

**ALEXIS CREEK INDIAN BAND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**ALEXIS CREEK INDIAN BAND**  
**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2014**

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# ALEXIS CREEK FIRST NATION

## ANNUAL FINANCIAL REPORT

MARCH 31, 2014

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Alexis Creek Indian Band and all the information in this annual report are the responsibility of management and have been approved by the Chief and Band Manager on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider, for the approval of the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by Tombe Herrington, Chartered Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Tombe Herrington, Chartered Accountants LLP have full and free access to the Council of the Band.

and free access to the Council of the Band.  
  
Chief: Clayton Charleyboy      Secretary: Terri Char      Treasurer: Don Bill  
Band Manager: W. H. H.

# TOMBE HERRINGTON

CHARTERED ACCOUNTANTS LLP

Member of Canadian Tax Foundation

Member of Institute of Chartered Business Valuators

Members of Institute of Chartered Accountants of B.C.

Pat Tombe, C.A.

Gordon Herrington, C.A., C.B.V.

Diane Routhier, C.A.

Incorporated Professionals

## INDEPENDENT AUDITOR'S REPORT

### To the Council and Members of Alexis Creek Indian Band

We have audited the accompanying consolidated financial statements of Alexis Creek Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of financial activities and equity, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, 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.

### Auditor's 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 of 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 auditor's judgment, including assessment of 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 audit opinion.

### Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Alexis Creek Indian Band as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.



Chartered Accountants LLP

Kamloops, Canada

July 25, 2014



**ALEXIS CREEK INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2014**

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash	\$ 815,786	\$ 198,502
Restricted cash and other assets (Note 3)	918,706	951,848
Term deposit	578,626	566,447
Accounts receivable (Note 4)	339,065	516,613
Long-term investments (Note 6)	143,566	80,254
Security deposits for timber licences	18,600	-
	<b>2,814,349</b>	<b>2,313,664</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,028,558	\$ 582,217
Line of credit	141	141,624
Ottawa trust monies (Note 8)	914,476	887,617
Long-term debt (Note 9)	1,124,907	491,182
Replacement reserve (Note 13)	96,339	90,129
Operating reserve (Note 14)	970	-
	<b>3,165,391</b>	<b>2,192,769</b>
<b>NET ASSETS (DEBT)</b>	<b>(351,042)</b>	<b>120,895</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory	62,926	60,375
Prepaid expenses	102,111	48,666
Property and equipment (Note 7)	4,700,319	4,276,068
	<b>4,865,356</b>	<b>4,385,109</b>
<b>EQUITY (Note 10)</b>	<b>\$ 4,514,314</b>	<b>\$ 4,506,004</b>

ECONOMIC DEPENDENCE (Note 2)

CONTINGENT LIABILITIES (Note 11)

APPROVED ON BEHALF OF THE MEMBERS:

FOR *for Chief* *Clayton Charleyboy* *July 25/14* *Terry Char* *Harold* *Barry*  
 Chief *Manager*

