

**Alexis Creek Indian Band**  
**Consolidated Financial Statements**  
March 31, 2018

# Alexis Creek Indian Band

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For the year ended March 31, 2018

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# Alexis Creek First Nation

## Management's Responsibility

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To the Members of Alexis Creek Indian Band:

The accompanying consolidated financial statements of Alexis Creek Indian Band 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 Alexis Creek Indian Band 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 Band's external auditors.

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

July 27, 2018

Band Administrator

## Independent Auditors' Report

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To the 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 2018, 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 a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 unqualified audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alexis Creek Indian Band as at March 31, 2018 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince George, British Columbia

July 27, 2018

*MNP LLP*

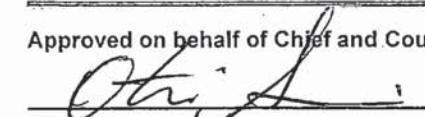

Chartered Professional Accountants



**Alexis Creek Indian Band**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*


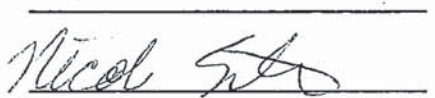
	2018	2017
<b>Financial assets</b>		
Cash resources	1,597,848	781,093
Accounts receivable (Note 3)	503,233	301,417
Inventory for resale	79,934	191,891
Funds held in trust (Note 4)	1,002,286	978,970
Advance receivable	8,800	-
Investments in Band partnership and business entities (Note 5)	869,333	656,523
Guaranteed investment certificates (Note 6)	532,777	522,337
<b>Total financial assets</b>	<b>4,594,211</b>	<b>3,432,231</b>
<b>Liabilities</b>		
Accounts payable and accruals	630,093	517,089
Deferred revenue (Note 7)	333,099	18,191
Long-term debt (Note 8)	1,147,762	1,266,690
<b>Total liabilities</b>	<b>2,110,954</b>	<b>1,801,970</b>
<b>Net financial assets</b>	<b>2,483,257</b>	<b>1,630,261</b>
<b>Contingencies (Note 9)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	5,486,662	5,855,904
Prepaid expenses	78,740	48,214
<b>Total non-financial assets</b>	<b>5,565,402</b>	<b>5,904,118</b>
<b>Accumulated surplus (Note 10)</b>	<b>8,048,659</b>	<b>7,534,379</b>

Approved on behalf of Chief and Council:

Chief

Councilor

Councilor

Councilor

# Alexis Creek Indian Band

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2018*

	Schedules	2018 Budget (Note 12)	2018	2017
<b>Revenue</b>				
Indigenous Services Canada (Note 14)		2,738,795	2,689,819	2,753,131
First Nations Health Authority		1,057,671	1,106,895	993,635
Canada Mortgage and Housing Corporation		-	53,456	53,456
Redstone Gas Bar		-	1,734,524	1,752,764
Other revenue		911,603	1,235,906	565,181
CCATEC revenue		20,124	309,212	232,424
First Nation Education Steering Committee		179,902	188,702	178,927
Earnings from investment in Band partnerships		-	131,446	503,003
Rental income		5,800	100,774	81,160
Interest income		-	23,316	19,924
		<b>4,913,895</b>	<b>7,574,050</b>	<b>7,133,605</b>
<b>Program expenses (Schedule 2)</b>				
Band Support	3	877,508	1,491,243	1,236,014
Education	4	1,312,920	919,293	1,176,533
Social Assistance	5	494,478	477,811	487,217
Capital	6	392,796	680,868	636,825
Social Housing	7	61,947	70,865	169,856
Economic Development	8	290,457	2,391,869	2,151,781
		<b>1,084,653</b>	<b>1,027,821</b>	<b>901,084</b>
<b>Total expenses</b>		<b>4,514,759</b>	<b>7,059,770</b>	<b>6,759,310</b>
<b>Annual surplus</b>		<b>399,136</b>	<b>514,280</b>	<b>374,295</b>
<b>Accumulated surplus, beginning of year</b>		<b>7,534,379</b>	<b>7,534,379</b>	<b>7,160,084</b>
<b>Accumulated surplus, end of year</b>		<b>7,933,515</b>	<b>8,048,659</b>	<b>7,534,379</b>

