

Xaxli'p
Consolidated Financial Statements
March 31, 2019

Xaxli'p Contents

For the year ended March 31, 2019

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Management's Responsibility

To the Members of Xaxli'p

The accompanying consolidated financial statements of Xaxli'p 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 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 First 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.

August 2, 2019

Signed by Colleen Jacob

Chief

Signed by Pauline Michell

Councillor

Independent Auditor's Report

To the Chief and Council of Xaxli'p:

Opinion

We have audited the consolidated financial statements of Xaxli'p and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus and related schedules, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

August 2, 2019

MNP LLP

Chartered Professional Accountants

MNP

Xaxli'p
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018 (Restated - Note 14)
Financial assets		
Cash and cash equivalents	2,217,143	651,496
Accounts receivable (Note 3)	1,020,849	418,266
Portfolio investments	337,594	327,894
Investment in First Nation business entity (Note 12)	931,003	707,000
Funds held in trust (Note 5)	366,819	355,965
Restricted cash (Note 4)	117,567	112,012
Total financial assets	4,990,975	2,572,633
Liabilities		
Accounts payable and accruals	294,145	206,154
Long-term debt (Note 6)	1,353,846	1,103,308
Total financial liabilities	1,647,991	1,309,462
Net financial assets	3,342,984	1,263,171
Contingencies (Note 7)		
Non-financial assets		
Tangible capital assets (Schedule 1)	3,648,605	3,818,676
Prepaid expenses	47,203	18,111
Total non-financial assets	3,695,808	3,836,787
Accumulated surplus	7,038,792	5,099,958

Approved on behalf of the Council

Signed by Colleen Jacob

Chief

Signed by Pauline Michell

Councillor

Xaxli'p
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019</i>	<i>2019</i>	<i>2018</i>
		<i>Budget - Note 9</i>		<i>(Restated - Note 14)</i>
Revenue				
Indigenous Services Canada (Note 13)		628,593	2,412,305	2,599,472
Canada Mortgage and Housing Corporation		75,332	109,875	286,762
First Nations Health Authority		838,242	940,813	940,393
Province of BC		-	3,073,786	404,313
Other revenue		144,056	1,765,218	1,536,622
Xaxli'p Settlement Funds		-	-	607,115
Gain on disposal of capital assets		-	1,520	-
Rental income		140,856	224,736	210,681
Work Opportunity Program		-	54,419	60,488
Aboriginal Skills and Employment Training Strategy		-	54,257	13,346
Allocation to replacement reserve		-	27,093	-
First Nations Education Steering Committee		-	34,974	49,698
Interest income		-	31,209	21,242
Total revenue		1,827,079	8,730,205	6,730,132
Program expenses				
Administration	3	230,196	1,529,341	1,201,636
Public Works	4	270,699	849,781	477,337
Housing	5	216,188	621,712	522,584
Community and Human Services	6	1,038,253	2,224,689	2,119,600
Education	7	307,444	1,108,733	695,368
Resources	8	-	372,034	330,712
Economic Development	9	-	85,081	76,035
Total expenses		2,062,780	6,791,371	5,423,272
Annual surplus (deficit)		(235,701)	1,938,834	1,306,860
Accumulated surplus, beginning of year		5,099,958	5,099,958	3,793,098
Accumulated surplus, end of year		4,864,257	7,038,792	5,099,958

Xaxli'p
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 9)</i>	2019	2018 (Restated - Note 14)
Annual surplus (deficit)			
Purchases of tangible capital assets	(235,701)	1,938,834	1,306,860
Amortization of tangible capital assets	- 113,603	(83,197) 253,268	(142,578) 236,340
Proceeds of disposal of tangible capital assets	- -	1,520 (1,520)	- -
Gain on sale on tangible capital assets	- -	(29,092)	(9,395)
Increase (decrease) in net financial assets	(122,098)	2,079,813	1,391,227
Net financial assets (net debt), beginning of year	1,263,171	1,263,171	(128,056)
Net financial assets, end of year	1,141,073	3,342,984	1,263,171

Xaxli'p
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

2019 **2018**
(Restated -
Note 14)

