

Xaxli'p
Consolidated Financial Statements
March 31, 2022

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Changes in Net Financial Assets.....	3
Consolidated Statement of Cash Flows	4

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

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	14
Schedule 2 - Consolidated Schedule of Expenses by Object.....	15
Schedule 3 - Schedule of Revenue and Expenses - Administration.....	16
Schedule 4 - Schedule of Revenue and Expenses - Public Works.....	17
Schedule 5 - Schedule of Revenue and Expenses - Housing.....	18
Schedule 6 - Schedule of Revenue and Expenses - Health.....	19
Schedule 7 - Schedule of Revenue and Expenses - Community and Member Services.....	20
Schedule 8 - Schedule of Revenue and Expenses - Education.....	21
Schedule 9 - Schedule of Revenue and Expenses - Resources.....	22
Schedule 10 - Schedule of Revenue and Expenses - Economic Development.....	23
Schedule 11 - Schedule of Revenue and Expenses - Ministry of Transportation and Infrastructure - Slide Stabilization.....	24
Schedule 12 - Schedule of Revenue and Expenses - Social Development Services.....	25
Schedule 13 - Schedule of Revenue and Expenses - St'at'imc Trust.....	26

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.

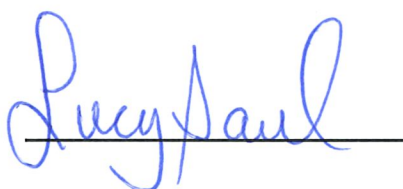
The Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and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

MNP LLP, an independent firm of Chartered Professional Accountants, 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 Chief and Council and management to discuss their audit findings.

March 28, 2023

A blue ink signature, appearing to be "R. Paul", written over a horizontal line.

Chief

A blue ink signature, appearing to be "Lucy Paul", written over a horizontal line.

Band Manager

To the Members of Xaxli'p:

Opinion

We have audited the consolidated financial statements of Xaxli'p, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 Xaxli'p as at March 31, 2022, and the results of its consolidated operations, changes in net financial assets 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 Xaxli'p 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 Xaxli'p'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 cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Xaxli'p'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 Xaxli'p'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 Xaxli'p'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 Xaxli'p to cease to continue as a going concern.

MNP LLP

Suite 1500, 1700 Dickson Avenue, Kelowna B.C., V1Y 0L5

1.877.766.9735 T: 250.763.8919 F: 250.763.1121

- 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 Xaxli'p 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.

Kelowna, British Columbia

March 28, 2023

MNP LLP

Chartered Professional Accountants

Xaxli'p
Consolidated Statement of Financial Position
As at March 31, 2022

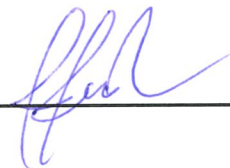
	2022	2021
Financial assets		
Cash and cash equivalents	6,966,074	5,597,116
Restricted cash (Note 3)	188,826	137,255
Funds held in trust (Note 4)	180,248	481,896
Accounts receivable (Note 5)	842,873	971,988
Portfolio investments (Note 6)	389,372	390,942
Investment in Xaxli'p business entity (Note 7)	2,442,547	2,041,273
	11,009,940	9,620,470
Liabilities		
Bank indebtedness (Note 8)	-	155,000
Accounts payable and accruals	372,830	348,937
Deferred revenue (Note 9)	684,391	1,659,000
Long-term debt (Note 10)	779,277	977,009
	1,836,498	3,139,946
Net financial assets	9,173,442	6,480,524
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	5,349,350	3,394,498
Prepaid expenses	2,308	29,573
	5,351,658	3,424,071
Accumulated surplus (Note 12)	14,525,100	9,904,595

