

**Ashcroft Indian Band**  
**Consolidated Financial Statements**  
For the year ended March 31, 2015

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**Consolidated Financial Statements**  
For the year ended March 31, 2015

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of the Ashcroft Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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 financial statements are presented fairly, in all material respects.

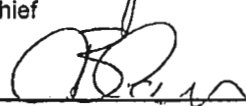
The Ashcroft Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately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

The Ashcroft Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Band's Council.

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 issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the members. The Chief and Council also appoint the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Finance Manager



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BDO Canada LLP  
272 Victoria Street, Suite 300  
Kamloops BC V2C 1Z6 Canada

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## Independent Auditor's Report

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To the Chief and Council of Ashcroft Indian Band

We have audited the accompanying consolidated financial statements of Ashcroft Indian Band, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of change in net financial assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets.

In addition, we were unable to satisfy ourselves regarding the correct accounting treatment of the Band's investment in Nlaka'pamux Resources Limited Partnership due to incomplete information regarding ownership. As a result, we were unable to determine the value of the recorded investment and corresponding equity thereon, if any.



Ashcroft Indian Band derives revenue from one department through the racetrack activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records. Therefore, we were not able to determine whether any adjustments might be necessary to racetrack income, annual surplus and cash flows from operations for the year ended March 31, 2015, financial assets and accumulated surplus as at March 31, 2015.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Ashcroft Indian Band as at March 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Other Matters**

Ashcroft Indian Band has also prepared another set of consolidated financial statements for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements include unaudited supplementary exhibits and schedules which present detailed program revenues and expenditures prepared to assist management of Ashcroft Indian Band to meet the reporting requirements of various funding agencies. In addition, these consolidated financial statements have expanded disclosures for Chief and Council. Our audit report on the other set of consolidated financial statements was issued to Chief and Council of Ashcroft Indian Band and was dated July 22, 2015.

*BDO Canada LLP*

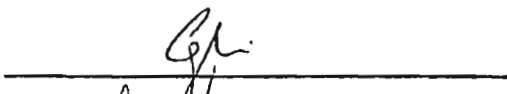
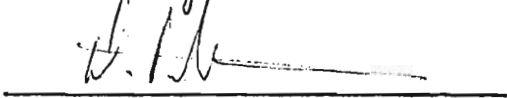
**Chartered Professional Accountants**

**Kamloops, British Columbia  
July 22, 2015**

**Ashcroft Indian Band**  
**Exhibit A - Consolidated Statement of Financial Position**

<b>As at March 31</b>	<b>2015</b>	<b>2014</b>
		(Restated)
<b>Financial Assets</b>		
Cash (Note 2)	\$ 45,378	\$ 39,549
Restricted cash (Note 3)	3,107	127,427
Accounts receivable (Note 4)	192,548	135,977
Investments (Note 6)	29,279	106,398
Due from related party (Note 7)	1,704,791	1,314,424
	<u>1,975,103</u>	<u>1,723,775</u>
<b>Liabilities</b>		
Cheques issued in excess of funds on deposit	81,980	-
Accounts payable (Note 8)	200,382	344,943
Deferred revenue (Note 9)	283,484	248,905
Due to social housing reserves (Note 10)	84,957	38,263
Long term debt (Note 11)	430,699	648,438
	<u>1,081,502</u>	<u>1,280,549</u>
<b>Net Financial Assets</b>	<u>893,601</u>	<u>443,226</u>
<b>Non-financial Assets</b>		
Prepaid expenses	36,559	31,058
Tangible capital assets (Note 12)	2,344,315	2,592,123
	<u>2,380,874</u>	<u>2,623,181</u>
<b>Accumulated Surplus</b> (Note 13)	<u>\$ 3,274,475</u>	<u>\$ 3,066,407</u>
<b>Commitments</b> (Note 14)		
<b>Contingencies</b> (Note 15)		

Approved on behalf of the Band Council:

 	<p>Chief</p>   <p>Councillor</p>
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**Ashcroft Indian Band**

