
Salaries and benefits	408,213	490,004	411,314
Supplies	200	27,084	25,668
Telephone	27,500	25,679	26,523
Training	6,000	5,230	4,625
Travel	61,000	73,072	97,208
Utilities	9,500	5,812	5,537
Total expenses	1,033,098	1,239,078	1,175,341
Annual surplus (deficit)	(170,743)	578,696	(194,573)
Accumulated surplus, beginning of year	1,350,719	1,350,719	1,529,525
Transfer between departments	-	-	10,311
Transfer to fund depreciation	-	119,160	104,177
Acquisition of capital assets	-	(9,721)	(98,721)
Accumulated surplus, end of year	1,179,976	2,038,854	1,350,719

Xaxli'p First Nation
Public Works

Schedule 4 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Indian government support	-	-	12,705
Community infrastructure	458,092	532,619	341,555
Other revenue	30,000	75,415	354,513
Work Opportunity Program	-	-	1,830
Rental income	7,000	9,805	8,785
Province of BC	-	69,092	125,976
Total revenue	495,092	686,931	845,364
Expenses			
Administration	-	-	1,722
Contracted services	41,361	24,647	34,703
Equipment lease	-	483	1,728
Furniture and equipment	14,000	12,089	3,459
Honoraria	-	24,121	47,706
Insurance	-	11,853	14,560
Meeting	-	4,214	378
Miscellaneous	1,600	2,270	2,729
Postage	-	42	1,877
Professional fees	-	52,715	180,472
Program expense	-	6,419	7,004
Property tax	-	-	1,426
Repairs and maintenance	255,904	83,663	127,481
Salaries and benefits	138,402	146,795	341,190
Supplies	8,000	26,359	15,240
Telephone	1,100	5,761	6,002
Training	7,440	2,837	2,000
Travel	-	23,452	49,439
Utilities	11,000	49,617	32,946
Total expenses	478,807	477,337	872,062
Annual surplus (deficit)	16,285	209,594	(26,698)
Accumulated surplus, beginning of year	2,494,292	2,494,292	2,513,476
Transfer to fund depreciation	-	(127,807)	(115,708)
Acquisition of capital assets	-	142,578	98,721
Principal payments on long-term debt	-	12,029	24,501
Accumulated surplus, end of year	2,510,577	2,730,686	2,494,292

Schedule 5 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada			
Community infrastructure	-	257,294	36,358
Canada Mortgage and Housing Corporation			
Canada Mortgage and Housing Corporation	75,188	78,169	48,772
Non-profit on-reserve housing	-	75,186	75,362
RRAP conversions	-	110,736	17,850
Housing internship initiative for First Nation and Inuit youth	-	22,671	13,489
Rental income	181,656	200,876	181,928
Allocation to RRF	-	27,093	27,093
Other revenue	-	30,863	-
Work Opportunity Program	-	11,360	-
Total revenue	256,844	814,248	400,852
Expenses			
Amortization	-	108,534	106,801
Bank charges and interest	400	374	706
Contracted services	-	4,800	-
Elders fees	-	7,510	-
Furniture and equipment	-	14,839	488
Honoraria	-	500	2,525
Insurance	8,544	11,149	12,256
Interest on long-term debt	124,047	24,687	22,199
Miscellaneous	-	-	138
Professional fees	2,870	35,940	7,210
Program expense	-	207	691
Repairs and maintenance	39,926	168,261	161,174
Replacement reserve transfers	27,093	27,093	27,093
Salaries and benefits	53,964	84,542	58,494
Supplies	-	16,193	3,384
Training	-	13,385	3,021
Travel	-	3,921	9,267
Utilities	-	649	6,628
Total expenses	256,844	522,584	422,075
Annual surplus (deficit)	-	291,664	(21,223)
Accumulated surplus, beginning of year	272,222	272,222	311,487
Principal payments on long-term debt	-	(3,363)	(18,042)
Accumulated surplus, end of year	272,222	560,523	272,222