**ALEXIS CREEK INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	2014 Budget (Note 12)	2014 Actual	2013 Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development Canada (net of recoveries of \$182,736)	\$ 2,229,018	\$ 2,229,018	\$ 2,301,913
Health Canada/First Nations Health Authority (net of recoveries of \$12,890)	828,313	828,313	842,879
Canada Mortgage and Housing Corporation	2,355	2,355	-
Band housing rentals	63,455	63,455	70,213
Redstone Gas Bar and C-Store	1,619,199	1,619,199	1,656,041
Tsideldel Timber Development Limited Partnership	76,102	76,102	-
Other revenues	4,794,977	4,794,977	1,283,336
	<b>9,613,419</b>	<b>9,613,419</b>	<b>6,154,382</b>
<b>EXPENDITURES</b>			
Education	343,388	343,388	398,590
Social assistance	529,198	529,198	548,371
Capital facilities and community	1,121,554	1,121,554	1,593,222
Band support	5,037,577	5,037,577	2,360,496
Tsi Del Del School	674,279	674,279	590,706
Social housing	4,455	4,455	-
Band housing	25,259	25,259	-
Section 9 & 10 Housing	42,301	42,301	43,161
Redstone Gas Bar and C-Store	1,682,819	1,682,819	1,685,683
Tsideldel Timber Development Limited Partnership	12,990	12,990	-
	<b>9,473,820</b>	<b>9,473,820</b>	<b>6,220,229</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 139,599</b>	<b>139,599</b>	<b>(65,847)</b>
<b>OPERATING EQUITY, beginning of year</b>		<b>655,536</b>	<b>721,383</b>
<b>OPERATING EQUITY, end of year (Note 10)</b>		<b>795,135</b>	<b>655,536</b>
<b>EQUITY IN INVESTMENTS, end of year (Note 10)</b>		<b>143,766</b>	<b>80,254</b>
<b>EQUITY IN PROPERTY AND EQUIPMENT, beginning of year</b>		<b>3,770,214</b>	<b>4,064,471</b>
Acquisition of property and equipment		813,667	249,232
Amortization of property and equipment		(374,743)	(376,454)
Increase in long-term debt		(688,299)	(244,854)
Principal repayments of long-term debt		54,574	77,819
<b>EQUITY IN PROPERTY AND EQUIPMENT, end of year (Note 10)</b>		<b>3,575,413</b>	<b>3,770,214</b>
<b>EQUITY, end of year</b>		<b>\$ 4,514,314</b>	<b>\$ 4,506,004</b>

**ALEXIS CREEK INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	2014 Actual	2013 Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ 139,599	\$ (65,847)
Principal repayments on long-term debt deducted from operations	54,574	77,819
Property and equipment acquired (net of financing) deducted from operations	140,140	4,378
Purchase of property and equipment	(813,666)	(259,208)
Increase in long-term investments deducted from operations	63,412	250
Consumption (acquisition) of inventory	(2,551)	(1,917)
Use (increase) of prepaid expense	(53,445)	26,922
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(471,937)	(217,603)
<b>NET FINANCIAL ASSETS, beginning of year</b>	120,895	338,498
<b>NET FINANCIAL ASSETS (DEBT), end of year</b>	\$ (351,042)	\$ 120,895

**ALEXIS CREEK INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
<b>OPERATING TRANSACTIONS</b>		
Excess (deficiency) of revenue over expenditures	\$ 139,599	\$ (65,847)
Adjustment for Capital and Investment Transactions included in Operations:		
Principal repayments on long-term debt	54,574	77,819
Property and equipment acquired (net of related financing)	140,241	4,378
Increase in replacement reserve	6,210	5,760
Increase in operating reserve	970	-
Increase in long-term investments	63,312	250
Change in non-cash operating items	609,294	(42,385)
Cash provided by operating transactions	<u>1,014,200</u>	<u>(20,025)</u>
<b>FINANCING TRANSACTIONS</b>		
(Decrease) in Capital Fund debt	(17,836)	(42,620)
Advances from Band and Social Housing mortgages	688,299	244,854
(Repayments of) Section 9 & 10 housing mortgage	(26,719)	(25,223)
Repayment of Band and Social Housing mortgages	(10,019)	(9,976)
Cash provided by (applied to) financing transactions	<u>633,725</u>	<u>167,035</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of property and equipment	(813,667)	(259,208)
<b>INVESTING TRANSACTIONS</b>		
(Increase) in long-term investments	(63,312)	(250)
Cash provided by (applied to) investing transactions	<u>(63,312)</u>	<u>(250)</u>
<b>INCREASE (DECREASE) IN CASH, during the year</b>	<b>770,946</b>	<b>(112,448)</b>
<b>CASH, beginning of year</b>	<b>623,325</b>	<b>735,773</b>
<b>Cash, end of year</b>	<b>\$ 1,394,271</b>	<b>\$ 623,325</b>
<b>COMPRISED OF:</b>		
Cash	\$ 815,786	\$ 198,502
Term deposit	578,626	566,447
Line of Credit	(141)	(141,624)
	<u>\$ 1,394,271</u>	<u>\$ 623,325</u>
Cash paid during the year for interest	<u>\$ 24,899</u>	<u>\$ 21,385</u>

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

The consolidated financial statements of the Band have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates.

