

**Ashcroft Indian Band
Consolidated Financial Statements
For the year ended March 31, 2020**

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Consolidated Financial Statements
For the year ended March 31, 2020

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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 Councillor 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

Independent Auditor's Report

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, 2020 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, 2020, 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, 2020 and 2019, the related investment income for the years ended March 31, 2020 and 2019, and the equity in investments as at March 31, 2020 and 2019.

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 judgment 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.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 10, 2020

Ashcroft Indian Band
Exhibit A - Consolidated Statement of Financial Position

<u>As at March 31</u>	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 310,857	\$ 2,748,148
Restricted cash (Note 4)	5,566	4,788
Accounts receivable (Note 5)	1,037,988	903,711
Investments (Note 6)	29,479	29,279
Due from Ashcroft Indian Band Development LLP (Note 7)	<u>2,573,044</u>	<u>2,479,545</u>
	<u>3,956,934</u>	<u>6,165,471</u>
Liabilities		
Accounts payable (Note 8)	317,174	768,041
Deferred revenue (Note 9)	1,629,080	3,379,065
Long term debt (Note 10)	<u>700,594</u>	<u>314,723</u>
	<u>2,646,848</u>	<u>4,461,829</u>
Net Financial Assets	<u>1,310,086</u>	<u>1,703,642</u>
Non-financial Assets		
Prepaid expenses	99,304	48,351
Tangible capital assets (Note 11)	<u>10,408,479</u>	<u>8,776,797</u>
	<u>10,507,783</u>	<u>8,825,148</u>
Accumulated Surplus (Note 12)	<u>\$ 11,817,869</u>	<u>\$ 10,528,790</u>
Commitments (Note 13)		
Contingencies (Note 14)		

Approved on behalf of the Band Council:


Elaine Blum

Councilor


D. F. M.

Councilor

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

For the year ended March 31	2020	2019
Annual surplus	\$ 1,178,531	\$ 4,190,849
Acquisition of tangible capital assets (Note 11)	(2,147,219)	(6,065,447)
Amortization of tangible capital assets (Note 11)	300,712	240,535
Loss on disposal of tangible capital assets	269,710	-
Write off of Racetrack	-	-
	(398,266)	(1,634,063)
Change in prepaid expenses	(50,953)	(25,142)
Write off of Racetrack equity	54,888	-
Equity change in Ottawa Trust	775	683
Change in net financial assets	(393,556)	(1,658,522)
Net financial assets, beginning of year	1,703,642	3,362,164
Net financial assets, end of year	\$ 1,310,086	\$ 1,703,642

Ashcroft Indian Band
Exhibit C - Consolidated Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Indigenous Services Canada	\$ 2,186,777	\$ 4,532,197
First Nations Health Authority	353,608	358,669
ISC reimbursement (recovery)	(17,446)	-
Province of BC	554,116	591,435
Miscellaneous income	1,161,124	1,097,083
Nlaka'pamux Legacy Trust	250,000	-
Rental income	51,850	36,220
Insurance proceeds	81,993	771,431
	4,622,022	7,387,035
Expenses		
Band Administration	1,046,773	277,537
Chief and Council	194,339	145,233
Band Membership	-	5,000
Municipal Services	477,653	399,323
Band Employee Benefits	61,380	45,544
Education	4,619	5,053
Post Secondary Education	175,819	116,363
Summer Student	3,957	2,090
Social Development	239,792	244,582
National Child Benefit	16,560	16,560
First Nations Health Authority	329,840	410,556
Community Garden	13,627	10,112
Tolko	-	21,250
BC Capacities	-	109,022
Nlaka'pamux Legacy Trust	-	117,798
Racetrack	-	38,219
New Relationship Trust	30,400	24,500
P&ID	33,050	76,650
Comprehensive Community Plan	-	19,124
Rural Dividend	-	5,997
Band Owned Housing	118,624	197,290
Fire - House Replacement	9,272	24,174
Fire	126,434	223,424
Emergency Social Services	62,759	396,726
Strategic Forest Initiative	19,410	30,590
LEDSP	43,257	14,068
Red Cross	69,383	154,940
Disaster Fire Relief	1,159	-
Round House	5,491	6,699
Graveyard	2,421	14,773
OFT Fuel Program	57,690	-
Community Initiatives	88,998	-
FNHA - Fire	84,686	-
FNHA Infrastructure	20,312	-
Ashcroft Terminal	82,491	-
COVID-19	1,043	-
Solar Panel Project	8,882	-
Fencing	1,026	-
Expenses paid in capital fund	12,344	42,989
	3,443,491	3,196,186
	\$ 1,178,531	\$ 4,190,849