**Exhibit B - Consolidated Statement of Change in Net Financial Assets**

For the year ended March 31	2015	2014
		(Restated)
<b>Annual surplus</b>	<b>\$ 413,030</b>	<b>\$ 1,099,509</b>
Acquisition of tangible capital assets	(181,807)	(448,410)
Amortization of tangible capital assets	178,888	194,862
Disposal of tangible capital assets	250,724	-
	<u>660,835</u>	<u>845,961</u>
Change in prepaid expenses	(5,501)	16,842
Equity change in Ottawa Trust	682	837
Equity change in funded reserves	(124,998)	124,998
Equity change in investments	(77,119)	79,844
Transfer to Ashcroft Indian Band Development LLP	(23,750)	-
Equity transfer to operating reserves	20,226	3,056
	<u>(204,959)</u>	<u>208,735</u>
<b>Change in net financial assets</b>	<b>450,375</b>	<b>1,071,538</b>
<b>Net financial assets (debt), beginning of year</b>	<b>443,226</b>	<b>(628,312)</b>
<b>Net financial assets, end of year</b>	<b>\$ 893,601</b>	<b>\$ 443,226</b>

## Ashcroft Indian Band

### Exhibit C - Consolidated Statement of Operations

For the year ended March 31	2015	2014
		(Restated)
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	\$ 837,675	\$ 573,995
AANDC reimbursement (recovery)	-	(5,939)
Health Canada	-	103,844
First Nations Health Authority	224,501	103,503
Canada Mortgage and Housing Corporation	22,662	55,004
Province of B.C.	198,948	190,637
Ottawa Trust Funds	-	1,095,000
Nlaka'pamux Legacy Trust	287,173	831,000
Miscellaneous income	1,329,024	924,890
	<u>2,899,983</u>	<u>3,871,934</u>
<b>Expenses</b>		
Community Welfare	202,592	212,860
Administration	946,631	830,909
Operations & Maintenance	300,175	300,849
Education	118,254	99,610
Natural Resources & Economic Development	738,986	1,123,512
Capital	40,545	49,821
Social Housing	139,770	154,864
	<u>2,486,953</u>	<u>2,772,425</u>
<b>Annual surplus (Note 19)</b>	<u>\$ 413,030</u>	<u>\$ 1,099,509</u>



**Ashcroft Indian Band**  
**Exhibit D - Consolidated Statement of Cash Flows**

For the year ended March 31	2015	2014
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Cash receipts from various sources	\$ 2,854,241	\$ 4,242,157
Cash paid to employees and suppliers	(2,492,691)	(2,471,274)
Interest paid	(23,517)	(11,591)
<b>Cash flows from operating activities</b>	<b>338,033</b>	<b>1,759,292</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(206,807)	(448,410)
Proceeds from sale of tangible capital assets	275,727	-
	<b>68,920</b>	<b>(448,410)</b>
<b>Investing activities</b>		
Change in equity in Ottawa Trust	682	837
Loans and advances with related parties	(390,367)	(1,314,424)
<b>Cash flows from investing activities</b>	<b>(389,685)</b>	<b>(1,313,587)</b>
<b>Financing activities</b>		
Repayment of long term debt	(217,739)	(44,668)
Proceeds from issuance of long term debt	-	187,578
<b>Cash flows from financing activities</b>	<b>(217,739)</b>	<b>142,910</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(200,471)</b>	<b>140,205</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>166,976</b>	<b>26,771</b>
<b>Cash (bank indebtedness) and cash equivalents, end of year</b>	<b>\$ (33,495)</b>	<b>\$ 166,976</b>
<b>Represented by:</b>		
Cash	\$ 45,378	\$ 39,549
Restricted cash	3,107	127,427
Cheques issued in excess of funds on deposit	(81,980)	-
	<b>\$ (33,495)</b>	<b>\$ 166,976</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Ashcroft Indian Band

### Summary of Significant Accounting Policies

March 31, 2015

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**Basis of Presentation** These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CPA Canada Public Sector Accounting Handbook, which encompasses the following principles.

**Reporting Entity and  
Principles of Financial  
Reporting**

The Ashcroft Indian Band reporting entity includes the Ashcroft Indian Band government and all related entities which are accountable to the Ashcroft Indian Band and are either owned or controlled by the Ashcroft Indian Band.