Xaxli'p First Nation
Community and Human Services

Schedule 6 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Social assistance	697,465	527,195	514,829
First Nations Health Authority	831,209	940,393	875,262
Other revenue	50,259	177,949	175,742
Xaxli'p Settlement Funds	10,486	343,755	154,310
Total revenue	1,589,419	1,989,292	1,720,143
Expenses			
Administration	189,691	99,118	74,763
Advertising	-	300	300
Amortization	-	5,385	7,631
Bank charges and interest	-	2,107	1,927
Contracted services	1,000	19,891	25,110
Equipment lease	-	19,797	14,745
Fuel	-	5,772	16,994
Furniture and equipment	4,228	16,094	18,844
Honoraria	3,800	13,047	13,960
Insurance	8,218	13,049	11,717
Meeting	-	1,066	3,791
Miscellaneous	-	42	361
National child benefit - projects	50,450	54,317	52,881
Professional fees	12,080	33,146	94,079
Program expense	175,393	350,036	283,626
Rent	-	3,000	556
Repairs and maintenance	10,500	132,079	18,527
Salaries and benefits	601,774	525,709	423,009
Social assistance	583,889	605,792	510,037
Student expenses	-	1,929	6,750
Supplies	20,313	39,162	55,736
Telephone	-	5,534	11,518
Training	14,550	61,749	37,207
Travel	23,450	97,255	88,216
Utilities	2,258	14,224	6,727
Total expenses	1,701,594	2,119,600	1,779,012
Annual deficit	(112,175)	(130,308)	(58,869)
Accumulated surplus, beginning of year	182,513	182,513	240,209
Transfer to fund depreciation	-	5,385	7,631
Acquisition of capital assets	-	(132,857)	-
Principal payments on long-term debt	-	(8,666)	(6,458)
Accumulated surplus (deficit), end of year	70,338	(83,933)	182,513

Xaxli'p First Nation
Education

Schedule 7 - Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Elementary/secondary education	-	201,161	177,811
Post-secondary education	601,811	470,502	427,273
Social assistance	-	-	2,510
Indian government support	-	4,780	-
Work Opportunity Program	-	4,880	1,220
FNESC	-	36,088	36,551
ASETS	-	13,346	37,033
Other revenue	-	50,520	-
Total revenue	601,811	781,277	682,398
Expenses			
Administration	5,400	44,571	44,227
Fuel	-	13,195	9,334
Furniture and equipment	-	2,592	-
Honoraria	-	-	125
Insurance	356	3,115	2,163
Program expense	-	12,706	11,928
Salaries and benefits	113,579	148,767	147,330
Student expenses	317,370	298,629	223,379
Supplies	-	11,229	12,468
Telephone	-	43	1,179
Travel	3,200	2,256	3,402
Tuition costs	121,823	156,795	119,936
Utilities	1,200	1,470	762
Total expenses	562,928	695,368	576,233
Annual surplus	38,883	85,909	106,165
Accumulated surplus, beginning of year	316,310	316,310	210,145
Accumulated surplus, end of year	355,193	402,219	316,310

Schedule 8 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Other revenue	17,200	88,081	94,617
Province of BC	-	206,221	240,592
Work Opportunity Program	9,200	9,685	-
Total revenue	26,400	303,987	335,209
Expenses			
Furniture and equipment	-	-	49
Insurance	300	302	295
Miscellaneous	-	8,250	-
Program expense	-	282,971	251,910
Salaries and benefits	22,400	21,828	25,485
Supplies	2,500	15,680	1,840
Travel	-	193	-
Utilities	1,200	1,488	1,113
Total expenses	26,400	330,712	280,692
Annual surplus (deficit)	-	(26,725)	54,517
Accumulated surplus, beginning of year	78,654	78,654	34,448
Transfer between departments	-	-	(10,311)
Accumulated surplus, end of year	78,654	51,929	78,654

Xaxli'p First Nation
Economic Development

Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada			
Community infrastructure	-	53,259	53,861
Work Opportunity Program	-	-	3,660
Other revenue	-	20,006	-
Total revenue	-	73,265	57,521
Expenses			
Amortization	-	3,262	3,900
Bank charges and interest	-	72	-
Contracted services	-	190	-
Equipment lease	-	-	244
Insurance	-	5,977	10,367
Miscellaneous	-	2,670	1,674
Professional fees	-	469	6,301
Program expense	-	-	65
Property tax	-	2,243	-
Repairs and maintenance	-	-	1,188
Salaries and benefits	-	13,671	85,481
Student expenses	-	78	2,900
Supplies	-	2,323	1,262
Telephone	-	160	483
Travel	-	122	4,454
Utilities	-	7,356	1,598
Total expenses	-	38,593	119,917
Annual surplus (deficit)	-	34,672	(62,396)
Accumulated deficit, beginning of year	(901,610)	(901,610)	(843,114)
Transfer to fund depreciation	-	3,262	3,900
Accumulated deficit, end of year	(901,610)	(863,676)	(901,610)