The accompanying notes are an integral part of these financial statements

**Alexis Creek Indian Band**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Annual surplus</b>	399,136	514,280	374,295
Purchases of tangible capital assets	(135,329)	(222,233)	(225,897)
Amortization of tangible capital assets	-	591,475	556,115
Acquisition of prepaid expenses	-	(30,526)	(18,592)
<b>Increase in net financial assets</b>	263,807	852,996	685,921
<b>Net financial assets, beginning of year</b>	1,630,261	1,630,261	944,340
<b>Net financial assets, end of year</b>	1,894,068	2,483,257	1,630,261

# Alexis Creek Indian Band

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	514,280	374,295
Non-cash items		
Amortization	591,475	556,115
Bad debts	46,836	281,287
Income from investments in Band partnerships and business entities	(131,446)	(503,003)
Trust fund interest revenue	(23,316)	(19,923)
	997,829	688,771
Changes in working capital accounts		
Accounts receivable	(201,816)	(118,857)
Inventory for resale	111,957	(64,084)
Accounts payable and accruals	113,004	(300,363)
Deferred revenue	314,908	(82,110)
Guaranteed investment certificates	(10,440)	(10,236)
Prepaid expenses	(30,526)	(18,593)
Restricted cash	(705)	12,157
Short term loans	8,800	-
	1,303,011	106,685
<b>Financing activities</b>		
Advances of long-term debt	18,514	150,000
Repayment of long-term debt	(135,967)	-
Advances to related Band entities and departments	(146,570)	(126,712)
	(264,023)	23,288
<b>Capital activities</b>		
Purchases of tangible capital assets	(222,233)	(225,897)
<b>Increase (decrease) in cash resources</b>	816,755	(95,924)
<b>Cash resources, beginning of year</b>	781,093	877,017
<b>Cash resources, end of year</b>	1,597,848	781,093



**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**1. Operations**

The Alexis Creek Indian Band (the "Band") is located in the province of British Columbia, and provides various services to its members. Alexis Creek Indian Band includes the members, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

**2. Significant accounting policies**

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

***Reporting entity consolidated***

The financial statements consolidate the financial activities of all entities and departments comprising the Band reporting entity, except for Band business entities. Trusts administered on behalf of third parties by Alexis Creek Indian Band are excluded from the Band reporting entity.

The Band has consolidated the assets, liabilities, revenue and expenses of the following entities and departments: Social Housing, Redstone Gas Bar, Crazy Horse Energy Drink, and Tsi'deldel Development Corporation. All inter-entity balances have been eliminated on consolidation.

Alexis Creek Indian Band business entity, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, is 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 the Band. Thus, the Band's investment in this entity 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. The entity accounted for by the modified equity basis is: Tsi'deldel Limited Partnership.

***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.

***Net financial assets***

The Band'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 the Band are 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 surplus.

***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 resources***

Cash resources 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.

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

**Funds held in trust**

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust moneys consist of:

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

**Tangible capital assets**

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

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

As amounts from prior years could not be reasonably estimated, the following tangible capital assets are recorded at a nominal value of \$1 - land, automotive equipment, community centre, band office building, fire hall, fire truck, kindergarten building, office equipment, pump house and shop equipment.

**Amortization**

Tangible capital assets are amortized over the expected useful life of the assets using the straight-line method. In the year of acquisition, amortization is taken at one-half of the following rates:

	<b>Rate</b>
Buildings	4 %
Infrastructure	4 %
Equipment	20-30 %

**Revenue recognition**

- i) **Government Funding**  
The Band 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 Band 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 Band recognizes revenue of the Capital and Revenue trusts 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 the funding agreements 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) **Other Revenue**  
Other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.
- vi) **Investment Income**  
Investment income is recognized by the Band when the investment income is earned.



**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

***Portfolio investments***

Portfolio investments include long-term investments in entities that are owned, but not controlled or influenced by the Band reporting entity, and guaranteed investment certificates. Portfolio investments are recorded at cost, less any provision for other than temporary impairment.

***Inventory for resale***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

***Prepaid expenses***

Prepaid expenses included in non-financial assets include payment for services that have not been provided as of year end.