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

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within a framework of the significant accounting policies summarized below:

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These consolidated statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

**a) Fund Accounting**

The Alexis Creek Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the consolidated statements. Details of the operations of each fund are set out in the supplementary schedules. The Band maintains the following funds:

- The Operating Fund which reports the general activities of the Band administration;
- The Tsi Del Del School Fund which reports the activities of the Band-operated school;
- The Band Housing Fund which reports the social housing assets of the Band, together with related activities;
- The Section 9 & 10 Housing Fund which reports the activities of Section 9 & 10 Housing;
- The General Capital Fund which reports the property, plant and equipment of the Band, together with the related financing;
- The Trust Fund which reports on trust funds owned by the Band and held by third parties; and,
- The Enterprise Fund which reports the Band's business enterprises.

**b) Reporting Entity and Principles of Financial Reporting**

The Alexis Creek Indian Band reporting entity includes the Alexis Creek Indian Band and all related entities which are accountable to the Band and are either owned or controlled by the Band. Long-term investments in non-controlled entities are recorded at the lower of cost and net realizable value.

**c) Property and Equipment**

Property, equipment and infrastructure expenditures incurred after April 1, 1989 are valued at acquisition cost and recorded in the Capital Fund. Expenditures incurred previous to April 1, 1989 are reflected in the Capital Fund for \$1.

The acquisition costs of property and equipment and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets with a corresponding increase in equity in property and equipment.

Property and equipment acquired as part of the Band Housing Fund and the Social Housing Fund are recorded as assets of those funds.

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**d) Amortization**

Property and equipment recorded are amortized annually with a corresponding reduction in equity in property and equipment. Assets are amortized over their expected useful life using the straight-line method at the following rates:

Automotive equipment	30%
Band school equipment	20%
Buildings and band housing	4%
Community well	10%
Gas Bar & C-Store pumps and tanks	10%
Infrastructure	4%
New school	4%
NNADAP equipment	20%
Office furniture and equipment	30%
Recreation equipment	20%
Riding arena and other fencing	20%
Shop equipment	20%
Teacherages	4%

**e) Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

**f) Revenue Recognition and Restricted Cash**

Revenue from government services is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue from the Redstone Gas Bar and C-Store is recognized at the point of sale. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position. Cash and deposits whose use is restricted have also been disclosed separately on the Consolidated Statement of Financial Position.

**g) Comparative Figures**

Prior year figures have been reclassified where necessary to conform to the current year's presentation.

**2. ECONOMIC DEPENDENCE**

A significant portion of the Alexis Creek Indian Band's revenue is comprised of funding received from Aboriginal Affairs and Northern Development Canada and other government departments. The Alexis Creek Indian Band's ability to continue operations is dependent upon the continuation of such funding.

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**3. RESTRICTED CASH AND OTHER ASSETS**

	<b>2014</b>	<b>2013</b>
Replacement reserve - cash	\$ 4,230	\$ 64,230
Ottawa Trust Monies - cash	901,153	877,356
Ottawa Trust Monies - interest receivable	13,323	10,262
	<b>\$ 918,706</b>	<b>\$ 951,848</b>

**4. ACCOUNTS RECEIVABLE**

	<b>2014</b>	<b>2013</b>
AANDC	\$ 83,220	\$ 178,055
Health Canada/First Nations Health Authority	-	105,307
Union of BC Municipalities	52,662	-
Loans to band members	392,977	368,782
Other	266,542	242,403
	<b>795,401</b>	<b>894,547</b>
Less: allowance for doubtful accounts (\$384,899 regarding loans to band members)	(456,336)	(377,934)
	<b>\$ 339,065</b>	<b>\$ 516,613</b>

**5. AMOUNTS DUE TO/FROM OTHER FUNDS**

Amounts due to/from other funds were advanced for working capital purposes and are unsecured, non-interest bearing and due on demand.

