

**Ashcroft Indian Band**  
**Consolidated Financial Statements**  
For the year ended March 31, 2019

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For the year ended March 31, 2019

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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 sufficient 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.

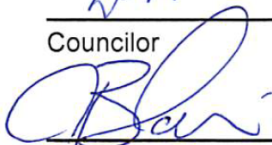
The Ashcroft Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Band's Council.

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 auditor's 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.



Councilor



Finance Manager

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## Independent Auditor's Report

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To the Chief and Council of Ashcroft Indian Band

### Qualified Opinion

We have audited the accompanying consolidated financial statements of Ashcroft Indian Band (The "Band"), which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of change in net financial assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance Canadian public sector accounting standards.

### Basis for Qualified Opinion

We were unable to satisfy ourselves regarding the appropriate accounting treatment of the Band's investment in Nlaka'pamux Resources Limited Partnership (the "Limited Partnership") due to an inability to access information regarding ownership. Management has recorded the investment at cost; however, we were unable to determine whether the investment in the Limited Partnership should be recorded on a cost or modified equity basis. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Management was unable to quantify the impact of this limitation on the value of its investments as at March 31, 2019 and 2018, the related investment income for the years ended March 31, 2019 and 2018, and the equity in investments as at March 31, 2019 and 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants


Kamloops, British Columbia  
July 30, 2019

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

<b>As at March 31</b>	<b>2019</b>	<b>2018</b>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 2,748,148	\$ 5,530,418
Restricted cash (Note 4)	4,788	4,105
Accounts receivable (Note 5)	903,711	380,022
Investments (Note 7)	29,279	29,279
Due from Ashcroft Indian Band Development LLP (Note 8)	2,479,545	2,460,101
	<u>6,165,471</u>	<u>8,403,925</u>
<b>Liabilities</b>		
Accounts payable (Note 9)	768,042	514,363
Deferred revenue (Note 10)	3,379,065	4,527,398
Long term debt (Note 11)	314,723	-
	<u>4,461,830</u>	<u>5,041,761</u>
<b>Net Financial Assets</b>	<u>1,703,641</u>	<u>3,362,164</u>
<b>Non-financial Assets</b>		
Prepaid expenses	48,351	23,209
Tangible capital assets (Note 12)	8,776,797	2,951,885
	<u>8,825,148</u>	<u>2,975,094</u>
<b>Accumulated Surplus (Note 13)</b>	<u>\$ 10,528,789</u>	<u>\$ 6,337,258</u>
<b>Commitments (Note 14)</b>		
<b>Contingencies (Note 15)</b>		

Approved on behalf of the Band Council:

  
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Councilor

  
\_\_\_\_\_

Councilor

**Ashcroft Indian Band**

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

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Annual surplus</b>	<b>\$ 4,190,849</b>	<b>\$ 2,646,030</b>
Acquisition of tangible capital assets (Note 12)	<b>(6,065,447)</b>	(897,028)
Amortization of tangible capital assets (Note 12)	<b>240,535</b>	181,250
Disposal of tangible capital assets	<b>-</b>	30,122
	<b>(1,634,063)</b>	1,960,374
Change in prepaid expenses	<b>(25,142)</b>	12,559
Equity change in Ottawa Trust	<b>682</b>	718
Equity change in funded reserves	<b>-</b>	-
Equity transfer from housing replacement reserve	<b>-</b>	27,896
	<b>682</b>	28,614
<b>Change in net financial assets</b>	<b>(1,658,523)</b>	2,001,547
<b>Net financial assets, beginning of year</b>	<b>3,362,164</b>	1,360,617
<b>Net financial assets, end of year</b>	<b>\$ 1,703,641</b>	<b>\$ 3,362,164</b>