***Measurement uncertainty (use of estimates)***

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, and amounts due from related Band entities and departments, are stated after evaluation as to their collectability 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 estimated based on the best information available regarding potentially contaminated sites that the Band is responsible for.

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

***Long-lived assets***

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

The Band 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 an asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

The Band 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 value.

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

***Recent accounting pronouncements***

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

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

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

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

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

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

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

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

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

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

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



**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

**Segments**

The Band conducts its business through seven reportable segments as described in Note 11. These operating segments are established by senior management to facilitate the achievement of the Band'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 as disclosed in Note 2 *Significant accounting policies*.

**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 Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the Band 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 Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2018 no liability exists.

3. **Accounts receivable**

	2018	2017
Indigenous and Northern Affairs Canada	-	80,000
Other government receivables	33,716	-
Other receivables	960,470	771,489
	994,186	851,489
Less: Allowance for doubtful accounts	(490,953)	(550,072)
	503,233	301,417

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**4. Funds held in trust**

Capital and revenue trust monies are transferred to the Band on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Band's Council.

	2018	2017
<b>Capital Trust</b>		
Balance, beginning and end of year	365,086	365,086
<b>Revenue Trust</b>		
Balance, beginning of year	613,884	593,960
Interest	21,722	18,321
BC Special	1,594	1,603
Balance, end of year	637,200	613,884
	1,002,286	978,970

**Ottawa Trust Funds**

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 Section 63 to 69 of the *Indian Act*.

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

5. Investments in Band partnerships and business entities

The Band has investments in the following entities:

					2018
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings, 2017</i>	<i>Annual share of earnings</i>	<i>Total investment</i>
<b>Band Partnerships – Modified Equity:</b>					
Tsi'deldel Limited Partnership - 99.99%	-	145,259	592,365	131,456	869,080
<b>First Nation Investments - Recorded at Cost:</b>					
Tsi Del Del Enterprises Ltd.	1	-	-	-	1
River West Forest Products Ltd.	1	-	-	-	1
Eniyud Community Forests Ltd.	1	-	249	-	250
Cariboo Indian Enterprises Ltd.	1	-	-	-	1
	4	-	249	-	253
	4	145,259	592,614	131,456	869,333

					2017
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings, 2016</i>	<i>Annual share of earnings</i>	<i>Total investment</i>
<b>Band Partnerships – Modified Equity:</b>					
Tsi'deldel Limited Partnership - 99.99%	-	63,905	89,304	503,061	656,270
<b>First Nation Investments - Recorded at Cost:</b>					
Tsi Del Del Enterprises Ltd.	1	-	-	-	1
River West Forest Products Ltd.	1	-	-	-	1
Eniyud Community Forests Ltd.	1	-	249	-	250
Cariboo Indian Enterprises Ltd.	1	-	-	-	1
	4	63,905	89,553	503,061	656,523

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
For the year ended March 31, 2018

**5. Investments in Band partnerships and business entities** (Continued from previous page)

The advances made to the Band partnerships and business entities are recorded net of allowances, have no set terms of repayments, are non-interest bearing and are unsecured.

Summary financial information for each Band business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Tsi'deldel Limited Partnership As at March 31, 2018</i>
<b>Assets</b>	<b>(Unaudited)</b>
Cash	866,834
Restricted cash	230,038
Prepaid expenses	28,590
Advances to related parties	624,730
<b>Total assets</b>	<b>1,750,192</b>
<b>Liabilities</b>	
Accounts payable and accruals	13,769
Silviculture obligation	242,612
Advances from related parties	769,990
<b>Total liabilities</b>	<b>1,026,371</b>
<b>Partners' Capital</b>	<b>723,821</b>
<b>Total revenue</b>	<b>487,530</b>
<b>Total expenses</b>	<b>356,071</b>
<b>Net income</b>	<b>131,459</b>

**6. Guaranteed investment certificates**

	2018	2017
Guaranteed investment certificate bearing interest at 2.0% per annum and matures on March 12, 2021. Deposit is held as collateral against demand loans held by the Band.	530,638	520,233
Guaranteed investment certificate bearing interest at 1.7% per annum and matures on December 6, 2018.	2,139	2,104
	<b>532,777</b>	<b>522,337</b>

**7. Deferred revenue**

The Band has recorded the following externally restricted funding as deferred revenue to be used in the completion of ongoing projects:

	2018	2017
<b>Deferred funding contributions</b>		
Water systems upgrades	107,145	-
Renovations and additions	150,000	-
Business Development - Crazy Horse	47,354	-
Other deferred contributions	28,600	18,191
	<b>333,099</b>	<b>18,191</b>



**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**8. Long-term debt**

	2018	2017
All Nations Trust loan bearing interest at 2.04% per annum, repayable in monthly blended payments of \$2,848 guaranteed by CMHC social housing with a net book value of \$669,504 (2017 - \$693,279), maturing March 2039	580,426	602,515
Peace Hill Trust demand loan bearing interest at prime rate, repayable in monthly blended payments of \$15,150 guaranteed by commitment letter in the amount of \$303,000, maturing March 2021	182,368	252,279
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$825 guaranteed by Alexis Creek Indian Band general agreement, maturing October 2029	93,474	96,951
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$748 guaranteed by Alexis Creek Indian Band general agreement, maturing October 2027	72,421	78,208
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$563 guaranteed by Alexis Creek Indian Band general agreement, maturing October 2029	63,835	68,468
Peace Hill Trust demand loan bearing interest at prime plus 2% (5.75% - March 31, 2018) per annum, repayable in monthly blended payments of \$1,892, guaranteed by commitment letter in the amount of \$98,489 and equipment with a net book value of \$69,765 (2017 - \$87,206), maturing August 2020	51,129	68,641
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$448 guaranteed by Alexis Creek Indian Band general agreement, maturing October 2029	50,739	54,416
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$99 guaranteed by Alexis Creek Indian Band general agreement, maturing October 2024	34,856	39,644
Bank of Montreal loan bearing interest at prime plus 0.5% (3.95% - March 31, 2018) per annum, repayable in monthly blended payments of \$689 guaranteed by Alexis Creek Indian Band general agreement, maturing July 2020	18,514	-
CMHC RRAP forgivable loan	-	5,568
	<b>1,147,762</b>	<b>1,266,690</b>

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:

2019	123,260
2020	126,497
2021	128,210
2022	114,528
2023	85,900
	<u>578,395</u>

Prime rate at March 31, 2018 was 3.45% (2017 - 2.7%).

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**9. Contingencies**

Tsideldel Development Corporation is involved in a dispute over the legal ownership of certain property. The effects of any contingent claims relating to this dispute are not determinable at the date of this report.

These consolidated financial statements are subject to review by Indigenous Services Canada, First Nations Health Authority and Canada Mortgage Housing Corporation. It is possible that adjustments could be made based on the results of their review.

**10. Accumulated surplus**

Accumulated surplus consists of the following:

	2018	2017
Ottawa Trust Funds	1,002,286	978,970
Operating fund	1,710,711	1,184,517
Enterprise fund	869,333	650,720
Equity in tangible capital assets	4,338,900	4,589,214
Replacement and operating reserve	127,429	130,958
	<b>8,048,659</b>	<b>7,534,379</b>

**11. Segments**

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

**Band Support**

Includes general operations, support, and financial management of Alexis Creek Indian Band.

**Education**

Includes revenue and expenses related to primary, secondary and post secondary education of the members of Alexis Creek Indian Band.

**Social Assistance**

Includes revenue and expenses relating to the delivery of social assistance to members of Alexis Creek Indian Band.

**Capital**

Includes revenue and expenditures of capital projects.

**Social Housing**

Includes revenue and expenditures relating to the operation of Alexis Creek Indian Band's social housing program.

**Economic Development**

Includes activities related to the growth of revenue producing projects within Alexis Creek Indian Band.

**Health**

Includes activities related to the provision of health services for Alexis Creek Indian Band.

**Alexis Creek Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**12. Budget information**

Budgets were not prepared for all segments and all departments in 2018. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

The disclosed budget information has been approved by the Chief and Council of the Alexis Creek Indian Band. The original budget was approved at the Chief and Council meeting held on April 26, 2017.