**6. LONG TERM INVESTMENTS**

	<b>2014</b>	<b>2013</b>
Cariboo Indian Enterprises Ltd. (inactive) - shares, at cost	\$ 1	\$ 1
Eniyud Community Forests Ltd. - shares, at cost	1	1
Eniyud Community Forests Ltd. - advances, unsecured, interest-free, no specific terms of repayment	249	249
River West Forest Products Ltd. - shares, at cost	1	1
Tsi Del Del Enterprises Ltd. - shares, at cost	1	1
Tsi Del Del Enterprises Ltd. - advances, unsecured, interest-free, no specific terms of repayment	80,000	80,000
Tsideldel Development Corporation - shares, at cost	100	-
Tsideldel Development Corporation - retained earnings	6	-
Tsilhqot'in Forest Products Inc. - shares, at cost	1	1
Tsideldel Timber Development Limited Partnership - accumulated earnings	63,106	-
Tsideldel Timber Development Limited Partnership - 9999 Units	100	-
	<b>\$ 143,566</b>	<b>\$ 80,254</b>

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**7. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Alternate school equipment	\$ 2,575	\$ 2,575	\$ -	\$ 2,575	\$ 2,575	\$ -
Automotive equipment	243,833	243,833	-	243,833	240,122	3,711
Automotive equipment- TDD School	12,800	12,800	-	12,800	12,800	-
Band school equipment	39,685	39,685	-	39,685	39,685	-
Buildings	1,493,538	828,949	664,589	1,467,688	769,207	698,481
Buildings - timber frame housing	138,054	55,220	82,834	138,054	49,698	88,356
Community well	30,806	30,806	-	30,806	30,806	-
Fencing	20,000	20,000	-	20,000	20,000	-
Gas Bar & C-Store - pumps & tanks	155,422	155,422	-	155,422	151,428	3,994
Gas Bar building	446,094	266,805	179,289	446,094	248,961	197,133
Infrastructure	2,345,358	1,452,794	892,564	2,345,358	1,358,980	986,378
New school	2,879,274	1,842,736	1,036,538	2,879,274	1,727,565	1,151,709
NNADAP equipment	1,500	1,500	-	1,500	1,500	-
Office equipment and furniture	132,796	132,796	-	132,796	132,796	-
Office equipment and furniture-TDD School	72,075	71,098	977	72,075	68,171	3,904
Other	-	-	-	-	-	-
Cultural Centre	232,601	83,736	148,865	232,601	74,432	158,169
Recreation equipment	5,540	5,540	-	5,540	5,540	-
Riding arena fencing	46,806	46,806	-	46,806	46,806	-
Sawmill	51,579	51,579	-	51,579	51,579	-
Section 9 & 10 housing	591,918	308,066	283,852	591,918	284,389	307,529
Shop equipment	11,209	11,209	-	11,209	11,209	-
Band housing houses and appliances	931,584	545,710	385,874	931,584	509,680	421,904
Band housing land	78,000	-	78,000	78,000	-	78,000
Teacherages	442,000	282,880	159,120	442,000	265,200	176,800
Social housing houses	787,817	-	787,817	-	-	-
	<b>\$ 11,192,864</b>	<b>\$ 6,492,545</b>	<b>\$ 4,700,319</b>	<b>\$ 10,379,197</b>	<b>\$ 6,103,129</b>	<b>\$ 4,276,068</b>
Add assets under construction			-			-
<b>Total net property and equipment</b>			<b>\$ 4,700,319</b>			<b>\$ 4,276,068</b>
Comprised of:						
Capital Fund			\$ 2,984,509			\$ 3,263,603
Enterprise Fund			179,290			201,128
Section 9 & 10 Housing			283,852			307,529
Social Housing			787,817			-
Band Housing			463,874			499,904
Tsi Del Del School			977			3,904
			<b>\$ 4,700,319</b>			<b>\$ 4,276,068</b>

As at March 31, 2014 the property and equipment recorded at the nominal value of \$ 1 included land, automotive equipment, community centre and band office building, fire hall and fire truck, kindergarten building, office equipment, pump house and shop equipment.

