

**Ashcroft Indian Band
Consolidated Financial Statements
For the year ended March 31, 2017**

Ashcroft Indian Band
Consolidated Financial Statements
For the year ended March 31, 2017

Contents

Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 5
Consolidated Financial Statements	
Exhibit A - Consolidated Statement of Financial Position	6
Exhibit B - Consolidated Statement of Change in Net Financial Assets	7
Exhibit C - Consolidated Statement of Operations	8
Exhibit D - Consolidated Statement of Cash Flows	9
Summary of Significant Accounting Policies	10 - 11
Notes to Consolidated Financial Statements	12 - 25

Management's Responsibility for Financial Reporting

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.

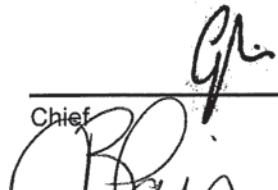
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen 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
G. Bain
Finance Manager



Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops BC V2C 6J3

Independent Auditor's Report

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, 2017 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.



Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops BC V2C 6J3

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.

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, 2017 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 28 through 80 of the Ashcroft Indian Band's Financial Statements.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
November 27, 2017

Ashcroft Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2017	2016
	(Restated)	
Financial Assets		
Cash (Note 2)	\$ 1,295,062	\$ 52,877
Restricted cash (Note 3)	4,477	28,792
Accounts receivable (Note 4)	685,176	110,570
Investments (Note 6)	29,279	29,279
Due from related party (Note 7)	<u>2,355,141</u>	<u>2,021,155</u>
	<u>4,369,135</u>	<u>2,242,673</u>
Liabilities		
Accounts payable (Note 8)	308,970	197,068
Deferred revenue (Note 9)	2,301,529	326,929
Due to social housing reserves (Note 10)	27,890	8,089
Long term debt (Note 11)	<u>370,130</u>	<u>401,342</u>
	<u>3,008,519</u>	<u>933,428</u>
Net Financial Assets	<u>1,360,616</u>	<u>1,309,245</u>
Non-financial Assets		
Prepaid expenses	35,779	30,436
Tangible capital assets (Note 12)	<u>2,266,229</u>	<u>2,331,023</u>
	<u>2,302,008</u>	<u>2,361,459</u>
Accumulated Surplus (Note 13)	<u>\$ 3,662,624</u>	<u>\$ 3,670,704</u>
Commitments (Note 14)		
Contingencies (Note 15)		

Approved on behalf of the Band Council:



Chief

Councilor

Ashcroft Indian Band
Exhibit B - Consolidated Statement of Change in Net Financial Assets

	2017	2016
		(Restated)
Annual surplus	\$ 16,226	\$ 407,912
Acquisition of tangible capital assets	(110,699)	(171,291)
Amortization of tangible capital assets	175,493	184,645
	81,020	421,266
Change in prepaid expenses	(5,343)	6,059
Equity change in Ottawa Trust	685	685
Equity change in funded reserves	(25,000)	25,000
Equity transfer to operating reserves	-	5,103
	(24,315)	30,788
Change in net financial assets	51,362	458,113
Net financial assets, beginning of year	1,309,246	851,133
Net financial assets, end of year	\$ 1,360,608	\$ 1,309,246

Ashcroft Indian Band
Exhibit C - Consolidated Statement of Operations

	2017	2016
	(Restated)	
Revenue		
Indigenous and Northern Affairs Canada	\$ 848,502	\$ 674,951
First Nations Health Authority	260,346	289,333
Canada Mortgage and Housing Corporation	56,620	48,000
CMHC Subsidy	12,387	22,662
Province of B.C.	-	49,408
Nlaka'pamux Legacy Trust	277,500	236,090
Other income	771,169	1,051,520
	2,226,524	2,371,964
Expenses		
Community Welfare	201,558	164,032
Administration	896,118	936,814
Operations & Maintenance	227,546	256,543
Education	99,327	130,016
Natural Resources & Economic Development	640,333	266,643
Capital	67,366	113,737
Social Housing	78,050	96,267
	2,210,298	1,964,052
Annual surplus (Note 20)	\$ 16,226	\$ 407,912