**13. Economic dependence**

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

**14. Indigenous Services Canada funding reconciliation**

	2018	2017
ISC funding per financial statements	2,689,819	2,753,131
Recoveries	-	1,517
Current year deferred revenue	257,145	-
Prior year deferred revenue	-	(100,301)
Receivable balance	-	(80,000)
ISC funding per confirmation	2,946,964	2,574,347

**15. Comparative figures**

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



**Alexis Creek Indian Band**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Buildings</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Equipment</i>	<i>2017</i>
<b>Cost</b>					
Balance, beginning of year	8,029,806	4,540,343	78,000	335,114	12,983,263
Acquisition of tangible capital assets	88,716	-	-	133,517	222,233
Balance, end of year	8,118,522	4,540,343	78,000	468,631	13,205,496
<b>Accumulated amortization</b>					
Balance, beginning of year	5,159,664	1,866,372	-	101,323	7,127,359
Annual amortization	322,967	177,748	-	90,760	591,475
Balance, end of year	5,482,631	2,044,120	-	192,083	7,718,834
<b>Net book value of tangible capital assets</b>	<b>2,635,891</b>	<b>2,496,223</b>	<b>78,000</b>	<b>276,548</b>	<b>5,486,662</b>
2017 Net book value of tangible capital assets	2,870,142	2,673,971	78,000	233,791	5,855,904



**Alexis Creek Indian Band**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2018*

	2018 Budget (Note 12)	2018	2017
<b>Consolidated expenses by object</b>			
Administration (recovery)	65,721	(27,799)	141
Advertising and promotion	2,221	56,318	29,457
Allowances	216,823	143,025	113,045
Amortization	-	591,475	556,115
Bad debts	-	46,836	281,287
Bank charges and interest	-	17,410	16,347
Board fees	-	6,170	-
Community events	76,496	93,730	100,164
Equipment purchase	136,789	-	-
Honourarium	37,600	52,435	50,185
Insurance	49,702	67,169	47,664
Interest on long-term debt	-	37,901	33,987
Lease/rental	26,574	27,634	41,985
License and taxes	-	159	-
Management fee	-	18,000	18,000
Management fees	-	10,507	-
Meals and entertainment	-	-	34
Office	850	111,549	57,996
Other	16,663	56,080	42,719
Professional fees	51,899	286,993	175,750
Purchases	-	1,386,530	1,401,882
Repairs and maintenance	-	7,166	7,571
Salaries and benefits	1,809,745	1,987,397	1,977,466
Service contracts	732,678	642,080	406,605
Social assistance	276,208	287,403	314,341
Supplies	418,558	479,896	477,734
Telephone	42,351	64,838	51,875
Travel	350,806	393,768	367,791
Tuition	110,926	71,751	76,164
Utilities	92,149	143,349	113,005
	<b>4,514,759</b>	<b>7,059,770</b>	<b>6,759,310</b>

**Alexis Creek Indian Band**  
**Band Support**

**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	455,534	519,321	469,079
Other revenue	544,082	626,913	268,348
First Nation Education Steering Committee	179,902	188,702	178,927
Interest income	-	23,316	19,924
Rental income	-	20,300	15,603
	<b>1,179,518</b>	<b>1,378,552</b>	<b>951,881</b>
<b>Expenses</b>			
Advertising and promotion	-	2,372	-
Allowances	-	-	1,450
Amortization	-	175,400	87,084
Bad debts	-	54,009	172,837
Community events	1,665	15,023	11,712
Equipment purchase	23,396	-	-
Honourarium	33,600	39,585	35,175
Insurance	20,454	17,587	11,947
Interest on long-term debt	-	6,392	4,303
Lease/rental	6,075	4,976	2,793
Office	475	1,349	2,769
Other	7,400	6,568	5,377
Professional fees	12,000	56,999	19,937
Salaries and benefits	486,303	665,467	591,989
Service contracts	183,953	112,955	60,268
Supplies	135,799	157,912	78,263
Telephone	15,000	34,109	25,855
Transfers	(177,993)	-	141
Travel	108,720	91,246	81,034
Tuition	1,600	7,362	5,086
Utilities	19,060	41,932	37,994
	<b>877,507</b>	<b>1,491,243</b>	<b>1,236,014</b>
<b>Annual surplus (deficit) before transfers</b>	<b>302,011</b>	<b>(112,691)</b>	<b>(284,133)</b>
<b>Transfers between programs</b>	<b>(18,685)</b>	<b>(44,020)</b>	<b>(17,449)</b>
<b>Annual surplus (deficit)</b>	<b>283,326</b>	<b>(156,711)</b>	<b>(301,582)</b>