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**8. OTTAWA TRUST MONIES**

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 63 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. Interest receivable on account of revenue is accrued.

**9. LONG TERM DEBT**

	2014	2013
CMHC RRAP loan, forgivable over next 60 months, interest (when payable) at 7.25% per annum, unsecured	\$ 38,584	\$ 35,798
Peace Hills Trust loan, repayable in monthly instalments of \$ 2,820 including interest at 5.85% per annum, subject to refinancing July 2014	111,466	138,185
Arco Finance loan, repayable in monthly instalments of \$ 647 including interest at 7.48% per annum.	3,161	12,117
Peace Hills trust loan, repayable in monthly instalments of \$ 1,237 including interest at 5.00% per annum, secured by General Security Agreement.	58,539	70,205
Peace Hills Trust demand loan, refinanced during the year	-	234,877
All Nations Trust loan, repayable in monthly instalments of \$ 2,848 including interest at 2.04% per annum, secured by certain houses, due March 2019.	648,421	-
Peace Hills Trust loan, repayable in monthly instalments of \$515 including interest at 4.0% per annum, secured by general security agreement and a collateral assignment of the \$554,000 GIC held with Peace Hills Trust, subject to refinancing May 2018	65,060	-
Peace Hills Trust loan, repayable in monthly instalments of \$600 including interest at 4.0% per annum, secured by general security agreement and a collateral assignment of the \$554,000 GIC held with Peace Hills Trust, subject to refinancing May 2018	81,510	-
Peace Hills Trust loan, repayable in monthly instalments of \$720 including interest at 4.0% per annum, secured by general security agreement and a collateral assignment of the \$554,000 GIC held with Peace Hills Trust, subject to refinancing May 2018	118,166	-
	<b>\$ 1,124,907</b>	<b>\$ 491,182</b>

The principal portion due in each of the next five years is as follows:

2015	\$ 177,108
2016	\$ 51,255
2017	\$ 72,864
2018	\$ 40,284
2019	\$ 783,396

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**10. EQUITY**

	2014	2013
<b>OPERATING EQUITY:</b>		
Enterprise Fund	\$ (115,126)	\$ (51,506)
Operating Fund	511,236	305,863
Section 9 & 10 Housing	(10,750)	(4,825)
Band Housing Fund	(17,297)	-
Tsi Del Del School	363,960	406,004
Tsideldel Timber Development Limited Partnership	63,112	-
<b>TOTAL OPERATING EQUITY</b>	<b>795,135</b>	<b>655,536</b>
<b>EQUITY IN INVESTMENTS:</b>		
Operating Fund	143,566	80,254
Equity in Tsideldel Timber Development Limited Partnership	100	-
Equity in Tsideldel Development Corporation	100	-
	143,766	80,254
<b>EQUITY IN PROPERTY AND EQUIPMENT</b>		
Capital Fund	2,884,225	3,145,483
Enterprise Fund	179,290	201,128
Section 9 & 10 Housing	172,386	169,344
Social housing	139,396	-
Band housing	199,139	250,355
Tsi Del Del School	977	3,904
<b>TOTAL EQUITY IN PROPERTY AND EQUIPMENT</b>	<b>3,575,413</b>	<b>3,770,214</b>
<b>TOTAL EQUITY</b>	<b>\$ 4,514,314</b>	<b>\$ 4,506,004</b>

**11. CONTINGENT LIABILITIES**

Under the terms of the contribution agreements with Aboriginal Affairs and Northern Development Canada and other government departments, certain surpluses may be repayable to the government, and certain deficits may be reimbursable to the Band.