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

Ashcroft Indian Band
Exhibit D - Consolidated Statement of Cash Flows

<u>For the year ended</u>	<u>2020</u>	<u>2019</u>
Operating activities		
Cash receipts from various sources	\$ 2,737,760	\$ 5,907,193
Cash paid to employees and suppliers	<u>(3,375,092)</u>	<u>(2,919,296)</u>
Cash flows from operating activities	<u>(637,332)</u>	<u>2,987,897</u>
Capital activities		
Acquisition of tangible capital assets	(2,147,219)	(6,065,446)
Write-off of racetrack assets	<u>54,888</u>	<u>-</u>
Cash flows used in capital activities	<u>(2,092,331)</u>	<u>(6,065,446)</u>
Investing activities		
Change in equity in Ottawa Trust	778	683
Loans and advances with related parties	<u>(93,499)</u>	<u>(19,444)</u>
Cash flows used in investing activities	<u>(92,721)</u>	<u>(18,761)</u>
Financing activity		
Repayment of long term debt	(40,086)	(8,850)
Proceeds from issuance of long term debt	<u>425,957</u>	<u>323,573</u>
Cash flows from financing activities	<u>385,871</u>	<u>314,723</u>
Net decrease in cash and cash equivalents	<u>(2,436,513)</u>	<u>(2,781,587)</u>
Cash and cash equivalents, beginning of year	<u>2,752,936</u>	<u>5,534,523</u>
Cash and cash equivalents, end of year	<u>\$ 316,423</u>	<u>\$ 2,752,936</u>
Represented by:		
Cash	\$ 310,857	\$ 2,748,148
Restricted cash	<u>5,566</u>	<u>4,788</u>
	<u>\$ 316,423</u>	<u>\$ 2,752,936</u>

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

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: <ul style="list-style-type: none">- 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 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.

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

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.

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

2. Economic Dependence

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

3. Cash and Cash Equivalents

	2020	2019
Operating Fund	\$ 310,857	\$ 1,818,148
Cashable GIC, bearing interest at 1.65% matured June 1, 2019	- 930,000	
	\$ 310,857	\$ 2,748,148

4. Restricted Cash

	2020	2019
Ottawa Trust Funds	\$ 5,566	\$ 4,788

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.

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

5. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2020	2019
Trade accounts receivable	\$ 904,836	\$ 381,204
ISC receivable	93,244	436,279
Employee loan receivable	84,918	125,418
Allowance for doubtful loans receivable	(45,010)	(45,010)
	1,037,988	897,891
Ashcroft Band Development Corporation	-	5,820
	\$ 1,037,988	\$ 903,711

Included in employee loans receivable is \$84,918 (2019 - \$125,418) 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.

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

6. Investments

	2020	2019
Investment in Ashcroft Indian Band Development Corp.	\$ 200	\$ -
Investment in All Nations Trust Co.	\$ 8,175	\$ 8,175
Investment in Nlaka'pamux Resources Limited Partnership	<u>21,104</u>	<u>21,104</u>
	\$ 29,479	\$ 29,279

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, 2020 are as follows:

Statement of Financial Position

	2020	2019
Cash	\$ 103,743	\$ 80,737
Accounts receivable	82,533	84,552
Prepaid expenses	904,593	935,102
Tangible capital assets	3,116,352	3,243,504
Inventory	187,828	251,736
Franchise fees	<u>24,500</u>	<u>30,000</u>
	\$ 4,419,549	\$ 4,625,631
Line of credit	\$ -	\$ 45,000
Accounts payable	151,773	191,465
Due to related parties	2,573,044	2,479,545
Long-term debt	3,030,793	3,204,410
Partners' deficiency	<u>(1,336,061)</u>	<u>(1,294,789)</u>
	\$ 4,419,549	\$ 4,625,631

Statement of Operations

	2020	2019
Revenue	\$ 7,733,022	\$ 7,363,543
Cost of sales	<u>5,789,201</u>	<u>5,697,470</u>
Gross profit	1,943,821	1,666,073
Expenses	<u>1,985,093</u>	<u>1,745,476</u>
Net loss for the year	\$ (41,272)	\$ (79,403)

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.