## Ashcroft Indian Band

### Exhibit C - Consolidated Statement of Operations

For the year ended March 31	2019	2018
<b>Revenue</b>		
Indigenous Services Canada	\$ 4,532,197	\$ 1,789,735
First Nations Health Authority	354,794	318,158
Province of BC	591,435	764,595
Nlaka'pamux Legacy Trust	-	50,000
Miscellaneous income	1,100,958	715,592
Rental income	36,220	38,940
Insurance proceeds	771,431	1,601,949
	<b>7,387,035</b>	<b>5,278,969</b>
<b>Expenses</b>		
Campground	1,034,447	822,085
Community Welfare	1,250,353	1,047,225
Administration	399,322	313,993
Operations & Maintenance	121,416	126,391
Education	347,659	237,608
Natural Resources & Economic Development	42,989	41,803
Capital	-	43,834
	<b>3,196,186</b>	<b>2,632,939</b>
<b>Annual surplus</b>	<b>\$ 4,190,849</b>	<b>\$ 2,646,030</b>



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

For the year ended	2019	2018
<b>Operating activities</b>		
Cash receipts from various sources	\$ 5,907,193	\$ 7,734,878
Cash paid to employees and suppliers	(2,919,296)	(2,229,207)
Interest paid	-	(4,523)
<b>Cash flows from operating activities</b>	<b>2,987,897</b>	<b>5,501,148</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(6,065,446)	(897,028)
Proceeds from sale of tangible capital assets	-	30,122
<b>Cash flows used in capital activities</b>	<b>(6,065,446)</b>	<b>(866,906)</b>
<b>Investing activities</b>		
Change in equity in Ottawa Trust	683	718
Loans and advances with related parties	(19,444)	(29,846)
<b>Cash flows used in investing activities</b>	<b>(18,761)</b>	<b>(29,128)</b>
<b>Financing activity</b>		
Repayment of long term debt	(8,850)	(370,130)
Proceeds from issuance of long term debt	323,573	-
<b>Cash flows from financing activities</b>	<b>314,723</b>	<b>(370,130)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,781,587)</b>	<b>4,234,984</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,534,523</b>	<b>1,299,539</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,752,936</b>	<b>\$ 5,534,523</b>
<b>Represented by:</b>		
Cash	\$ 1,818,148	\$ 5,530,418
Restricted cash	4,788	4,105
GIC	930,000	-
	<b>\$ 2,752,936</b>	<b>\$ 5,534,523</b>

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2019

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#### 1. Significant Accounting Policies

**Basis of Presentation** These financial statements have been prepared in accordance with Canadian public sector accounting standards, 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 wholly-owned, 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 except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability 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 in the period earned.

**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.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and investments that are redeemable or with maturities of three months or less from the date of acquisition.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2019

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#### 1. Significant Accounting Policies (continued)

##### 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 and dividends from the corporations are included in income as received.

The Band accounts for its 99.99% interest in its self-sustaining government business partnership, 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 recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue. Amortization is recorded on a declining balance basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

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

Leasehold improvements are amortized at a rate of 10% using a straight-line method.

No amortization is taken on assets under construction until the asset is fully developed.

##### 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.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2019

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#### 2. Economic Dependence

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

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#### 3. Cash and Cash Equivalents

	2019	2018
Cash	\$ 1,818,148	\$ 5,530,418
Cashable GIC, bearing interest at 1.65%, maturing June 1, 2019	930,000	-
	<u>\$ 2,748,148</u>	<u>\$ 5,530,418</u>

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#### 4. Restricted Cash

	2019	2018
Ottawa Trust Funds	\$ 4,788	\$ 4,105

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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 Services Canada and generally must be for projects of a capital nature.

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

**March 31, 2019**

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**5. Accounts Receivable**

Accounts receivable by program area is summarized as follows:

	<u>2019</u>	<u>2018</u>
Trade accounts receivable	\$ 381,204	\$ 350,138
ISC receivable	436,279	116,010
Employee loan receivable	125,418	145,245
Allowance for doubtful loans receivable	<u>(45,010)</u>	<u>(237,191)</u>
	897,891	374,202
 Ashcroft Band Development Corporation	 <u>5,820</u>	 <u>5,820</u>
	<b>\$ 903,711</b>	<b>\$ 380,022</b>

Included in employee loans receivable is \$125,418 (2018 - \$100,325) in loans receivable from key management. These loans require bi-weekly repayments, are non-interest bearing, and repayable in full within thirty days if demanded.