**Alexis Creek Indian Band**  
**Education**

**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018 Budget (Note 12)	2018	2017
<b>Revenue</b>			
Indigenous Services Canada	1,243,593	1,254,862	1,150,163
Other revenue	46,518	87,209	97,740
Rental income	700	700	(239)
	1,290,811	1,342,771	1,247,664
<b>Expenses</b>			
Administration	88,922	-	-
Advertising and promotion	2,221	110	1,322
Allowances	210,108	136,311	110,710
Amortization	-	491	15,875
Community events	6,000	3,765	7,278
Equipment purchase	15,000	-	-
Honourarium	2,000	200	50
Insurance	20,000	19,685	17,767
Lease/rental	2,500	-	2,897
Other	3,500	2,399	4,823
Professional fees	27,000	18,865	25,393
Salaries and benefits	584,742	384,399	553,405
Service contracts	76,302	127,158	72,810
Supplies	96,775	66,765	204,635
Telephone	5,278	5,132	5,653
Travel	59,817	62,213	62,605
Tuition	70,163	44,863	51,135
Utilities	42,592	46,937	40,175
	1,312,920	919,293	1,176,533
Annual surplus (deficit) before transfers	(22,109)	423,478	71,131
Transfers between programs	-	1,682	-
Annual surplus (deficit)	(22,109)	425,160	71,131

**Alexis Creek Indian Band**  
**Social Assistance**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	465,276	469,404	504,931
Other revenue	61,921	64,161	27,577
	<b>527,197</b>	<b>533,565</b>	<b>532,508</b>
<b>Expenses</b>			
Administration	22,854	-	-
Advertising and promotion	-	776	-
Allowances	6,714	6,714	800
Community events	36,511	45,171	43,324
Honourarium	-	275	-
Lease/rental	-	400	-
Other	2,000	2,686	2,129
Salaries and benefits	122,827	100,147	113,076
Service contracts	7,000	6,645	13,666
Social assistance payments	276,208	279,752	294,292
Supplies	7,098	17,673	7,222
Telephone	2,673	3,701	2,301
Travel	10,092	10,966	10,237
Tuition	500	2,905	170
	<b>494,477</b>	<b>477,811</b>	<b>487,217</b>
Annual surplus before transfers	32,720	55,754	45,291
Transfers between programs	-	(29)	5,622
<b>Annual surplus</b>	<b>32,720</b>	<b>55,725</b>	<b>50,913</b>



**Alexis Creek Indian Band**  
**Capital**

**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	291,221	163,061	528,122
Other revenue	130,154	99,211	24,672
Rental income	-	14,942	9,534
	<b>421,375</b>	<b>277,214</b>	<b>562,328</b>
<b>Expenses</b>			
Amortization	-	395,446	393,477
Equipment purchase	87,137	-	-
Insurance	5,400	10,125	3,920
Interest on long-term debt	-	10,246	4,798
Other	1,008	737	22
Professional fees	-	54,551	348
Salaries and benefits	83,142	82,836	70,007
Service contracts	157,356	36,396	84,834
Supplies	25,377	51,563	53,081
Telephone	2,100	780	1,005
Travel	8,461	8,330	8,724
Tuition	4,507	15	133
Utilities	18,308	29,843	16,476
	<b>392,796</b>	<b>680,868</b>	<b>636,825</b>
<b>Annual surplus (deficit) before transfers</b>	<b>28,579</b>	<b>(403,654)</b>	<b>(74,497)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>110,334</b>	<b>9,304</b>
<b>Annual surplus (deficit)</b>	<b>28,579</b>	<b>(293,320)</b>	<b>(65,193)</b>