Ashcroft Indian Band
Exhibit D - Consolidated Statement of Cash Flows

<u>For the year ended</u>	<u>2017</u>	<u>2016</u>
Cash provided by (used for)		
Operating activities		
Cash receipts from various sources	\$ 3,626,518	\$ 2,497,387
Cash paid to employees and suppliers	(1,927,762)	(1,856,530)
Interest paid	(5,673)	(9,366)
Cash flows from operating activities	<u>1,693,083</u>	<u>631,491</u>
Capital activities		
Acquisition of tangible capital assets	(110,699)	(448,410)
Proceeds from sale of tangible capital assets	-	277,119
	<u>(110,699)</u>	<u>(171,291)</u>
Investing activities		
Change in equity in Ottawa Trust	685	685
Loans and advances with related parties	(333,986)	(316,364)
Cash flows from investing activities	<u>(333,301)</u>	<u>(315,679)</u>
Financing activities		
Repayment of long term debt	<u>(31,212)</u>	<u>(29,357)</u>
Cash flows from financing activities	<u>(31,212)</u>	<u>(29,357)</u>
Net increase in cash and cash equivalents	1,217,871	115,164
Cash (bank indebtedness) and cash equivalents, beginning of year	81,669	(33,495)
Cash and cash equivalents, end of year	\$ 1,299,540	\$ 81,669
Represented by:		
Cash	\$ 1,295,062	\$ 52,877
Restricted cash	4,477	28,792
	<u>\$ 1,299,539</u>	<u>\$ 81,669</u>

Ashcroft Indian Band Summary of Significant Accounting Policies

March 31, 2017

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	<p>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.</p> <p>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:</p> <ul style="list-style-type: none">- Ashcroft Indian Band Holding Corporation <p>All inter-entity balances have been eliminated on consolidation.</p>
Revenue Recognition	<p>Government grants and transfers, which include Federal funding agreements, are recognized in 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.</p> <p>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.</p> <p>Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.</p>
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.

Ashcroft Indian Band Summary of Significant Accounting Policies

March 31, 2017

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, 2017

1. Economic Dependence

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

2. Cash

	2017	2016
Operating Fund	\$ 1,270,383	\$ 48,094
Social Housing Project	<u>24,679</u>	<u>4,783</u>
	<hr/> \$ 1,295,062	<hr/> \$ 52,877

3. Restricted Cash

	2017	2016
Ottawa trust funds	\$ 3,387	\$ 2,702
Social housing replacement reserve	<u>1,090</u>	<u>26,090</u>
	<hr/> \$ 4,477	<hr/> \$ 28,792

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 Indigenous and Northern Affairs 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.

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.

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2017	2016
Operating Fund		
Trade accounts receivable	\$ 817,562	\$ 281,499
Loans receivable	-	20,003
Employee loan receivable	98,145	48,970
Allowance for doubtful accounts	<u>(237,191)</u>	<u>(247,651)</u>
	678,516	102,821
Social Housing Project	840	1,929
A/R in other government organizations	<u>5,820</u>	<u>5,820</u>
	\$ 685,176	\$ 110,570

5. Rent Receivable

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

	2017	2016
Rents receivable	\$ 75,153	\$ 67,973
Less: Allowance for doubtful accounts	<u>(75,153)</u>	<u>(67,973)</u>
	\$ -	\$ -

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

6. Investments

	2017	2016
Investment in All Nations Trust Co.	\$ 8,175	\$ 8,175
Investment in Nlaka'pamux Resources Ltd.	<u>21,104</u>	<u>21,104</u>
	\$ 29,279	\$ 29,279

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, 2017 are as follows:

Statement of Financial Position

	2017	2016
Cash	\$ 16,436	\$ 3,277
Accounts receivable	112,881	104,943
Prepaid expenses	994,059	1,023,648
Tangible capital assets	<u>3,175,056</u>	<u>3,161,524</u>
Inventory	178,392	148,109
Franchise fees	<u>16,000</u>	<u>19,000</u>
	\$ 4,492,824	\$ 4,460,501
Line of credit	\$ 155,000	\$ 145,000
Accounts payable	152,083	108,044
Due to related parties	2,417,671	2,021,155
Long-term debt	2,883,346	3,025,913
Partners' deficiency	<u>(1,115,276)</u>	<u>(839,611)</u>
	\$ 4,492,824	\$ 4,460,501

Statement of Operations

	2017	2016
Revenue	\$ 4,221,275	\$ 3,911,286
Cost of sales	<u>3,438,507</u>	<u>3,046,944</u>
Gross profit	782,768	864,342
Expenses	<u>1,058,433</u>	<u>1,287,605</u>
Net loss for the year	\$ (275,665)	\$ (423,263)

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

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

	2017	2016
Operating Fund		
Trade payables and accruals	\$ 296,090	\$ 183,823
Social Housing Project	7,880	8,245
A/P in other government organizations	5,000	5,000
	<hr/>	<hr/>
	\$ 308,970	\$ 197,068

9. Deferred Revenue

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

	2017	2016
Operating Fund		
Indigenous and Northern Affairs Canada		
Safe Water Operations Program	\$ -	\$ 3,120
Service Delivery	4,429	-
Guardian Financial Assistance	497	2,483
National Child Benefit	-	9,202
Basic Needs	-	73,482
Special Needs	15,513	11,346
In Home Care	33,561	33,486
Post Secondary Education	16,071	-
	<hr/>	<hr/>
	70,071	133,119
Other deferred revenue	<hr/>	<hr/>
	97,311	112,684
	<hr/>	<hr/>
	167,382	245,803