Approved on behalf of the Chief and Council




Chief

Councillor



Councillor

Xaxli'p

Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	2022 Budget (Note 15)	2022	2021
Revenue				
Indigenous Services Canada (Note 13)		1,956,398	4,547,406	3,775,056
Canada Mortgage and Housing Corporation		-	1,733,265	168,248
First Nations Health Authority		-	1,281,405	1,395,152
Other revenue		-	1,360,779	1,372,006
Province of British Columbia		-	1,040,581	81,555
St'at'imc (PC) 2011 Trust funding		-	483,898	75,696
B.C. First Nation Gaming revenue		-	301,454	528,980
Rental income		-	267,249	242,802
First Nations Education Steering Committee		-	119,309	107,170
Aboriginal Skills and Employment Training Strategy		-	70,876	-
Interest income		-	35,762	26,188
Work opportunity program		-	31,500	-
		1,956,398	11,273,484	7,772,853
Program expenses				
Administration	3	-	1,358,510	1,072,460
Public Works	4	-	318,355	323,964
Housing	5	-	609,872	298,379
Health	6	-	802,658	1,156,726
Community and Member Services	7	-	209,858	666,648
Education	8	-	1,075,298	886,219
Resources	9	-	492,197	428,493
Economic Development	10	-	335,723	347,478
Ministry of Transportation and Infrastructure - Slide Stabilization Project	11	-	340,137	298,519
Social Development Services	12	-	867,504	642,686
St'at'imc Trust	13	-	242,867	266,912
		-	6,652,979	6,388,484
Annual surplus		1,956,398	4,620,505	1,384,369
Accumulated surplus, beginning of year		9,904,595	9,904,595	8,520,226
Accumulated surplus, end of year		11,860,993	14,525,100	9,904,595

Xaxli'p

Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Annual surplus	1,956,398	4,620,505	1,384,369
Purchases of tangible capital assets	-	(2,293,141)	(258,366)
Amortization of tangible capital assets	-	338,289	349,897
Use of prepaid expenses	-	27,265	18,836
Increase in net financial assets	1,956,398	2,692,918	1,494,736
Net financial assets, beginning of year	6,480,524	6,480,524	4,985,788
Net financial assets, end of year	8,436,922	9,173,442	6,480,524

The accompanying notes are an integral part of these consolidated financial statements

Xaxli'p
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,620,505	1,384,369
Non-cash items		
Amortization	338,289	349,897
Increase in funds held in trust	(10,352)	(8,719)
Unrealized losses (gains) on portfolio investments	12,043	(36,884)
	4,960,485	1,688,663
Changes in working capital accounts		
Accounts receivable	129,115	245,400
Accounts payable and accruals	23,893	143,277
Deferred revenue	(974,609)	1,574,621
Prepaid expenses	27,265	18,836
	4,166,149	3,670,797
Financing activities		
Repayment of long-term debt	(197,732)	(197,238)
Withdrawal of funds held in trust	312,000	-
Capital activities		
Purchases of tangible capital assets	(2,293,141)	(258,366)
Investing activities		
Invested in portfolio investments	(10,473)	(5,197)
Advances to Xaxli'p business entity	(401,274)	(270,805)
Decrease (increase) in restricted cash	(51,571)	1,507
	(463,318)	(274,495)
Increase in cash resources	1,523,958	2,940,698
Cash resources, beginning of year	5,442,116	2,501,418
Cash resources, end of year	6,966,074	5,442,116
Cash resources are composed of:		
Cash and cash equivalents	6,966,074	5,597,116
Bank indebtedness	-	(155,000)
	6,966,074	5,442,116

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Xaxli'p reporting entity, except for Xaxli'p's business entities which are not dependent on Xaxli'p for their continuing operations.

Xaxli'p has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Tmicw Land Holdings Ltd.
- Xaxli'p Community Forest Corporation
- Fountain Valley Services Society

All inter-entity balances have been eliminated on consolidation.

Xaxli'p business entities, owned or controlled by the Xaxli'p's Council but not dependent on Xaxli'p for their continuing operations, are included in the consolidated 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 Xaxli'p. Thus, Xaxli'p'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.

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.

Cash and cash equivalents

Cash and cash equivalents 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. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

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

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

Amortization

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

	Rate
Buildings	4 %
Infrastructure	6 %
Automotive Equipment	30 %
Office Equipment	20 %

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Xaxli'p members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated 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 land or other Xaxli'p 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.

Xaxli'p 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.

Xaxli'p 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.

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 Xaxli'p is responsible for.

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

Net financial assets

Xaxli'p's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of Xaxli'p is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated annual surplus.

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

Revenue recognition

Government transfers

Government transfers are recognized 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, Xaxli'p recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Ottawa Trust Fund

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is earned.

Rental income

Rental revenue is recorded in the period in which 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.

Other

Other revenues are recognized when performance is completed, amounts are measurable and collectibility is reasonably assured.