Cash provided by (used for) the following activities

Operating activities

Annual surplus	1,938,834	1,306,860
Non-cash items		
Amortization	253,268	236,340
Gain on disposal of tangible assets	(1,520)	-
	2,190,582	1,543,200
Changes in working capital accounts		
Accounts receivable	(602,576)	18,271
Prepaid expenses	(29,092)	(9,395)
Accounts payable and accruals	87,984	(193,933)
Deferred revenue	-	(679,409)
Trust assets	(10,854)	(10,389)
Restricted cash	(5,555)	(33,590)
	1,630,489	634,755

Financing activities

Advances of long-term debt	365,000	-
Repayment of long-term debt	(114,462)	(120,563)

Capital activities

Purchases of tangible capital assets	(83,197)	(142,578)
Proceeds of disposal of tangible capital assets	1,520	-

Investing activities

Reinvested in portfolio	(9,700)	(5,298)
Advances to First Nation business entity	(224,003)	(707,000)
	(233,703)	(712,298)

Increase (decrease) in cash resources

1,565,647	(340,684)
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Cash resources, beginning of year

651,496	992,180
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Cash resources, end of year

2,217,143	651,496
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Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

1. Operations

The Xaxli'p (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Xaxli'p includes the First 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 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.

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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:

	Method	Rate
Buildings	declining balance	5 %
Office equipment	declining balance	20 %
Infrastructure	declining balance	4 %
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, 2019.

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, 2019, no liability for contaminated site exists.

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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).

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 annual surplus (deficit) in the periods in which they become known.

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Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Segments

The First Nation conducts its business through a number of reportable segments as described in note 8. 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.

3. Accounts receivable

	2019	2018
Accounts receivable	1,037,705	449,131
CMHC subsidy assistance receivable	27,545	5,491
Rent receivable	201,636	199,652
	1,266,886	654,274
Less: Allowance for doubtful accounts	246,037	236,008
	1,020,849	418,266

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:

	2019	2018
Restricted cash	137,889	112,012
Replacement reserve requirement	313,617	272,977

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.

	2019	2018
Capital Trust		
Balance, beginning of year	18,690	18,690
Balance, end of year	18,690	18,690
Revenue Trust		
Balance, beginning of year	337,275	321,331
Interest	10,854	15,944
Balance, end of year	348,129	337,275
Combined balance end of year	366,819	355,965

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

6. Long-term debt

	2019	2018
RBC loan repayable on demand, unsecured and bearing interest at 3.42% per annum	132,054	136,523
RBC loan repayable in monthly installments of \$600 including interest at 3.78% per annum, maturing July 15, 2019 - secured by a vehicle having a net book value of \$nil	12,132	12,132
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	135,680	161,675
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	182,734	212,884
All Nations Trust mortgage repayable in monthly installments of \$3,178 including interest at 1.84% per annum, maturing August 1, 2032	453,319	482,854
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	72,927	97,240
RBC loan repayable on demand, unsecured and bearing interest at Prime Rate (being 3.95%) plus 1.25% per annum	365,000	-
	1,353,846	1,103,308

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

	Principal
2020	483,654
2021	118,343
2022	122,089
2023	98,000
2024	101,801
	923,887

7. 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.

8. 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 First Nation.

Public Works:

Includes revenue and expenditures related to capital projects.

Housing:

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

Community and Human Services:

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

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Segments *(Continued from previous page)*

Education:

Includes revenue and expenses related to primary, secondary and post secondary education 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.

9. Budget information

The disclosed budget information has been approved by the Chief and Council of the Xaxli'p on May 15, 2018. Budget information was not prepared for the full scope of activities performed by the First Nation for the year ended March 31, 2019. Budget information was not prepared, available or approved for several departments.

10. Economic dependence

Xaxli'p 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.

11. Change in accounting policy

Effective April 1, 2018, the First Nation adopted the recommendations relating to PS 3430 Restructuring Transactions as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. The new section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

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

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Investment in First Nation business entity

The First Nation has an investment in the following entity:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2019</i>
Wholly-owned Business:				
Xaxli'p Development Corporation	-	911,003	-	911,003

Summary unaudited financial information for the First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows: (included in expenses is a management fee paid to Xaxli'p of \$508,000)

<i>Xaxli'p Development Corporation As at March 31, 2019</i>	
Assets	
Cash	581,741
Accounts receivable	496,539
Prepaid expenses	2,549
Property, plant and equipment	43,499
Total assets	1,124,328
Liabilities	
Accounts payable and accruals	1,129,831
Total liabilities	1,129,831
	(5,503)
Total revenue	1,427,991
Total expenses	1,433,015
	(5,024)
	(5,024)