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

7. 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.

8. Accounts Payable

	2020	2019
Operating Fund		
Trade payables and accruals	\$ 317,174	\$ 763,041
Ashcroft Indian Band Holding Corporation	- \$ 317,174	5,000 \$ 768,041

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

9. Deferred Revenue

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

	2020	2019
Operating Fund		
Indigenous Services Canada		
Basic Needs	\$ 32,152	\$ 33,687
Service Delivery	39	3,656
Guardian Financial Assistance	-	497
Residential Rehabilitation Assistance Program	-	27,073
Wildfire Portion	17,073	-
Preparedness	10,000	-
Special Needs	3,449	9,631
In Home Care	-	19,079
Post Secondary Education	-	24,122
Lands & Economic Development Services Program	-	28,257
Community Economic Development Program	-	117,800
National Child Benefit	1,440	-
Disaster Relief	36,456	-
COVID-19	12,292	-
	112,901	263,802
Other deferred revenue	190,260	101,930
NLX Trust	-	270,000
Rural Dividend	129,294	484,032
	432,455	1,119,764
Capital Fund		
Indigenous Services Canada		
Pilot Shed	344,761	-
Round House - ICMS #9-100127986	99,686	105,337
Graveyard	116,266	-
Elders Facility - CPMS #6232	635,912	1,342,044
Water - CPMS #10529	-	481,161
House Replacement	-	225,756
Roundhouse	-	105,003
	1,196,625	2,259,301
	\$ 1,629,080	\$ 3,379,065

Ashcroft Indian Band Notes to Consolidated Financial Statements

March 31, 2020

10. 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.

	2020	2019
\$ 59,716	\$ 92,099	

Royal Bank of Canada loan, repayable in fixed monthly payments of \$6,430 at 3.51%. The loan was a construction loan, which was converted to a conventional loan in 2019 and now due in 2030.

640,878	222,624	
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\$ 700,594	\$ 314,723	
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The estimated principal repayments on the above long term debt required over the next three years and thereafter are as follows:

2021	\$ 110,907	
2022	103,429	
2023	77,526	
2024	77,670	
2025	77,814	
Thereafter	253,248	
		<hr/>
	\$ 700,594	

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, 2020

11. Tangible Capital Assets

	2020								
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 1,498,224	\$ 358,787	\$ 6,221,461	\$ 140,552	\$ 328,187	\$ 2,742,245	\$ 431,108	\$ 462,455	\$ 12,183,019
Additions	149,177	119,798	985,081	-	25,233	867,430	-	500	2,147,219
Disposals		(29,908)	(416,687)	(16,360)	(56,871)	(431,108)	-	(113,867)	(1,064,801)
Transfers	(548,936)	-	548,936	-	-	-	-	-	-
Cost, end of year	1,098,465	448,677	7,338,791	124,192	296,549	3,178,567	431,108	349,088	13,265,437
Accumulated amortization, beginning of year	-	239,148	1,797,520	117,114	255,222	264,837	350,643	381,738	3,406,222
Amortization	-	47,033	163,604	10,782	21,576	40,118	-	17,599	300,712
Disposals	-	(27,047)	(269,829)	(16,352)	(50,367)	(373,588)	-	(112,793)	(849,976)
Accumulated amortization, end of year	-	259,134	1,691,295	111,544	226,431	(68,633)	350,643	286,544	2,856,958
Net carrying amount, end of year	\$ 1,098,465	\$ 189,543	\$ 5,647,496	\$ 12,648	\$ 70,118	\$ 3,247,200	\$ 80,465	\$ 62,544	\$ 10,408,479