These financial statements consolidate the assets, liabilities and results of operations for the following incorporated entity which uses accounting principles which lend themselves to consolidation:

- Ashcroft Indian Band Holding Corporation

All inter-entity balances have been eliminated on consolidation.

**Revenue Recognition** Government grants and transfers, which include Federal funding agreements, are recognized in the the financial statements in the period in which events giving rise to the transfers occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Ashcroft Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.

**Ottawa Trust Funds** Ashcroft Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Band upon withdrawal from the Ottawa Trust Fund.

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## Ashcroft Indian Band Summary of Significant Accounting Policies

March 31, 2015

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### Investments

The Band accounts for its investments in All Nations Trust Company, Nlaka'pamux Resources Ltd. and Nlaka'pamux Resources Limited Partnership ("the partnership") using the cost method. Distributions received from the partnership are included in income as received.

The Band accounts for its 99.99% interest in Ashcroft Indian Band Development LLP using the modified equity method. Under the modified equity method the cost of this investment is adjusted by the earnings or losses of Ashcroft Indian Band Development LLP from the date of acquisition.

Inter-entity balances and transactions are not eliminated under the modified equity method.

**Tangible Capital Assets** Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources are charged to operations through interfund transfers and matched with the applicable revenue source in the year of expenditure. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.

Amortization is charged against tangible capital assets and equity in tangible capital assets on a declining balance basis at the following rates:

Automotive equipment	30%
Buildings	4%
Computer equipment	50%
Furniture and equipment	20%
Infrastructure	4%
Machinery	30%

Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt, as required for Canada Mortgage and Housing Corporation reporting purposes.

### Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates.

## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2015

#### 1. Economic Dependence

The Band receives a significant portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

#### 2. Cash

	2015	2014
Operating Fund - cash	\$ 12,277	\$ 10,089
Operating Fund - cheques issued in excess of funds on deposit	(81,980)	-
Social Housing Project	33,101	29,460
	<u>\$ (36,602)</u>	<u>\$ 39,549</u>

#### 3. Restricted Cash

	2015	2014
Ottawa Trust funds	\$ 2,017	\$ 1,335
Social Housing Project replacement reserve	1,090	126,092
	<u>\$ 3,107</u>	<u>\$ 127,427</u>

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. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of capital funds requires the consent of Aboriginal Affairs and Northern Development Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended. In the prior year there was \$1,095,000 in Ottawa Trust revenue resulting from a 36 year lease of land to Ashcroft Indian Band Development LLP, a related party.

The Housing restricted cash is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the account is to be credited annually. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

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## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2015**

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#### 4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2015</u>	<u>2014</u>
<b>Operating Fund</b>		
Trade accounts receivable	\$ 178,799	\$ 80,357
Other loans receivable	70,923	73,423
Allowance for doubtful loans receivable	<u>(64,923)</u>	<u>(20,003)</u>
	184,799	133,777
 Social Housing Project	 1,929	 2,200
Ashcroft Indian Band Holding Corporation	<u>5,820</u>	<u>-</u>
	<u>\$ 192,548</u>	<u>\$ 135,977</u>

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#### 5. Rent Receivable

Rents receivable are the accumulated arrears and vary in amount based on the unit being rented.

	<u>2015</u>	<u>2014</u>
Rents receivable	\$ 228,237	\$ 206,743
Less: Allowance for doubtful accounts	<u>(228,237)</u>	<u>(206,743)</u>
	<u>\$ -</u>	<u>\$ -</u>

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## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2015**

### 6. Investments

	2015	2014
Investment in Ashcroft Indian Band Development LLP	\$ -	\$ 77,119
Investment in All Nations Trust Co	8,175	8,175
Investment in Nlaka'pamux Resources Ltd.	21,104	21,104
	<u>\$ 29,279</u>	<u>\$ 106,398</u>

During the previous year, the band acquired a 99.99% partnership share in Ashcroft Indian Band Development LLP.