13. Indigenous Services Canada funding reconciliation

	<i>2019</i>	<i>2018</i>
ISC revenue per confirmation	2,470,960	2,599,472
Prior year surplus recoveries	(58,655)	-
Revenue per financial statements	2,412,305	2,599,472

14. Correction of an error

During the year, the First Nation determined that prior year deferred revenue was overstated by \$263,360. The retroactive application of this correction of an error resulted in an increase in revenue and accumulated surplus and a decrease in deferred revenue in 2018 amounting to \$263,360.

	<i>Land</i>	<i>Buildings</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Automotive equipment</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	506,166	6,810,095	2,361,000	584,510	982,991	11,244,762	11,102,184
Acquisition of tangible capital assets	-	-	-	-	83,197	83,197	142,578
Balance, end of year	506,166	6,810,095	2,361,000	584,510	1,066,188	11,327,959	11,244,762
Accumulated amortization							
Balance, beginning of year	-	4,438,721	1,635,188	518,155	834,022	7,426,086	7,189,745
Annual amortization	-	153,771	29,032	13,295	57,170	253,268	236,341
Balance, end of year	-	4,592,492	1,664,220	531,450	891,192	7,679,354	7,426,086
Net book value of tangible capital assets	506,166	2,217,603	696,780	53,060	174,996	3,648,605	3,818,676
2018 Net book value of tangible capital assets	506,166	2,371,374	725,812	66,355	148,969	3,818,676	

Xaxli'p
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Consolidated expenses by object			
Administration	94,799	96,364	144,439
Advertising	500	4,184	2,146
Amortization	113,603	253,268	236,340
Bank charges and interest	1,400	25,281	13,607
Community donations	-	5,200	-
Contracted services	2,500	69,645	49,527
Elders fees	-	41,479	28,050
Equipment lease	-	40,900	38,738
Fuel	-	11,083	18,966
Furniture and equipment	33,000	49,054	51,699
Honoraria	77,000	162,980	122,495
Insurance	33,360	92,485	76,985
Interest on long-term debt	10,087	19,120	24,687
Meeting	-	990	5,280
Miscellaneous	14,805	230,798	28,474
National child benefit - projects	55,955	55,683	54,317
Postage	-	912	2,303
Professional fees	31,870	354,974	306,617
Program expense	410,714	1,002,821	754,579
Property tax	-	-	2,243
Rent	-	3,506	3,125
Repairs and maintenance	154,337	469,836	424,815
Salaries and benefits	769,295	1,688,321	1,431,317
Social assistance	-	822,177	605,792
Student expenses	19,240	402,207	300,636
Supplies	49,055	207,064	138,029
Telephone	18,380	32,725	37,176
Training	37,350	161,937	83,200
Travel	107,865	244,786	200,270
Tuition costs	-	175,203	156,795
Utilities	27,665	66,387	80,625
Total expenses	2,062,780	6,791,370	5,423,272

Xaxli'p
Administration

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

For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Indigenous Services Canada	-	394,407	552,662
Other revenue	-	1,176,351	1,097,467
Province of BC	-	50,532	129,000
Interest income	-	31,209	21,242
Work Opportunity Program	-	20,957	34,564
First Nations Education Steering Committee	-	-	13,610
Total revenue	-	1,673,456	1,848,545
Expenses			
Administration	-	500	750
Advertising	-	3,302	1,846
Amortization	-	124,186	119,160
Bank charges and interest	-	21,474	11,053
Contracted services	-	3,100	-
Elders fees	-	19,743	20,540
Equipment lease	-	19,091	18,458
Furniture and equipment	-	3,332	6,086
Honoraria	72,000	123,297	84,827
Insurance	-	24,988	31,540
Miscellaneous	3,800	(487)	15,243
Postage	-	838	2,262
Professional fees	-	153,118	184,346
Program expense	-	118,854	102,241
Rent	-	-	125
Repairs and maintenance	-	26,058	13,720
Salaries and benefits	92,736	454,445	452,562
Social assistance	-	199,641	-
Supplies	-	20,868	27,084
Telephone	8,160	16,211	25,679
Training	22,500	113,215	5,230
Travel	31,000	78,043	73,072
Utilities	-	5,524	5,812
Total expenses	230,196	1,529,341	1,201,636
Annual surplus (deficit)	(230,196)	144,115	646,909
Accumulated surplus, beginning of year	2,038,854	2,107,067	1,350,719
Transfer to fund depreciation	-	124,186	119,160
Acquisition of capital assets	-	-	(9,721)
New debt issuance	-	365,000	-
Accumulated surplus, end of year	1,808,658	2,740,368	2,107,067

