

Ashcroft Indian Band
Consolidated Financial Statements
For the year ended March 31, 2021

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Consolidated Financial Statements
For the year ended March 31, 2021

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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 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



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, 2021 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, 2021, 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, 2021 and 2020, the related investment income for the years ended March 31, 2021 and 2020, and the equity in investments as at March 31, 2021 and 2020.

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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 17 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2020 has been restated. Our opinion is not modified in respect of this matter.

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

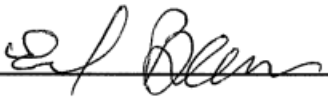
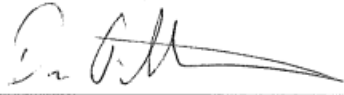
Kamloops, British Columbia
October 15, 2021

Ashcroft Indian Band

Exhibit A - Consolidated Statement of Financial Position

As at March 31	2021	2020
		(Restated)
Financial Assets		
Cash and cash equivalents	\$ 2,169,441	\$ 310,857
Restricted cash (Note 3)	6,298	5,566
Accounts receivable (Note 4)	907,545	984,397
Investments (Note 6)	29,479	29,479
Due from Ashcroft Indian Band Development LLP (Note 6)	2,660,358	2,573,044
	<u>5,773,121</u>	<u>3,903,343</u>
Liabilities		
Accounts payable	249,694	317,174
Deferred revenue (Note 8)	1,723,904	749,260
Long term debt (Note 9)	656,298	700,594
	<u>2,629,896</u>	<u>1,767,028</u>
Net Financial Assets	<u>3,143,225</u>	<u>2,136,315</u>
Non-financial Assets		
Prepaid expenses	74,455	99,306
Tangible capital assets (Note 10)	10,935,929	10,408,479
	<u>11,010,384</u>	<u>10,507,785</u>
Accumulated Surplus (Note 11)	<u>\$ 14,153,609</u>	<u>\$ 12,644,100</u>
Commitments (Note 12)		
Contingencies (Note 13)		

Approved on behalf of the Band Council:

 <hr style="border: 0; border-top: 1px solid black; width: 100%;"/>	Councilor
 <hr style="border: 0; border-top: 1px solid black; width: 100%;"/>	Councilor

Ashcroft Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2021	2020
		(Restated)
Annual surplus	\$ 1,508,778	\$ 1,078,643
Acquisition of tangible capital assets (Note 11)	(874,427)	(2,147,219)
Amortization of tangible capital assets (Note 11)	346,977	300,712
Loss on disposal of tangible capital assets	-	269,710
	981,328	(498,154)
Change in prepaid expenses	24,850	(50,953)
Write off of Racetrack equity	-	54,888
Prior period adjustment (Note 17)	-	926,117
Equity change in Ottawa Trust	732	775
Change in net financial assets	1,006,910	432,673
Net financial assets, beginning of year	2,136,315	1,703,642
Net financial assets, end of year	\$ 3,143,225	\$ 2,136,315

Ashcroft Indian Band

Exhibit C - Consolidated Statement of Operations

For the year ended March 31	2021	2020
		(Restated)
Revenue		
Indigenous Services Canada	\$ 1,734,253	\$ 2,086,889
ISC recoveries	(32,547)	(17,446)
ISC additional reimbursements	160,573	-
First Nations Health Authority	371,567	353,608
Province of BC	679,305	554,116
Miscellaneous income	1,947,040	1,161,124
Nlaka'pamux Legacy Trust	-	250,000
Rental income	57,282	51,850
Insurance proceeds	-	81,993
	4,917,473	4,522,134
Expenses		
Band Administration	514,552	1,046,773
Chief and Council	128,285	194,339
Municipal Services	543,801	477,653
Band Employee Benefits	60,320	61,380
Education	10,564	4,619
Post Secondary Education	178,087	175,819
FNESC - New Paths	15,483	-
Summer Student	31,451	3,957
Social Development	383,883	239,792
National Child Benefit	-	16,560
First Nations Health Authority	353,439	329,840
Community Garden	10,280	13,627
McLean Lake Negotiations	942	-
FNESC - Innovations in Education	19,159	-
New Relationship Trust	32,200	30,400
P&ID	4,865	33,050
Band Owned Housing	36,976	118,624
Fire - House Replacement	-	9,272
Fire	-	126,434
Emergency Social Services	-	62,759
Strategic Forest Initiative	-	19,410
LEDSP	-	43,257
Red Cross	-	69,383
Disaster Fire Relief	-	1,159
Round House	647	5,491
Graveyard	12,048	2,421
Campground	5,649	-
OFT Fuel Program	82,500	57,690
Community Initiatives	111,876	88,998
FNHA - Fire	74,914	84,686
FNHA Infrastructure	20,718	20,312
Ashcroft Terminal	-	82,491
COVID-19	337,087	1,043
Subtotal Expenditures	\$ 2,969,726	\$ 3,421,239