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**6. Rent Receivable**

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

	<u>2019</u>	<u>2018</u>
Rents receivable	\$ -	\$ 75,790
Less: Allowance for doubtful accounts	<u>-</u>	<u>(75,790)</u>
	<b>\$ -</b>	<b>\$ -</b>

## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2019**

### 7. Investments

	2019	2018
Investment in All Nations Trust Co.	\$ 8,175	\$ 8,175
Investment in Nlaka'pamux Resources Limited Partnership	21,104	21,104
	<b>\$ 29,279</b>	<b>\$ 29,279</b>

#### *Ashcroft Indian Band Development LLP*

Ashcroft Indian Band Development LLP has been recorded at \$1 until such time that the cumulative equity loss of \$1,294,789 (2018 - \$1,215,386) is extinguished. No loss has been recorded as the Band has no obligation to fund the losses of the LLP.

Summary of the audited financial statements of Ashcroft Indian Band Development LLP, a government business partnership, for the year ended March 31, 2019 are as follows:

#### Statement of Financial Position

	2019	2018
Cash	\$ 80,737	\$ 76,444
Accounts receivable	84,552	121,188
Prepaid expenses	935,102	968,160
Tangible capital assets	3,243,504	3,461,671
Inventory	251,736	209,961
Franchise fees	30,000	35,500
	<b>\$ 4,625,631</b>	<b>\$ 4,872,924</b>
Line of credit	\$ 45,000	\$ 145,000
Accounts payable	191,465	132,599
Due to related parties	2,479,545	2,460,101
Long-term debt	3,204,410	3,350,610
Partners' deficiency	(1,294,789)	(1,215,386)
	<b>\$ 4,625,631</b>	<b>\$ 4,872,924</b>

#### Statement of Operations

	2019	2018
Revenue	\$ 7,363,543	\$ 5,726,140
Cost of sales	5,697,470	4,268,799
Gross profit	1,666,073	1,457,341
Expenses	1,745,476	1,617,931
Net loss for the year	<b>\$ (79,403)</b>	<b>\$ (160,590)</b>

The Band has not recorded an equity loss on the investment, as the Partnership agreement does not require the Band to fund any deficits; nor has the Partnership issued a capital call to its partners.

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

**March 31, 2019**

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**8. Due From Related Party**

The advances to Ashcroft Indian Band Development LLP, a government business partnership, are unsecured non-interest bearing with no specific terms of repayment. This loan has been subordinated in favor of the bank loan the Band has guaranteed (Notes 7 and 15).

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**9. Accounts Payable**

	<u>2019</u>	<u>2018</u>
Operating Fund		
Trade payables and accruals	\$ 763,042	\$ 509,363
Ashcroft Indian Band Holding Corporation	<u>5,000</u>	<u>5,000</u>
	<u>\$ 768,042</u>	<u>\$ 514,363</u>

## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2019**

#### 10. Deferred Revenue

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

	<u>2019</u>	<u>2018</u>
Operating Fund		
Indigenous Services Canada		
Basic Needs	\$ 33,687	\$ 16,185
Service Delivery	3,656	3,656
Guardian Financial Assistance	497	497
Residential Rehabilitation Assistance Program	27,073	58,968
Emergency Social Services	-	139,120
Special Needs	9,631	9,631
In Home Care	19,079	19,079
Post Secondary Education	24,122	21,023
Lands & Economic Development Services Program	28,257	28,258
Community Economic Development Program	117,800	-
	<u>263,802</u>	<u>296,417</u>
Other deferred revenue	101,930	173,872
NLX Trust	270,000	-
Rural Dividend	484,032	-
	<u>1,119,764</u>	<u>470,289</u>
Capital Fund		
Indigenous Services Canada		
Recreational Fields - CPMS #6067	-	934,044
Round House - ICMS #9-100127986	105,337	-
Elders Facility - CPMS #6232	1,342,044	1,186,809
Water - CPMS #10529	481,161	65,199
House replacement	225,756	1,871,057
Roundhouse	105,003	-
	<u>2,259,301</u>	<u>4,057,109</u>
	<u>\$ 3,379,065</u>	<u>\$ 4,527,398</u>



## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2019

#### 11. Long Term Debt

##### Ashcroft Indian Band

Royal Bank of Canada term loan, repayable in monthly installments of \$2,950 including interest at 3.90%, due December 2021.

	2019	2018
	<u>92,099</u>	<u>-</u>

Royal Bank loan, repayable in interest only monthly installments at prime plus 1.00 %. The loan is a construction loan, which is due in 2022, but will be converted to a conventional loan on completion of construction.

	<u>222,624</u>	<u>-</u>
	<u>\$ 314,723</u>	<u>\$ -</u>

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

2020	\$ 32,383
2021	33,669
2022	26,047
Thereafter	<u>222,624</u>
	<u>\$ 314,723</u>

The loans stated above are secured by a first ranking security interest in all personal property of the Band.

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

**March 31, 2019**

**12. Tangible Capital Assets**

	<b>2019</b>								
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 236,585	\$ 311,967	\$ 3,129,089	\$ 135,574	\$ 313,525	\$ 1,192,814	\$ 431,108	\$ 366,910	\$ 6,117,572
Additions	1,261,639	46,820	3,092,372	4,978	14,662	1,549,431	-	95,545	6,065,447
Cost, end of year	1,498,224	358,787	6,221,461	140,552	328,187	2,742,245	431,108	462,455	12,183,019
Accumulated amortization, beginning of year	-	197,908	1,717,097	96,170	234,256	233,215	350,643	336,398	3,165,687
Amortization	-	41,240	80,423	20,944	20,966	31,622	-	45,340	240,535
Accumulated amortization, end of year	-	239,148	1,797,520	117,114	255,222	264,837	350,643	381,738	3,406,222
Net carrying amount, end of year	\$ 1,498,224	\$ 119,639	\$ 4,423,941	\$ 23,438	\$ 72,965	\$ 2,477,408	\$ 80,465	\$ 80,717	\$ 8,776,797

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

**March 31, 2019**

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

	2018								
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 130,247	\$ 267,833	\$ 2,836,942	\$ 88,126	\$ 269,413	\$ 879,986	\$ 431,108	\$ 358,117	\$ 5,261,772
Additions	106,338	85,362	292,147	47,448	44,112	312,828	-	8,793	897,028
Disposals		(41,228)	-	-	-	-	-	-	(41,228)
Cost, end of year	236,585	311,967	3,129,089	135,574	313,525	1,192,814	431,108	366,910	6,117,572
Accumulated amortization, beginning of year	-	178,423	1,664,638	80,497	219,061	204,191	321,783	326,950	2,995,543
Amortization	-	30,591	52,459	15,673	15,195	29,024	28,860	9,448	181,250
Disposals		(11,106)	-	-	-	-	-	-	(11,106)
Accumulated amortization, end of year	-	197,908	1,717,097	96,170	234,256	233,215	350,643	336,398	3,165,687
Net carrying amount, end of year	\$ 236,585	\$ 114,059	\$ 1,411,992	\$ 39,404	\$ 79,269	\$ 959,599	\$ 80,465	\$ 30,512	\$ 2,951,885

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2019**

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#### 13. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	<u>2019</u>	<u>2018</u>
Equity in investments (Note 6)	\$ 29,479	\$ 29,479
Equity in Ottawa Trust (Note 3)	4,788	4,105
Equity in tangible capital assets	8,652,765	2,827,854
Unrestricted surplus	<u>1,841,757</u>	<u>3,475,820</u>
	<u>\$ 10,528,789</u>	<u>\$ 6,337,258</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 two years, until expiry, are approximately as follows:

2020	\$ 16,047
2021	<u>8,470</u>
	<u>\$ 24,517</u>

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#### 15. Contingencies

Ashcroft Indian Band has signed a guarantee and postponement of claim in the amount of \$3,495,610 for a loan made to Ashcroft Indian Band Development LLP. The loan is secured by tangible capital assets with a carrying amount of \$3,461,671.