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

For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Indigenous Services Canada	270,699	385,698	532,619
Province of BC	-	2,754,236	69,092
Other revenue	-	90,597	64,645
Rental income	-	16,190	9,805
Work Opportunity Program	-	11,986	-
Total revenue	270,699	3,258,707	676,161
Expenses			
Contracted services	-	39,320	24,647
Equipment lease	-	483	483
Furniture and equipment	1,000	1,081	12,089
Honoraria	-	25,278	24,121
Insurance	2,750	29,567	11,853
Meeting	-	216	4,214
Miscellaneous	250	194,254	2,270
Postage	-	73	42
Professional fees	-	31,578	52,715
Program expense	-	10,524	6,419
Repairs and maintenance	85,598	173,079	83,663
Salaries and benefits	163,146	255,578	146,795
Supplies	5,000	16,238	26,359
Telephone	1,020	3,593	5,761
Training	-	2,427	2,837
Travel	-	27,325	23,452
Utilities	11,935	39,167	49,617
Total expenses	270,699	849,781	477,337
Annual surplus	-	2,408,926	198,824
Accumulated surplus, beginning of year	2,730,686	2,719,916	2,494,292
Transfer to fund depreciation	-	(143,275)	(127,807)
Acquisition of capital assets	-	83,197	142,578
Principal payments on long-term debt	-	4,469	12,029
New debt issuance	-	(365,000)	-
Accumulated surplus, end of year	2,730,686	4,708,233	2,719,916

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

For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Indigenous Services Canada	-	(200)	257,294
Canada Mortgage and Housing Corporation	75,332	109,875	286,762
Rental income	140,856	208,546	200,876
Other revenue	-	44,443	30,863
Allocation to replacement reserve	-	27,093	27,093
Work Opportunity Program	-	10,366	11,360
Total revenue	216,188	400,123	814,248
Expenses			
Amortization	113,603	109,994	108,534
Bank charges and interest	400	363	374
Contracted services	-	4,943	4,800
Elders fees	-	21,736	7,510
Furniture and equipment	-	42,876	14,839
Honoraria	-	700	500
Insurance	16,125	15,274	11,149
Interest on long-term debt	10,087	19,120	24,687
Miscellaneous	-	5,979	-
Professional fees	2,870	3,481	35,940
Program expense	-	-	207
Repairs and maintenance	27,646	158,762	168,261
Replacement reserve transfers	27,093	27,093	27,093
Salaries and benefits	13,564	181,319	84,542
Supplies	-	13,584	16,193
Training	-	1,771	13,385
Travel	-	13,729	3,921
Utilities	4,800	988	649
Total expenses	216,188	621,712	522,584
Annual surplus (deficit)	-	(221,589)	291,664
Accumulated surplus, beginning of year	560,520	560,520	272,219
Principal payments on long-term debt	-	(13,860)	(3,363)
Accumulated surplus, end of year	560,520	325,071	560,520