Summary of the audited financial statements of Ashcroft Indian Band Development LLP for the year ended March 31, 2015 are as follows:

#### Statement of Financial Position

	2015	2014
Cash	\$ -	\$ 401,415
Accounts receivable	107,380	209,652
Prepaid expenses	1,049,629	1,094,722
Tangible capital assets	3,360,424	1,181,938
Inventory	146,568	-
Franchise fees	32,972	11,111
	<u>\$ 4,696,973</u>	<u>\$ 2,898,838</u>
Line of credit	\$ 65,000	\$ -
Cheques issued in excess of bank balance	24,256	-
Accounts payable	87,610	185,816
Due to related parties	1,704,791	1,314,424
Other current liabilities	157,427	6,465
Long-term debt	3,074,237	1,315,024
Partners' equity (deficiency)	(416,348)	77,109
	<u>\$ 4,696,973</u>	<u>\$ 2,898,838</u>

#### Statement of Operations

	2015	2014
Revenue	\$ 1,651,852	\$ -
Cost of sales	1,092,216	-
Gross profit	559,636	-
Expenses	1,076,843	103,246
Net loss for the year	<u>\$ (517,207)</u>	<u>\$ (103,246)</u>

## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2015**

### 7. Due From Related Party

The advances to Ashcroft Indian Band Development LLP, a government business partnership, are non-interest bearing with no specific terms of repayment.

### 8. Accounts Payable

	2015	2014
<b>Operating Fund</b>		
Trade payables and accruals	\$ 187,083	\$ 330,835
Social Housing Project	8,299	8,352
Ashcroft Indian Band Holding Corporation	5,000	5,756
	<u>\$ 200,382</u>	<u>\$ 344,943</u>

### 9. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2015	2014
<b>Operating Fund</b>		
Aboriginal Affairs and Northern Development Canada		
Safe Water Operations Program	\$ 6,240	\$ 6,240
Guardian Financial Assistance	3,476	1,986
National Child Benefit	14,997	11,590
Basic Needs	41,216	41,216
Special Needs	6,799	1,715
In Home Care	24,846	12,235
	<u>97,574</u>	74,982
Other deferred revenue	104,536	89,721
	<u>202,110</u>	164,703
<b>Capital Fund</b>		
Aboriginal Affairs and Northern Development Canada		
Water - CPMS #10529	81,374	84,202
	<u>\$ 283,484</u>	<u>\$ 248,905</u>

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**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

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**10. Social Housing Reserves**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$8,647 (2014 - \$13,272) annually. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used for approved expenditures. Withdrawals are credited to interest first and then principal.

In addition, the agreement with Canada Mortgage and Housing Corporation requires that the surplus in operations be transferred into an operating reserve fund for all post-1997 housing phases.

The balance due to reserves at the end of the year is comprised of:

	<u>2015</u>	<u>2014</u>
Replacement reserve	\$ 79,854	\$ 12,934
Operating reserve	5,103	25,329
	<u>\$ 84,957</u>	<u>\$ 38,263</u>

The Band is not in compliance with the Canada Mortgage and Housing Corporation agreement as the replacement reserve is not fully funded.



## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2015**

### 11. Long Term Debt

	<u>2015</u>	<u>2014</u>
<b><u>Social Housing Projects</u></b>		
Social Housing mortgages, repayable in monthly instalments of \$3,231 including interest ranging from 1.64 % to 2.63% per annum, due June 2016 to September 2017	<b>430,699</b>	460,861
<b><u>Ashcroft Indian Band Holding Corporation</u></b>		
Mortgage, repaid during the year	-	187,577
	<b>\$ 430,699</b>	<b>\$ 648,438</b>

All Social Housing Project mortgages are secured by a ministerial guarantee from the federal government.

The estimated principal repayments on the above long term debt required over the next three years are as follows:

2016	\$ 29,332
2017	325,499
2018	<u>75,868</u>
	<b>\$ 430,699</b>

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**12. Tangible Capital Assets**

	<b>2015</b>		<b>2014</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
Assets under construction	\$ 56,351	\$ -	\$ 56,351	\$ -
Automotive equipment	211,692	108,802	206,881	141,246
Buildings	717,562	318,591	649,929	300,688
Computer equipment	79,337	68,185	76,130	58,649
Furniture and equipment	266,761	190,143	266,761	170,988
Infrastructure	879,985	146,111	849,902	116,160
Leasehold improvements	431,108	264,063	431,108	235,203
Machinery	341,350	300,930	333,892	285,973
	<b>2,984,146</b>	<b>1,396,825</b>	<b>2,870,954</b>	<b>1,308,907</b>
Social Housing Project Buildings	<b>1,995,635</b>	<b>1,238,641</b>	<b>1,995,635</b>	<b>1,208,480</b>
Ashcroft Indian Band Holding Corporation				
Buildings	-	-	191,473	3,829
Furniture and equipment	-	-	1,850	185
Land	-	-	53,612	-
	<b>-</b>	<b>-</b>	<b>246,935</b>	<b>4,014</b>
	<b>4,979,781</b>	<b>2,635,466</b>	<b>5,113,524</b>	<b>2,521,401</b>
Net book value		<b>\$ 2,344,315</b>		<b>\$ 2,592,123</b>