**Ministerial guarantees**

The Band has provided ministerial guarantees in the amount of \$111,466 relating to outstanding indebtedness (see Note 9 regarding long term debt).

**12. BUDGET INFORMATION**

The Budget information disclosed in these financial statements was approved by Chief and Council and is unaudited.

**13. REPLACEMENT RESERVE**

These funds, along with accumulated interest, are held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation. Withdrawals are credited to interest first and then principal.

	2014	2013
Band Housing reserve	\$ 8,406	\$ 8,406
Section 9 & 10 Housing reserve	87,483	81,723
Social Housing reserve	450	-
<b>TOTAL REPLACEMENT RESERVE</b>	<b>\$ 96,339</b>	<b>\$ 90,129</b>

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**14. OPERATING RESERVE**

Under the terms of agreement with CMHC, after the payment of all costs and expenses including the allocation to the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating cost of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain an Operating Reserve fund insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the First Nation and CMHC.

	2014	2013
Balance, beginning of year	\$ -	\$ -
Allocation for the year	970	-
Balance, end of year	\$ 970	\$ -

**15. HEALTH SERVICES FUNDING**

	Health Canada	FNHA	Total
9310 - Integrated - Community Health Representative	\$ 29,309	\$ 29,311	\$ 58,620
9311 - Clinic Janitorial	4,968	8,895	13,863
9312 - Canada Prenatal Nutrition Program	8,568	8,574	17,142
9314 - Home Care Nursing	6,245	6,245	12,490
9315 - National Native Alcohol and Drug Abuse Program	25,218	25,221	50,439
9316 - Solvent Abuse Program	6,336	6,336	12,672
9318 - Medical Transportation	25,434	25,434	50,868
9319 - Mental Health Crisis Management	29,172	29,174	58,346
9320 - Brighter Futures	41,532	41,528	83,060
9321 - Integrated - Audit	1,554	1,554	3,108
9322 - Integrated - Nurse support	7,116	7,116	14,232
9323 - HIV/AIDS Strategy	720	725	1,445
9324 - Injury Prevention	61,021	61,023	122,044
9326 - Aboriginal Diabetes Initiative	2,328	2,322	4,650
9327 - Health Planning and Management	52,662	52,666	105,328
9329 - Environmental Health/Drinking Water Safety Program	9,090	9,094	18,184
9330 - Visiting Health Care Professional Services	5,604	5,607	11,211
9332 - Equivalency resources	2,827	2,827	5,654
9333 - Home and community care	43,554	43,554	87,108
9335 - Aboriginal Head Start On-Reserve	55,026	55,029	110,055
9337 - Health Canada - Liability Insurance	342	342	684
	<b>\$ 418,626</b>	<b>\$ 422,577</b>	<b>\$ 841,203</b>

**ALEXIS CREEK INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. EXPENDITURES BY OBJECT**

	<b>2014</b>	<b>2013</b>
Administration fees	\$ 323,006	\$ 144,000
Allowances	160,966	207,797
Bad debts (recovered)	75,080	56,699
Debt repayments	66,284	40,956
Equipment purchases	7,515	26,827
Honoraria	58,550	61,575
Insurance	45,110	67,363
Lease/rental	92,190	80,134
Meal Program	8,107	3,630
Other	239,804	99,664
Professional fees	199,204	174,915
RGB - Confectionary and other	215,518	223,897
RGB - Gas	806,793	770,668
RGB - Propane and Diesel	268,556	254,205
RGB - Tobacco	81,931	114,597
Service contracts	3,872,755	693,263
Social assistance payments	190,538	222,839
Supplies	341,905	357,109
Telephone	54,285	53,106
Travel	349,814	375,419
Tuition	87,976	160,241
Utilities	139,890	111,225
Wages and benefits	1,788,043	1,920,100
<b>TOTAL EXPENDITURES BY OBJECT</b>	<b>\$ 9,473,820</b>	<b>\$ 6,220,229</b>