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2020

11. Tangible Capital Assets (continued)

	2019								
	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	<u>1,498,224</u>	<u>358,787</u>	<u>6,221,461</u>	<u>140,552</u>	<u>328,187</u>	<u>2,742,245</u>	<u>431,108</u>	<u>462,455</u>	<u>12,183,019</u>
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	-	<u>239,148</u>	<u>1,797,520</u>	<u>117,114</u>	<u>255,222</u>	<u>264,837</u>	<u>350,643</u>	<u>381,738</u>	<u>3,406,222</u>
Net carrying amount, end of year	<u>\$ 1,498,224</u>	<u>\$ 119,639</u>	<u>\$ 4,423,941</u>	<u>\$ 23,438</u>	<u>\$ 72,965</u>	<u>\$ 2,477,408</u>	<u>\$ 80,465</u>	<u>\$ 80,717</u>	<u>\$ 8,776,797</u>

Ashcroft Indian Band Notes to Consolidated Financial Statements

March 31, 2020

12. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	2020	2019
Equity in investments (Note 7)	\$ 29,479	\$ 29,479
Equity in Ottawa Trust (Note 4)	5,566	4,788
Equity in tangible capital assets	10,554,161	8,652,765
Unrestricted surplus	<u>1,228,663</u>	<u>1,841,758</u>
	<u>\$ 11,817,869</u>	<u>\$ 10,528,790</u>

13. 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>

14. 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, with a limit of \$50,000, which when drawn upon bears interest at prime plus 2% and is unsecured.

15. 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, 2020

16. 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 \$162,131 (2019- \$53,732)

17. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Band, its funders and its business entities. The Band has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Band was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Entity is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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, 2020

19. Expenses by Object

	2020	2019
Amortization	\$ 300,712	\$ 240,534
Bad debts	8,260	(267,971)
Bank charges recovery	21,377	10,505
Contract services	27,049	102,055
Donations	46,236	108,442
Food	9,386	8,956
Fuel	30,713	45,540
Honoraria	224,000	186,900
Insurance	87,393	75,690
Materials and supplies	141,045	236,702
Meals	19,426	137,181
Miscellaneous expense	23,920	58,267
Office supplies	-	153
Professional fees	471,057	380,370
Program activities	178,438	106,343
Lease	23,862	16,160
Repairs and maintenance	117,716	259,735
Social development	168,335	188,541
Student allowances	73,810	32,250
Telephone	29,686	33,389
Training	75	9,209
Travel	117,660	333,357
Tuition	55,700	33,037
Utilities	30,992	37,373
Vehicle expenses	52,384	42,758
Wages and benefits	914,549	780,710
Write off Racetrack and Holdco :	<u>269,710</u>	-
	<hr/> <u>\$ 3,443,491</u>	<hr/> <u>\$ 3,196,186</u>

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

March 31, 2020

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, 2020

**20. Segment Disclosure -
continued**

<u>2020</u>										
	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total		
Revenue										
ISC	\$ 408,645	\$ 369,869	\$ 80,405	\$ 148,917	\$ 336,408	\$ 842,532	\$ -		\$ 2,186,776	
Other	931,449	986,840	30,460	-	486,497	-	-		2,435,246	
Total	1,340,094	1,356,709	110,865	148,917	822,905	842,532	-		4,622,022	
Expenses										
Wages & benefits	257,649	493,739	82,068	44,870	52,223	-	-		930,549	
Purchases	426,740	1,492,194	94,873	135,568	50,511	12,344	-		2,212,230	
Amortization	-	-	300,712	-	-	-	-		300,712	
Total	684,389	1,985,933	477,653	180,438	102,734	12,344	-		3,443,491	
Surplus (deficit)	\$ 655,705	\$ (629,224)	\$ (366,788)	\$ (31,521)	\$ 720,171	\$ 830,188	\$ -		\$ 1,178,531	

<u>2019</u>										
	Community Welfare	Administrativ e	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total		
Revenue										
ISC	\$ 533,998	\$ 728,446	\$ 121,057	\$ 121,172	\$ 2,283,481	\$ 1,144,114	\$ -		\$ 4,932,268	
Other	307,238	1,499,473	30,270	-	591,741	26,045	-		2,454,767	
Total	841,236	2,227,919	151,327	121,172	2,875,222	1,170,159	-		7,387,035	
Expenses										
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)	\$ 977,566	\$ (247,995)	\$ (244)	\$ 2,527,563	\$ 1,127,170	\$ -		\$ 4,190,849	