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**12. Tangible Capital Assets (continued)**

	Assets under construction	Automotive equipment	Buildings	Land	Computer equipment	Furniture and equipment	Infrastructure improvements	Machinery	Total	2015
Cost, beginning of year	\$ 56,351	\$ 206,881	\$ 2,837,037	\$ 53,612	\$ 76,130	\$ 268,611	\$ 849,902	\$ 431,108	\$ 333,892	\$ 5,113,524
Additions	-	73,424	67,634	-	3,207	-	30,084	-	7,458	181,807
Disposals	-	(68,613)	(191,474)	(53,612)	-	(1,850)	-	-	-	(315,549)
Cost, end of year	56,351	211,692	2,713,197	-	79,337	266,761	879,986	431,108	341,350	4,979,782
Accumulated amortization, beginning of year	-	141,246	1,512,997	-	58,649	171,173	116,160	235,203	285,973	2,521,401
Amortization	-	28,365	48,064	-	9,536	19,155	29,951	28,860	14,957	178,888
Disposals	-	(60,809)	(3,829)	-	-	(185)	-	-	-	(64,823)
Accumulated amortization, end of year	-	108,802	1,557,232	-	68,185	190,143	146,111	264,063	300,930	2,635,466
Net carrying amount, end of year	\$ 56,351	\$ 102,890	\$ 1,155,965	\$ -	\$ 11,152	\$ 76,618	\$ 733,875	\$ 167,045	\$ 40,420	\$ 2,344,316

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**12. Tangible Capital Assets (continued)**

	Assets under construction	Automotive equipment	Buildings	Land	Computer equipment	Furniture and equipment	Infrastructure improvements	Machinery	Total	2014
Cost, beginning of year	\$ 221,706	\$ 159,357	\$ 2,645,564	\$ -	\$ 58,748	\$ 259,923	\$ 761,927	\$ 406,121	\$ 332,123	\$ 4,845,469
Additions	15,000	47,524	191,473	53,612	17,382	8,688	87,975	24,987	1,769	448,410
Transfers	(180,355)	-	-	-	-	-	-	-	-	(180,355)
Cost, end of year	56,351	206,881	2,837,037	53,612	76,130	268,611	849,902	431,108	333,892	5,113,524
Accumulated amortization, beginning of year	-	123,300	1,443,683	-	49,877	147,899	87,420	207,593	266,767	2,326,539
Amortization	-	17,946	69,314	-	8,772	23,274	28,740	27,610	19,206	194,862
Accumulated amortization, end of year	-	141,246	1,512,997	-	58,649	171,173	116,160	235,203	285,973	2,521,401
Net carrying amount, end of year	\$ 56,351	\$ 65,635	\$ 1,324,040	\$ 53,612	\$ 17,481	\$ 97,438	\$ 733,742	\$ 195,905	\$ 47,919	\$ 2,592,123

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2015

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#### 13. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	2015	2014
Funded reserves	\$ 1,090	\$ 126,092
Equity in investments	29,479	106,598
Equity in Ottawa Trust	2,017	1,335
Equity in tangible capital assets	1,463,290	1,438,013
Contributed surplus - Social Housing Project	231,145	231,145
Unrestricted surplus	1,547,454	1,163,224
	<u>\$ 3,274,475</u>	<u>\$ 3,066,407</u>

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#### 14. Commitments

Ashcroft Indian Band has entered into lease agreements for a truck and for a photocopier. Minimum annual lease payments due over the next five years, until expiry, are approximately as follows:

2016	\$ 14,576
2017	8,148
2018	8,148
2019	8,148
2020	4,753
	<u>\$ 43,773</u>

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#### 15. Contingencies

The Band was named as a defendant in a lawsuit. The outcome and/or amount of the settlement cannot be estimated at the present time. If a loss is incurred, the amount will be charged to operations in the year of the settlement.