Capital Fund

Indigenous and Northern Affairs Canada		
Recreational Fields - CPMS #6067	685,004	-
Church Restoration - CPMS #6066	238,047	-
Elders Facility - CPMS #6232	1,129,252	-
Water - CPMS #10529	81,844	81,126
	<hr/>	<hr/>
	2,134,147	81,126
	<hr/>	<hr/>
	\$ 2,301,529	\$ 326,929

Ashcroft Indian Band Notes to Consolidated Financial Statements

March 31, 2017

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 (2016 - \$8,647) 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:

	2017	2016
Replacement reserve	\$ 27,890	\$ 8,089
	\$ 27,890	\$ 8,089

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, 2017

11. Long Term Debt

	2017	2016
<u>Social Housing Project Pre 1997 Phase 4 and 5</u>		
All Nations Trust Company mortgage, repayable in monthly instalments of \$1,096 including interest at 1.31% per annum, due November 2021	59,482	71,679
<u>Social Housing Project Post 1997 Phase 1 and 2</u>		
All Nation Trust Company mortgage, repayable in monthly instalments of \$1,496 including interest at 1.14% per annum, due June 2021	234,790	249,561
All Nations Trust Company mortgage, repayable in monthly instalments of \$464 including interest at 1.71% per annum, due September 2017	<u>75,858</u>	<u>80,102</u>
	<u>\$ 370,130</u>	<u>\$ 401,342</u>

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 five years are as follows:

2018	\$ 103,656
2019	28,138
2020	28,482
2021	28,830
2022	<u>181,024</u>
	<u>\$ 370,130</u>

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

12. Tangible Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Assets under construction	\$ 130,247	\$ -	\$ 56,351	\$ -
Automotive equipment	267,833	178,423	245,905	144,802
Buildings	1,877,016	1,336,326	1,877,016	1,311,625
Computer equipment	88,126	80,497	84,018	74,928
Furniture and equipment	269,413	219,061	267,151	205,863
Infrastructure	879,986	204,191	879,985	175,466
Leasehold improvements	431,108	321,783	431,108	292,923
Machinery	358,117	326,950	349,612	317,343
	4,301,846	2,667,231	4,191,146	2,522,950
 Social Housing Project				
Buildings	959,926	328,312	959,926	297,099
	5,261,772	2,995,543	5,151,072	2,820,049
 Net book value		\$ 2,266,229		\$ 2,331,023

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

12. Tangible Capital Assets (continued)

	2017								
	Assets under construction	Automotive equipment	Buildings	Land	Computer equipment	Furniture and infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 56,351	\$ 245,905	\$ 2,836,942	\$ -	\$ 84,018	\$ 267,152	\$ 879,986	\$ 431,108	\$ 349,611
Additions	73,896	21,928	-	-	4,108	2,262	-	-	8,505
Cost, end of year	<u>130,247</u>	<u>267,833</u>	<u>2,836,942</u>	<u>-</u>	<u>88,126</u>	<u>269,414</u>	<u>879,986</u>	<u>431,108</u>	<u>358,116</u>
Accumulated amortization, beginning of year	-	144,802	1,608,724	-	74,928	205,863	175,466	264,063	346,204
Amortization	-	33,621	55,913	-	5,569	13,198	28,725	-	38,467
Accumulated amortization, end of year	<u>178,423</u>	<u>1,664,637</u>	<u>-</u>	<u>80,497</u>	<u>219,061</u>	<u>204,191</u>	<u>264,063</u>	<u>384,671</u>	<u>2,995,543</u>
Net carrying amount, end of year	<u>\$ 130,247</u>	<u>\$ 89,410</u>	<u>\$ 1,172,305</u>	<u>\$ -</u>	<u>\$ 7,629</u>	<u>\$ 50,353</u>	<u>\$ 675,795</u>	<u>\$ 167,045</u>	<u>\$ (26,555)</u>
									<u>\$ 2,266,229</u>