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

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

**March 31, 2019**

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**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 \$53,732 (2018- \$42,725)

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**18. 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, 2019**

#### 19. Expenses by Object

	<u>2019</u>	<u>2018</u>
Amortization	\$ 240,534	\$ 181,251
Bad debts recovery	(267,971)	(2,701)
Bank charges	10,505	5,768
Contract services	102,055	106,639
Donations	108,441	38,013
Economic development	-	13,395
Food	8,956	16,466
Fuel	45,540	26,184
Honoraria	186,900	83,105
Insurance	75,690	82,175
Interest on long term debt	-	4,523
Materials and supplies	236,702	125,304
Meals	137,181	9,092
Miscellaneous expense	58,267	766
Office supplies	153	3,290
Professional fees	380,370	423,502
Program activities	106,344	276,055
Rent	16,160	28,196
Repairs and maintenance	259,735	176,422
Social development	188,541	162,504
Student allowances	32,250	35,600
Telephone	33,389	26,586
Training	9,209	1,056
Travel	333,357	109,722
Tuition	33,037	22,601
Utilities	37,373	79,435
Vehicle expenses	42,758	27,577
Wages and benefits	780,710	570,413
	<u>\$ 3,196,186</u>	<u>\$ 2,632,939</u>

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## **Ashcroft Indian Band**

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

**March 31, 2019**

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#### **20. 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, 2019**

**21. Segment Disclosure - continued**

**2019**

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
ISC	\$ 533,998	\$ 728,446	\$ 121,057	\$ 121,172	\$ 2,283,481	\$ 1,144,114	\$ -	\$ 4,932,268
Other	307,238	1,499,474	30,270	-	591,740	26,045	-	2,454,767
Total	841,236	2,227,920	151,327	121,172	2,875,221	1,170,159	-	7,387,035
<b>Expenses</b>								
Wages & benefits	239,927	389,161	15,793	51,279	84,550	-	-	780,710
Purchases	794,520	861,192	181,214	70,137	224,890	42,989	-	2,174,942
Amortization	-	-	202,315	-	38,219	-	-	240,534
Total	1,034,447	1,250,353	399,322	121,416	347,659	42,989	-	3,196,186
Surplus (deficit)	\$ (193,211)	\$ 977,567	\$ (247,995)	\$ (244)	\$ 2,527,562	\$ 1,127,170	\$ -	\$ 4,190,849

**2018**

	Community Welfare	Administrative	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
ISC	\$ 254,246	\$ 386,209	\$ 96,557	\$ 126,391	\$ 359,404	\$ 566,928	\$ -	\$ 1,789,735
Other	573,129	2,356,367	35,490	-	512,264	-	11,984	3,489,234
Total	827,375	2,742,576	132,047	126,391	871,668	566,928	11,984	5,278,969
<b>Expenses</b>								
Wages & benefits	214,961	214,502	74,898	56,552	9,500	-	-	570,413
Purchases	607,124	832,723	128,587	69,839	183,041	41,803	18,158	1,881,275
Amortization	-	-	110,508	-	45,067	-	25,676	181,251
Total	822,085	1,047,225	313,993	126,391	237,608	41,803	43,834	2,632,939
Surplus (deficit)	\$ 5,290	\$ 1,695,351	\$ (181,946)	\$ -	\$ 634,060	\$ 525,125	\$ (31,850)	\$ 2,646,030