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#### 16. Fiscal Plan

Canadian public sector accounting standards requires that the Band's budget be presented in the financial statements. As the Band currently does not prepare a budget, no budgeted figures have been presented as otherwise required.

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#### 17. Employee Benefits

The Band has a defined contribution plan providing pension benefits to certain of its employees. The pension cost charge represents contributions payable by the Band to the plan and amounts to \$29,866 (2014 - \$24,520).

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## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2015**

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### 18. Related Party Transactions

During the year, the Band transferred a franchise fee with a carrying amount of \$23,750 to Ashcroft Indian Band Development LLP. This related party transaction was reported at the carrying amount.

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### 19. Prior Period Adjustment

During the prior year, the Band received a GST refund, which was recorded as a reduction of accounts receivable, but should have been recorded as revenue. As a result, these financial statements retroactively adjust for this amount by increasing revenue by \$42,650 and increasing the prior year accounts receivable by the same amount. Changes to accumulated and annual surplus are as follows:

	<b>2014</b>
Accumulated surplus, end of year, as previously stated	\$ 3,023,757
Prior period adjustment	42,650
	<hr/>
Accumulated surplus, end of year, restated	\$ 3,066,407
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Annual surplus, as previously stated	\$ 1,056,859
Prior period adjustment	42,650
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Annual surplus, restated	\$ 1,099,509
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### 20. Comparative Figures

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

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## **Ashcroft Indian Band**

### **Notes to Consolidated Financial Statements**

**March 31, 2015**

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#### **21. Segment Disclosure**

The Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### **Community Welfare**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

##### **Administration**

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to a specific segment.

##### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

##### **Education**

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Band's Members.

##### **Natural Resources and Economic Development**

This service area provides for the development of economic opportunities to the Members, along with the exploration of the development of natural resource revenues.

##### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

##### **Social Housing**

This service area provides for social housing to the Members.

# Ashcroft Indian Band

## Notes to Consolidated Financial Statements

March 31, 2015

### 19. Segment Disclosure - continued

2015

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
AANDC	\$ 185,772	\$ 175,755	\$ 90,571	\$ 104,089	\$ 169,322	\$ 112,166	\$ -	\$ 837,675
Other	-	343,039	44,235	-	1,532,061	23,750	119,223	2,062,308
Total	185,772	518,794	134,806	104,089	1,701,383	135,916	119,223	2,899,983
<b>Expenses</b>								
Wages & benefits	28,491	334,408	66,687	18,486	13,134	15,668	-	476,874
Purchases	174,101	612,223	123,614	99,768	686,999	24,877	109,609	1,831,191
Amortization	-	-	109,874	-	38,853	-	30,161	178,888
Total	202,592	946,631	300,175	118,254	738,986	40,545	139,770	2,486,953
Surplus (deficit)	\$ (16,820)	\$ (427,837)	\$ (165,369)	\$ (14,165)	\$ 962,397	\$ 95,371	\$ (20,547)	\$ 413,030

2014

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
AANDC	\$ 235,779	\$ 163,967	\$ 74,109	\$ 114,106	\$ 6,762	\$ (26,667)	\$ -	\$ 568,056
Other	-	399,030	25,401	-	2,711,805	29,100	138,542	3,303,878
Total	235,779	562,997	99,510	114,106	2,718,567	2,433	138,542	3,871,934
<b>Expenses</b>								
Wages & benefits	3,591	319,957	67,563	15,886	44,851	17,706	-	469,554
Purchases	209,269	510,952	128,143	83,724	1,033,610	32,115	110,196	2,108,009
Amortization	-	-	105,143	-	45,051	-	44,668	194,862
Total	212,860	830,909	300,849	99,610	1,123,512	49,821	154,864	2,772,425
Surplus (deficit)	\$ 22,919	\$ (267,912)	\$ (201,339)	\$ 14,496	\$ 1,595,055	\$ (47,388)	\$ (16,322)	\$ 1,099,509