Investment income is recognized in the period in which it is earned.

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, Xaxli'p 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, 2022.

At each financial reporting date, Xaxli'p reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. Xaxli'p 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, 2022, no liability for contaminated site exists.

Segments

Xaxli'p conducts its business through a number of reportable segments as described in Note 14. These operating segments are established by senior management to facilitate the achievement of Xaxli'p'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 consolidated financial statements as disclosed in Note 2.

2. Significant accounting policies (Continued from previous page)

Recent accounting pronouncement

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

An ARO represents a legal obligation associated with the retirement of a tangible capital asset.

- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. Xaxli'p has not yet assessed the effects of the application of the new standard on the consolidated financial statements.

3. Restricted cash

Restricted cash is comprised of the following:

	2022	2021
CMHC replacement reserve	155,725	83,502
CMHC operating reserve	33,101	53,753
	188,826	137,255

Replacement reserves

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually in the amount of \$25,744 (2021 - \$27,093). 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 underfunded by \$144,626 (2021 - \$284,375).

Operating reserve

Under the terms of the agreements with CMHC, excess federal assistance payments may be retained in an Operating Reserve. 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. For the Post 1996 phases, the funds may be used to offset future deficits. Withdrawals are credits to interest first and then principal. At year-end, the operating reserve was underfunded by \$358,701 (2021 - \$312,936).

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Funds held in trust

Funds held in trust consists of the Capital and Revenue Trust accounts held in the Ottawa Trust. The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*. Capital and revenue trust monies are transferred to Xaxli'p on the authorization of the Minister of Indigenous Services Canada, with the consent of the Xaxli'p's Council.

	2022	2021
Capital Trust		
Balance, beginning and end of year	18,690	18,690
Revenue Trust		
Balance, beginning of year	463,206	454,487
Interest	10,352	8,719
Withdrawal	(312,000)	-
Balance, end of year	161,558	463,206
Combined total	180,248	481,896

5. Accounts receivable

	2022	2021
Accounts receivable	701,701	788,328
CMHC subsidy assistance receivable	5,541	78,418
Rent receivable	523,560	493,171
	1,230,802	1,359,917
Less: Allowance for doubtful accounts	387,929	387,929
	842,873	971,988

6. Portfolio investments

	2022	2021
Measured at fair value:		
Marketable securities, RBC select very conservative portfolio balanced fund (cost - \$357,128)	389,372	390,942

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investment in Xaxli'p business entity

Xaxli'p has an investment in the following entity:

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative share of loss</i>	<i>2022 Total investment</i>
Wholly-owned Business:				
Xaxli'p Development Corporation	1	2,447,214	(4,668)	2,442,547

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative share of loss</i>	<i>2021 Total investment</i>
Wholly-owned Business:				
Xaxli'p Development Corporation	1	2,045,940	(4,668)	2,041,273

During the year, Xaxli'p Development Corporation paid to Xaxli'p management fees of \$580,318 (2021 - \$310,000) included in other revenue.

Summary unaudited financial information for the Xaxli'p 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, 2022</i>
Assets	
Cash	595,368
Accounts receivable	1,793,080
Prepaid expenses	261
Equipment	421,890
	<u>2,810,599</u>
Liabilities	
Accounts payable and accruals	37,482
Government remittances payable	91,121
Due to Xaxli'p	2,486,512
Current portion of long-term debt	57,713
Long-term debt	142,438
	<u>2,815,266</u>
	<u>(4,667)</u>
Total revenue	2,321,410
Total expenses	<u>2,321,410</u>

Xaxli'p
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Bank indebtedness

	2022	2021
Royal Bank of Canada ("RBC") operating line of credit, maximum limit of \$300,000 to support general account operating cash flow, repaid in full.	-	155,000

9. Deferred revenue

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

	<i>2021 Deferred Revenue</i>	<i>Current Year Funding Received</i>	<i>Current Year Revenue Recognized</i>	<i>2022 Deferred Revenue</i>
Canadian Mortgage Housing Corporation	1,659,000	-	1,659,000	-
Indigenous Services Canada	-	493,334	-	493,334
Other governments	-	191,057	-	191,057
	1,659,000	684,391	1,659,000	684,391