Ashcroft Indian Band

Exhibit C - Consolidated Statement of Operations

For the year ended March 31	2021	2020
Revenue carried forward	\$ 4,917,473	\$ 4,522,134
Expenditures carried forward	2,969,726	3,421,239
Solar Panel Project	85,199	8,882
Fencing	70	1,026
Expenses paid in capital fund	18,574	12,344
Pilot Shed/Water Connection	60,000	-
Landmark	170,002	-
NRCAN	17,551	-
Age-Friendly Grant	9,172	-
2nd Harvest Grant	10,880	-
Specific Claims - Water Rights	22,521	-
NRCAN - Aquatic Habitat (AH)	45,000	-
	3,408,695	3,443,491
Annual surplus	1,508,778	1,078,643

Ashcroft Indian Band

Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
		(Restated)
Operating activities		
Cash receipts from various sources	\$ 5,869,796	\$ 2,556,903
Cash paid to employees and suppliers	<u>(3,005,175)</u>	<u>(3,354,171)</u>
Cash flows from operating activities	<u>2,864,621</u>	<u>(797,268)</u>
Capital activity		
Acquisition of tangible capital assets	<u>(874,427)</u>	<u>(1,932,395)</u>
Investing activities		
Change in equity in Ottawa Trust	732	778
Loans and advances with related parties	<u>(87,314)</u>	<u>(93,499)</u>
Cash flows used in investing activities	<u>(86,582)</u>	<u>(92,721)</u>
Financing activity		
Proceeds from issuance of long term debt	-	425,957
Repayment of long term debt	<u>(44,296)</u>	<u>(40,086)</u>
Cash flows from financing activities	<u>(44,296)</u>	<u>385,871</u>
Net (decrease) increase in cash and cash equivalents	1,859,316	(2,436,513)
Cash and cash equivalents, beginning of year	<u>316,423</u>	<u>2,752,936</u>
Cash and cash equivalents, end of year	\$ 2,175,739	\$ 316,423
Represented by:		
Cash	\$ 2,169,441	\$ 310,857
Restricted cash	<u>6,298</u>	<u>5,566</u>
	\$ 2,175,739	\$ 316,423

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2021

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.

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

2. Economic Dependence

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

3. Restricted Cash

	<u>2021</u>		<u>2020</u>
Ottawa Trust Fund	\$ 6,298	\$	5,566

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, 2021

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2021</u>	<u>2020</u>
Trade accounts receivable	\$ 897,761	\$ 851,245
ISC receivable	-	93,244
Employee loan receivable	54,794	84,918
Allowance for doubtful loans receivable	<u>(45,010)</u>	<u>(45,010)</u>
	<u>\$ 907,545</u>	<u>\$ 984,397</u>

Included in employee loans receivable is \$9,874 (2020 - \$39,998) 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, 2021

5. Investments

	2021	2020
Investment in Ashcroft Indian Band Development Corp.	\$ 200	\$ 200
Investment in All Nations Trust Co.	8,175	8,175
Investment in Nlaka'pamux Resources Limited Partnership	21,104	21,104
	\$ 29,479	\$ 29,479

Ashcroft Indian Band Development LLP

Ashcroft Indian Band Development LLP has been recorded at \$1 until such time that the cumulative equity loss of \$1,070,126 (2020 - \$1,336,061) 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, 2021 are as follows:

Statement of Financial Position

	2021	2020
Cash	\$ 547,550	\$ 103,743
Accounts receivable	84,069	82,533
Prepaid expenses	877,026	904,593
Tangible capital assets	2,939,701	3,116,352
Inventory	270,420	187,828
Franchise fees	19,000	24,500
	\$ 4,737,766	\$ 4,419,549
Accounts payable	207,265	151,773
Due to related parties	2,660,358	2,573,044
Long-term debt	2,940,269	3,030,793
Partners' deficiency	(1,070,126)	(1,336,061)
	\$ 4,737,766	\$ 4,419,549

Statement of Operations

	2021	2020
Revenue	\$ 7,277,201	\$ 7,733,022
Cost of sales	5,188,414	5,789,201
Gross profit	2,088,787	1,943,821
Expenses	1,822,851	1,985,093
Net income (loss) for the year	\$ 265,936	\$ (41,272)

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, 2021

6. 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.