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

12. Tangible Capital Assets (continued)

	2016								
	Assets under construction	Automotive equipment	Buildings	Land	Computer equipment	Furniture and infrastructure improvements	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 56,351	\$ 211,692	\$ 2,713,197	\$ -	\$ 79,337	\$ 266,761	\$ 879,986	\$ 431,108	\$ 341,350 \$ 4,979,782
Additions	34,213	123,745	-	-	4,681	391	-	-	8,261 171,291
Cost, end of year	<u>56,351</u>	<u>245,905</u>	<u>2,836,942</u>	<u>-</u>	<u>84,018</u>	<u>267,152</u>	<u>879,986</u>	<u>431,108</u>	<u>349,611 5,151,073</u>
Accumulated amortization, beginning of year	-	108,802	1,557,232	-	68,185	190,143	146,111	264,063	300,931 2,635,467
Amortization	-	36,000	51,492	-	6,743	15,720	29,355	-	45,273 184,583
Accumulated amortization, end of year	-	144,802	1,608,724	-	74,928	205,863	175,466	264,063	346,204 2,820,050
Net carrying amount, end of year	<u>\$ 56,351</u>	<u>\$ 101,103</u>	<u>\$ 1,228,218</u>	<u>\$ -</u>	<u>\$ 9,090</u>	<u>\$ 61,289</u>	<u>\$ 704,520</u>	<u>\$ 167,045</u>	<u>\$ 3,407 \$ 2,331,023</u>

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

13. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	2017	2016
Funded reserves	\$ 1,090	\$ 26,090
Equity in investments	29,479	29,479
Equity in Ottawa Trust	3,387	2,702
Equity in tangible capital assets	1,445,771	1,479,353
Contributed surplus - Social Housing Project	261,484	261,484
Unrestricted surplus	<u>1,921,404</u>	<u>1,871,596</u>
	<hr/> \$ 3,662,615	<hr/> \$ 3,670,704

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:

2018	\$ 8,148
2019	8,148
2020	<u>4,753</u>
	<hr/> \$ 21,049

15. Contingencies

Ashcroft Indian Band has signed a guarantee and postponement of claim in the amount of \$3,210,000 for a loan made to Ashcroft Indian Band Development LLP.

The Band has an unused credit facility which when drawn upon bears interest at prime plus 2%.

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.

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

March 31, 2017

17. Employee Benefits

The Band has a defined contribution plan providing pension benefits to certain employees. The pension cost charge represents contributions payable by the Band to the plan and amounts to \$34,501 (2016 - \$32,991).

18. Prior Period Adjustment

In previous years there were housing phases which were completed but not transferred out of Social Housing to Ashcroft Indian Band. As a result, assets of Social Housing were overstated by \$64,812 and contributed surplus was overstated by \$30,339.

In addition to this, expense and rental revenue relating to these houses continued to be recorded in AIB Social Housing. This resulted in revenue being overstated by \$47,250, expenses by \$62,805, and opening equity by \$15,555.

19. Comparative Figures

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

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

20. Expenses by Object

	2017	2016
Amortization	175,493	184,645
Supplies of goods and services	1,614,913	1,327,993
Wages and benefits	419,982	451,414
	<hr/> \$ 2,210,388	<hr/> \$ 1,964,052

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

March 31, 2017

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, 2017

**21. Segment Disclosure -
continued**

		Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
Revenue									
INAC	\$ 191,749	\$ 277,588	\$ 97,637	\$ 99,302	\$ 108,330	\$ 73,896	\$ -	\$ 848,502	
Other	7,330	439,181	27,691	-	777,786	80,755	45,287	1,378,030	
Total	199,079	716,769	125,328	99,302	886,116	154,651	45,287	2,226,532	
Expenses									
Wages & benefits	25,500	232,992	67,714	47,322	33,443	-	13,011	419,982	
Purchases	176,058	663,126	61,879	52,005	560,563	67,366	33,826	1,614,823	
Amortization	-	-	97,953	-	46,327	-	31,213	175,493	
Total	201,558	896,118	227,546	99,327	640,333	67,366	78,050	2,210,298	
Surplus (deficit)	\$ (2,479)	\$ (179,349)	\$ (102,218)	\$ (25)	\$ 245,783	\$ 87,285	\$ (32,763)	\$ 16,234	

		Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
Revenue									
INAC	\$ 169,608	\$ 260,387	\$ 84,945	\$ 117,933	\$ 14,183	\$ 27,895	\$ -	\$ 674,951	
Other	-	465,862	26,855	-	1,102,747	48,286	53,262	1,697,012	
Total	169,608	726,249	111,800	117,933	1,116,930	76,181	53,262	2,371,963	
Expenses									
Wages & benefits	33,619	281,513	69,061	31,156	36,065	-	-	451,414	
Purchases	130,413	655,301	80,512	98,860	182,259	113,737	66,911	1,327,993	
Amortization	-	-	106,970	-	48,319	-	29,356	184,645	
Total	164,032	936,814	256,543	130,016	266,643	113,737	96,267	1,964,052	
Surplus (deficit)	\$ 5,576	\$ (210,565)	\$ (144,743)	\$ (12,083)	\$ 850,287	\$ (37,556)	\$ (43,005)	\$ 407,911	