10. Long-term debt

	2022	2021
All Nations Trust Company ("ANTCO") loan bearing interest at 1.84% per annum, repayable in blended monthly payments of \$3,178, matures August 2032 and is secured by guarantee of Xaxli'p and the Government of Canada.	361,396	392,600
RBC term loan bearing interest at 2.74% per annum, repayable in blended monthly payments of \$7,393, unsecured and matures January 2024.	154,463	234,466
RBC demand loan bearing interest at 3.59% per annum, repayable in blended monthly payments of \$787, unsecured and matures August 2023.	117,185	122,324
ANTCO loan bearing interest at 1.73% per annum, repayable in blended monthly payments of \$2,739, matures January 2025 and is secured by guarantee of Xaxli'p and the Government of Canada.	90,796	121,802
ANTCO Post 1996 Phase 1 loan bearing interest at 2.12% per annum, repayable in monthly blended payments of \$2,360. The loan matures March 2024 and is secured by the guarantee of Xaxli'p and the Government of Canada.	55,437	82,568
ANTCO loan, repaid in full.	-	23,249
	779,277	977,009

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2023	182,060
2024	166,457
2025	65,844
2026	39,505
2027	40,344

11. 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.

Xaxli'p is subject to funding reviews according to their agreements with federal government agencies. It is possible that adjustments could be made based on the results of these reviews by the federal government agencies. Recoveries are recorded in the year of adjustment.

Xaxli'p may be contingently liable with respect to Ministerial guarantee for "On Reserve Housing Loans" to the Royal Bank of Canada in the amount of \$117,543, the Canadian Imperial Bank of Commerce in the amount of \$82,597, and Interior Savings Credit Union in the amount of \$67,734. These loan guarantees are in addition to CMHC mortgages.

12. Accumulated surplus

Accumulated surplus consists of:

	2022	2021
CMHC replacement reserve	300,351	367,877
CMHC operating reserve	391,802	366,689
Funds held in trust	180,248	481,896
Equity in investment in business entity	2,442,547	2,041,273
Equity in tangible capital assets	4,570,073	2,417,489
Unrestricted	6,640,079	4,229,371
	14,525,100	9,904,595

13. Indigenous Services Canada funding reconciliation

	2022	2021
Direct Funding		
ISC revenue per confirmation	5,040,740	3,797,400
ISC funding deferred	(493,334)	-
Funding per confirmation carried-forward from prior year	-	(22,344)
	4,547,406	3,775,056

14. Segments

Xaxli'p 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 Xaxli'p.

Public Works

Includes revenue and expenditures related to capital projects.

Housing

Includes revenue and expenses related to Xaxli'p owned and social housing programs of Xaxli'p.

14. Segments *(Continued from previous page)*

Health

Includes revenue and expenses related to the health services to the members of Xaxli'p.

Community and Member Services

Includes revenue and expenses related to the social assistance and other services to the members of Xaxli'p.

Education

Includes revenue and expenses related to primary, secondary and post-secondary education of the members of Xaxli'p.

Resources

Includes revenue and expenses related to stewardship of Xaxli'p's land and resources.

Economic Development

Includes revenue and expenses related to economic endeavours of Xaxli'p.

Ministry of Transportation and Infrastructure - Slide Stabilization Project

Includes revenue and expenses related to the long-term contract with the Ministry of Transportation and Infrastructure.

Social Development

Includes revenue and expenses related to family support to the members of Xaxli'p.

St'at'imc Trust

Includes revenue and expenses related to funds received from the St'at'imc Trust.

15. Budget information

Canadian public sector accounting standards require the disclosure of budget information for comparison to Xaxli'p's actual revenue and expenses based on the original approved budget. The disclosed budget information has been approved by the Chief and Council of Xaxli'p. Budget information was not prepared for the full scope of activities performed by Xaxli'p for the year ended March 31, 2022. Budget information was not prepared, available or approved for several departments including Health, Resources, Ministry of Transportation and Infrastructure - Slide Stabilization Project, and St'at'imc Trust.