Xaxli'p
Community and Human Services
Schedule 6 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)
For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018 (Restated - Note 14)
Revenue			
Indigenous Services Canada	50,450	718,204	527,195
First Nations Health Authority	838,242	940,813	940,393
Xaxli'p Settlement Funds	-	-	607,115
Other revenue	144,056	245,851	177,949
Total revenue	1,032,748	1,904,868	2,252,652
Expenses			
Administration	94,799	95,864	99,118
Advertising	-	-	300
Amortization	-	16,290	5,385
Bank charges and interest	1,000	3,444	2,107
Contracted services	2,500	18,513	19,891
Equipment lease	-	21,091	19,797
Fuel	-	8,472	5,772
Furniture and equipment	32,000	977	16,094
Honoraria	5,000	11,575	13,047
Insurance	14,158	12,241	13,049
Meeting	-	774	1,066
Miscellaneous	10,755	21,115	42
National child benefit - projects	55,955	55,683	54,317
Professional fees	29,000	160,826	33,146
Program expense	140,627	311,281	350,036
Rent	-	3,156	3,000
Repairs and maintenance	14,000	78,992	132,079
Salaries and benefits	493,819	532,910	525,709
Social assistance	-	622,535	605,792
Student expenses	-	-	1,929
Supplies	38,795	68,102	39,162
Telephone	8,000	6,836	5,534
Training	14,850	38,828	61,749
Travel	73,265	113,959	97,255
Utilities	9,730	16,025	14,224
Community donations	-	5,200	-
Total expenses	1,038,253	2,224,689	2,119,600
Annual deficit	(5,505)	(319,821)	133,052
Accumulated surplus, beginning of year	(83,932)	179,428	182,514
Transfer to fund depreciation	-	16,290	5,385
Acquisition of capital assets	-	-	(132,857)
Principal payments on long-term debt	-	9,392	(8,666)
Accumulated surplus (deficit), end of year	(89,437)	(114,711)	179,428

Schedule 7 - Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Indigenous Services Canada	307,444	861,062	676,443
Other revenue	-	188,510	50,520
Aboriginal Skills and Employment Training Strategy	-	54,257	13,346
First Nations Education Steering Committee	-	34,974	36,088
Work Opportunity Program	-	-	4,880
Total revenue	307,444	1,138,803	781,277
Expenses			
Administration	-	-	44,571
Fuel	-	2,610	13,195
Furniture and equipment	-	-	2,592
Honoraria	-	2,129	-
Insurance	-	2,392	3,115
Program expense	270,087	205,399	12,706
Salaries and benefits	6,030	210,008	148,767
Student expenses	25,327	402,207	298,629
Supplies	-	83,834	11,229
Telephone	1,200	5,044	43
Travel	3,600	6,110	2,256
Tuition costs	-	175,203	156,795
Utilities	1,200	1,566	1,470
Contracted services	-	3,770	-
Rent	-	350	-
Repairs and maintenance	-	2,452	-
Training	-	4,777	-
Advertising	-	882	-
Total expenses	307,444	1,108,733	695,368
Annual surplus	-	30,070	85,909
Accumulated surplus, beginning of year	402,219	402,219	316,310
Accumulated surplus, end of year	402,219	432,289	402,219

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

For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Province of BC	-	269,018	206,221
Other revenue	-	16,684	88,081
Work Opportunity Program	-	11,111	9,685
Total revenue	-	296,813	303,987
Expenses			
Furniture and equipment	-	789	-
Insurance	-	450	302
Miscellaneous	-	5,156	8,250
Program expense	-	356,660	282,971
Salaries and benefits	-	5,348	21,828
Supplies	-	1,901	15,680
Travel	-	757	193
Utilities	-	973	1,488
Total expenses	-	372,034	330,712
Annual deficit	-	(75,221)	(26,725)
Accumulated surplus, beginning of year	51,928	51,928	78,653
Accumulated surplus (deficit), end of year	51,928	(23,293)	51,928

Xaxli'p
Economic Development
Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2019

	2019 Budget (Note 9)	2019	2018
Revenue			
Indigenous Services Canada	-	53,134	53,259
Other revenue	-	2,781	6
Total revenue	-	55,915	53,265
Expenses			
Amortization	-	2,799	3,262
Bank charges and interest	-	-	72
Contracted services	-	-	190
Equipment lease	-	235	-
Insurance	-	7,574	5,977
Miscellaneous	-	4,781	2,670
Professional fees	-	5,971	469
Program expense	-	104	-
Property tax	-	-	2,243
Repairs and maintenance	-	3,400	-
Salaries and benefits	-	48,714	51,113
Student expenses	-	-	78
Supplies	-	2,538	2,323
Telephone	-	1,040	160
Travel	-	4,863	122
Utilities	-	2,143	7,356
Training	-	919	-
Total expenses	-	85,081	76,035
Annual surplus (deficit)	-	(29,166)	(22,770)
Accumulated deficit, beginning of year	(863,676)	(921,118)	(901,610)
Transfer to fund depreciation	-	2,799	3,262
Accumulated deficit, end of year	(863,676)	(947,485)	(921,118)