**Alexis Creek Indian Band**  
**Social Housing**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018 Budget (Note 12)	2018	2017
<b>Revenue</b>			
Government funding			
Indigenous Services Canada	-	-	65,000
Canada Mortgage and Housing Corporation	-	53,456	53,456
Rental income	5,100	45,867	44,367
Other revenue	83,545	30,157	250
	88,645	129,480	163,073
<b>Expenses</b>			
Amortization	-	-	29,199
Bad debts (recovery)	-	(13,065)	-
Community events	601	600	98
Equipment purchase	6,000	-	-
Honourarium	350	350	-
Insurance	556	5,467	4,915
Interest on long-term debt	-	15,272	14,669
Lease/rental	425	425	-
Office	250	238	138
Other	-	-	136
Professional fees	-	4,000	4,000
Salaries and benefits	33,247	35,147	21,104
Service contracts	2,500	9,243	82,209
Supplies	16,094	10,822	9,454
Travel	1,674	2,128	3,934
Utilities	250	238	-
	61,947	70,865	169,856
<b>Annual surplus (deficit) before transfers</b>	26,698	58,615	(6,783)
<b>Transfers between programs</b>	-	31,969	97,892
<b>Annual surplus</b>	26,698	90,584	91,109

**Alexis Creek Indian Band**  
**Economic Development**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018 Budget (Note 12)	2018	2017
<b>Revenue</b>			
Government funding			
Indigenous Services Canada	283,171	283,171	35,836
Redstone Gas Bar	-	1,734,524	1,752,764
Forest Range Agreement	-	289,089	202,001
Other revenue	7,286	257,453	127,914
Income from investment in Band partnerships and business entities	-	131,446	503,003
	290,457	2,695,683	2,621,518
<b>Expenses</b>			
Administration (recovery)	3,584	(27,799)	-
Advertising and promotion	-	53,059	28,135
Amortization	-	20,137	18,488
Bad debts	-	5,892	108,450
Bank charges and interest	-	17,410	16,347
Board fees	-	6,170	-
Community events	-	5,332	12,146
Honourarium	-	9,925	12,400
Insurance	-	9,452	5,781
Interest on long-term debt	-	5,492	10,217
Lease/rental	-	7,987	-
License and taxes	-	159	-
Management fee	-	18,000	18,000
Management fees	-	10,507	-
Meals and entertainment	-	-	30
Office	-	108,948	53,341
Other	-	37,163	27,785
Professional fees	-	120,001	113,006
Purchases	-	1,386,530	1,401,882
Repairs and maintenance	-	7,165	7,571
Salaries and benefits	30,835	243,173	222,188
Service contracts	247,454	275,989	36,699
Supplies	1,340	28,447	9,808
Telephone	2,200	7,393	5,383
Travel	5,044	26,796	35,969
Tuition	-	1,283	299
Utilities	-	7,258	7,856
	290,457	2,391,869	2,151,781
Annual surplus before transfers	-	303,814	469,737
Transfers between programs	-	(118,636)	(143,294)
<b>Annual surplus</b>	-	185,178	326,443



**Alexis Creek Indian Band**  
**Health**

**Schedule 9 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
First Nations Health Authority	1,057,671	1,106,895	993,635
Other revenue	38,098	70,803	18,680
Rental income	-	18,966	11,895
	<b>1,095,769</b>	<b>1,196,664</b>	<b>1,024,210</b>
<b>Expenses</b>			
Administration	128,353	-	-
Amortization	-	-	11,992
Allowances	-	-	85
Service contracts	58,113	73,696	56,119
Community events	31,719	23,838	25,606
Honourarium	1,650	2,100	2,560
Insurance	3,292	4,854	3,335
Interest on long-term debt	-	500	-
Other	2,755	6,527	2,448
Office	125	1,014	1,748
Professional fees	12,899	32,578	13,067
Lease/rental	17,574	13,847	36,296
Salaries and benefits	468,649	476,228	405,697
Social assistance payments	-	7,651	20,049
Supplies	136,075	146,713	115,270
Telephone	15,100	13,722	11,678
Tuition	34,156	15,323	19,342
Travel	156,998	192,090	165,289
Utilities	11,939	17,140	10,503
Equipment purchase	5,256	-	-
	<b>1,084,653</b>	<b>1,027,821</b>	<b>901,084</b>
<b>Annual surplus before transfers</b>	<b>11,116</b>	<b>168,843</b>	<b>123,126</b>
<b>Transfers between programs</b>	<b>18,685</b>	<b>18,701</b>	<b>47,925</b>
<b>Annual surplus</b>	<b>29,801</b>	<b>187,544</b>	<b>171,051</b>