16. Economic dependence

Xaxli'p receives a significant portion of its revenue from the Government of Canada. The funding for First Nation programs are administered by Department of Indigenous Services Canada under the terms and conditions of the *Indian Act*. The ability of Xaxli'p to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

17. Comparative figures

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

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Land</i>	<i>Buildings</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Automotive equipment</i>	<i>2022</i>	<i>2021</i>
Cost							
Balance, beginning of year	501,066	6,897,166	2,361,000	696,369	1,212,695	11,668,296	11,409,930
Acquisition of tangible capital assets	328,253	1,679,388	-	24,653	260,847	2,293,141	345,437
Construction-in-progress	-	-	-	-	-	-	(87,071)
Balance, end of year	829,319	8,576,554	2,361,000	721,022	1,473,542	13,961,437	11,668,296
Accumulated amortization							
Balance, beginning of year	-	4,902,788	1,732,226	616,710	1,022,074	8,273,798	7,923,901
Annual amortization	-	146,951	37,726	27,012	126,600	338,289	349,897
Balance, end of year	-	5,049,739	1,769,952	643,722	1,148,674	8,612,087	8,273,798
Net book value of tangible capital assets	829,319	3,526,815	591,048	77,300	324,868	5,349,350	3,394,498
2021 Net book value of tangible capital assets	501,066	1,994,379	628,773	79,659	190,621	3,394,498	

Xaxli'p

Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Consolidated expenses by object			
Administration	-	-	1,056
Advertising	-	46,864	64,237
Amortization	-	338,289	349,897
Bad debts	-	36	184,446
Bank charges and interest	-	42,199	42,421
Contracted services	-	27,255	21,097
Elders fees	-	28,642	16,190
Equipment lease	-	79,024	49,699
Fuel	-	33,063	27,613
Honoraria	-	151,743	201,993
Insurance	-	155,909	129,593
Interest on long-term debt	-	9,882	11,774
Meeting	-	-	84
Miscellaneous	-	98,367	52,829
National child benefit - projects	-	21,351	-
Postage	-	4,400	3,849
Professional fees	-	635,439	628,109
Program expense	-	706,896	423,261
Rent	-	10,039	11,499
Repairs and maintenance	-	518,314	258,514
Salaries and benefits	-	1,744,699	1,789,763
Social assistance	-	818,521	834,272
Student expenses	-	397,046	334,590
Supplies	-	280,524	439,166
Telephone	-	42,610	54,105
Training	-	87,803	84,941
Travel	-	123,974	146,083
Tuition costs	-	202,733	173,468
Utilities	-	47,357	53,935
	-	6,652,979	6,388,484

Xaxli'p
Administration

Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Revenue			
Indigenous Services Canada	307,728	443,909	457,785
Other revenue	-	731,627	499,671
B.C. First Nation Gaming revenue	-	301,454	528,980
Interest income	-	32,579	25,913
Work opportunity program	-	31,500	-
Province of British Columbia	-	20,581	30,000
	307,728	1,561,650	1,542,349
Expenses			
Advertising	-	6,005	16,171
Amortization	-	251,425	130,564
Bad debts	-	36	175,776
Bank charges and interest	-	17,872	32,255
Elders fees	-	28,642	16,190
Equipment lease	-	46,217	15,441
Fuel	-	100	280
Honoraria	-	27,210	52,842
Insurance	-	47,861	31,079
Miscellaneous	-	720	992
Postage	-	4,373	2,239
Professional fees	-	370,482	190,068
Program expense	-	39,408	10,995
Repairs and maintenance	-	51,097	9,660
Salaries and benefits	-	324,749	337,170
Social assistance	-	66,520	4,033
Supplies	-	41,511	19,184
Telephone	-	22,238	10,376
Training	-	-	2,570
Travel	-	6,562	13,057
Utilities	-	5,482	1,518
	-	1,358,510	1,072,460
Annual surplus	307,728	203,140	469,889

Schedule 4 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	166,879	512,186	432,871
Rental income	-	6,950	1,491
Other revenue	-	5,550	17,122
	166,879	524,686	451,484
Expenses			
Advertising	-	-	57
Contracted services	-	27,255	21,097
Equipment lease	-	1,065	5,508
Fuel	-	532	54
Insurance	-	29,332	28,312
Miscellaneous	-	2,215	1,408
Postage	-	-	449
Professional fees	-	-	1,814
Program expense	-	2,099	3,614
Repairs and maintenance	-	69,732	51,780
Salaries and benefits	-	122,410	156,285
Supplies	-	15,088	10,295
Telephone	-	3,801	6,027
Training	-	4,604	3,305
Travel	-	1,938	1,395
Utilities	-	38,284	32,564
	-	318,355	323,964
Annual surplus	166,879	206,331	127,520

Schedule 5 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Revenue			
Indigenous Services Canada	68,882	454,566	-
Canada Mortgage and Housing Corporation	-	1,733,265	147,919
Rental income	-	260,299	241,261
Aboriginal Skills and Employment Training Strategy	-	24,407	-
Interest income	-	2,667	134
	68,882	2,475,204	389,314
Expenses			
Amortization	-	37,701	112,903
Bank charges and interest	-	15,422	4,861
Fuel	-	4,912	296
Honoraria	-	705	350
Insurance	-	37,619	24,626
Interest on long-term debt	-	9,882	11,774
Miscellaneous	-	7,713	115
Postage	-	-	10
Professional fees	-	11,872	9,914
Program expense	-	48,173	553
Repairs and maintenance	-	328,958	73,844
Salaries and benefits	-	103,657	54,818
Supplies	-	1,095	927
Telephone	-	814	895
Training	-	666	1,000
Travel	-	534	918
Utilities	-	149	575
	-	609,872	298,379
Annual surplus	68,882	1,865,332	90,935

Schedule 6 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Revenue			
Indigenous Services Canada	-	125,318	-
First Nations Health Authority	-	1,281,405	1,395,152
Other revenue	-	53,085	148,292
Province of British Columbia	-	20,000	-
Interest income	-	516	141
	-	1,480,324	1,543,585
Expenses			
Advertising	-	7,196	12,910
Amortization	-	45,209	45,127
Bank charges and interest	-	3,633	3,078
Equipment lease	-	5,250	12,866
Fuel	-	3,947	9,894
Honoraria	-	175	6,295
Insurance	-	19,338	19,101
Meeting	-	-	84
Miscellaneous	-	763	2,053
Professional fees	-	22,390	86,258
Program expense	-	35,156	132,405
Rent	-	306	5,259
Repairs and maintenance	-	47,647	40,598
Salaries and benefits	-	417,535	544,989
Social assistance	-	14,403	19,260
Supplies	-	51,756	74,946
Telephone	-	9,791	17,517
Training	-	6,164	8,739
Travel	-	109,456	105,658
Utilities	-	2,543	9,689
	-	802,658	1,156,726
Annual surplus	-	677,666	386,859

Xaxli'p
Community and Member Services
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	40,000	275,516	740,016
Other revenue	-	33,238	114,791
	40,000	308,754	854,807
Expenses			
Administration	-	-	1,056
Advertising	-	5,069	6,779
Equipment lease	-	24,195	12,334
Fuel	-	12,381	11,317
Honoraria	-	5,550	18,833
Insurance	-	665	2,658
Miscellaneous	-	-	197
Postage	-	27	103
Professional fees	-	-	5,218
Program expense	-	3,940	3,045
Repairs and maintenance	-	746	15,088
Salaries and benefits	-	60,046	134,184
Social assistance	-	44,663	300,638
Supplies	-	48,824	147,414
Telephone	-	669	1,590
Training	-	-	750
Travel	-	3,083	4,295
Utilities	-	-	1,149
	-	209,858	666,648
Annual surplus	40,000	98,896	188,159

Schedule 8 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Revenue			
Indigenous Services Canada	582,716	1,455,510	1,059,106
Canada Mortgage and Housing Corporation	-	-	20,329
First Nations Education Steering Committee	-	119,309	107,170
Aboriginal Skills and Employment Training Strategy	-	46,469	-
Other revenue	-	18,561	12,144
Rental income	-	-	50
	582,716	1,639,849	1,198,799
Expenses			
Advertising	-	26,438	22,075
Bad debts	-	-	8,670
Fuel	-	459	-
Honoraria	-	3,024	17,275
Insurance	-	4,497	6,221
Postage	-	-	944
Professional fees	-	40,545	38,716
Program expense	-	80,742	18,692
Rent	-	195	3,602
Repairs and maintenance	-	1,026	10,679
Salaries and benefits	-	180,570	124,244
Social assistance (recovery)	-	(4,878)	23,250
Student expenses	-	397,046	330,785
Supplies	-	84,250	114,159
Telephone	-	1,358	3,386
Training	-	56,077	2,256
Travel	-	362	1,089
Tuition costs	-	202,733	156,432
Utilities	-	854	3,744
	-	1,075,298	886,219
Annual surplus	582,716	564,551	312,580

Schedule 9 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 15)	2022	2021
Revenue			
Other revenue	-	490,761	384,856
Province of British Columbia	-	-	51,555
	-	490,761	436,411
Expenses			
Advertising	-	1,886	1,436
Amortization	-	2,014	59,102
Bank charges and interest	-	5,200	2,227
Equipment lease	-	195	334
Fuel	-	6,932	4,905
Honoraria	-	11,600	11,411
Insurance	-	6,506	5,372
Miscellaneous	-	12,712	16,332
Postage	-	-	10
Professional fees	-	30,693	20,987
Program expense	-	368	3,914
Rent	-	9,538	2,638
Repairs and maintenance	-	4,564	4,180
Salaries and benefits	-	365,155	261,918
Supplies	-	29,584	13,852
Telephone	-	887	1,900
Training	-	4,080	15,125
Travel	-	238	1,046
Utilities	-	45	1,804
	-	492,197	428,493
Annual surplus (deficit)	-	(1,436)	7,918

Xaxli'p
Economic Development
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	50,394	121,998	251,370
Other revenue	-	40,000	150,849
	50,394	161,998	402,219
Expenses			
Advertising (recovery)	-	(50)	840
Amortization	-	1,940	2,201
Bank charges and interest	-	72	-
Equipment lease	-	195	1,024
Fuel	-	-	64
Honoraria	-	1,250	2,034
Insurance	-	3,109	2,658
Miscellaneous	-	-	197
Postage	-	-	63
Professional fees	-	159,457	249,507
Program expense	-	89,087	3,170
Repairs and maintenance	-	2,755	10,090
Salaries and benefits	-	69,492	70,550
Supplies	-	6,021	2,053
Telephone	-	1,674	2,289
Travel	-	721	163
Utilities	-	-	575
	-	335,723	347,478
Annual surplus (deficit)	50,394	(173,725)	54,741

Xaxli'p

Ministry of Transportation and Infrastructure - Slide Stabilization Project
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
Province of British Columbia	-	1,000,000	-
Expenses			
Honoraria	-	150	-
Miscellaneous	-	-	480
Professional fees	-	-	18,885
Program expense	-	339,339	239,600
Supplies	-	-	1,844
Training	-	648	37,710
	-	340,137	298,519
Annual surplus (deficit)	-	659,863	(298,519)

Xaxli'p
Social Development Services
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	739,799	1,158,403	833,908
Expenses			
Advertising	-	190	1,970
Equipment lease	-	390	668
Fuel	-	3,800	77
Honoraria	-	1,059	-
Insurance	-	4,655	3,183
Miscellaneous	-	26,194	30,974
National child benefit - projects	-	21,351	-
Postage	-	-	22
Professional fees	-	-	2,685
Program expense	-	7,722	2,815
Repairs and maintenance	-	6,820	14,019
Salaries and benefits	-	93,868	78,142
Social assistance	-	697,812	487,090
Supplies	-	2,280	5,246
Telephone	-	1,044	2,110
Training	-	-	11,158
Travel	-	319	1,671
Utilities	-	-	856
	-	867,504	642,686
Annual surplus	739,799	290,899	191,222

Xaxli'p
St'at'imc Trust
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget (Note 15)</i>	<i>2022</i>	<i>2021</i>
Revenue			
St'at'imc (PC) 2011 Trust funding	-	483,898	75,696
Expenses			
Advertising	-	130	2,000
Equipment lease	-	1,517	1,524
Fuel	-	-	726
Honoraria	-	101,020	92,953
Insurance	-	2,327	6,383
Miscellaneous	-	48,050	81
Postage	-	-	9
Professional fees	-	-	1,317
Program expense	-	60,862	7,198
Repairs and maintenance	-	4,969	28,576
Salaries and benefits	-	7,217	27,463
Student expenses	-	-	3,805
Supplies	-	116	49,246
Telephone	-	334	8,015
Training	-	15,564	2,328
Travel	-	761	16,791
Tuition costs	-	-	17,036
Utilities	-	-	1,461
	-	242,867	266,912
Annual surplus (deficit)	-	241,031	(191,216)