7. Accounts Payable

	<u>2021</u>	<u>2020</u>
Operating Fund		
Trade payables and accruals	\$ 249,694	\$ 317,174

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2021

8. Deferred Revenue

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

	<u>2021</u>	<u>2020</u>
Operating Fund		
Indigenous Services Canada		
Basic Needs	\$ 17,976	\$ 32,152
Service Delivery	39	39
Wildfire Portion	91	17,073
Preparedness	-	10,000
Special Needs	-	3,449
National Child Benefit	-	1,440
Disaster Relief	36,456	19,474
COVID-19	-	12,292
	<u>54,562</u>	95,919
	-	-
Other deferred revenue	648,855	190,260
Rural Dividend	<u>184,064</u>	<u>129,294</u>
	<u>887,481</u>	415,473
Capital Fund		
Indigenous Services Canada		
Pilot Shed	284,761	344,761
Round House - ICMS #9-100127986	-	(16,247)
Graveyard	1,858	79,658
Elders Facility - CPMS #6232	-	(74,385)
Water Diversion Program	167,924	-
Campground COVID-19 Relief	<u>381,880</u>	-
	<u>836,423</u>	333,787
	<u>\$ 1,723,904</u>	<u>\$ 749,260</u>

Ashcroft Indian Band Notes to Consolidated Financial Statements

March 31, 2021

9. Long Term Debt

Ashcroft Indian Band

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

	<u>2021</u>		<u>2020</u>
\$	43,040	\$	59,716

Term 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.

	<u>613,258</u>		<u>640,878</u>
\$	<u>656,298</u>	\$	<u>700,594</u>

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

2022	\$ 120,428
2023	77,526
2024	77,670
2025	77,814
2026	90,965
Thereafter	<u>211,895</u>
	<u>\$ 656,298</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, 2021

10. Tangible Capital Assets

									2021
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 1,098,465	\$ 448,677	\$ 7,338,791	\$ 124,192	\$ 296,549	\$ 3,178,567	\$ 431,108	\$ 349,088	\$ 13,265,437
Additions	-	44,010	191,249	85,220	29,933	400,486	-	123,529	874,427
Transfers	(728,865)	-	728,865	-	-	-	-	-	-
Cost, end of year	369,600	492,687	8,258,905	209,412	326,482	3,579,053	431,108	472,617	14,139,864
Accumulated amortization, beginning of year	-	259,134	1,691,295	111,544	226,431	(68,633)	350,643	286,544	2,856,958
Amortization	-	43,116	166,268	26,929	24,222	53,766	-	32,676	346,977
Accumulated amortization, end of year	-	302,250	1,857,563	138,473	250,653	(14,867)	350,643	319,220	3,203,935
Net carrying amount, end of year	\$ 369,600	\$ 190,437	\$ 6,401,342	\$ 70,939	\$ 75,829	\$ 3,593,920	\$ 80,465	\$ 153,397	\$ 10,935,929

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

11. Tangible Capital Assets (continued)

									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, 2021

11. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	<u>2021</u>	<u>2020</u>
Equity in investments (Note 6)	\$ 29,479	\$ 29,479
Equity in Ottawa Trust (Note 4)	6,298	5,566
Equity in tangible capital assets	11,081,610	10,554,161
Unrestricted surplus	3,036,222	2,054,894
	<u>\$ 14,153,609</u>	<u>\$ 12,644,100</u>

12. Commitments

Ashcroft Indian Band has entered into lease agreements for photocopiers and office space. Minimum annual lease payments due over the next four years and thereafter, until expiry, are approximately as follows:

2022	\$ 20,774
2023	15,050
2024	13,142
2025	13,142
Thereafter	<u>616</u>
	<u>\$ 62,724</u>

13. Contingencies

Ashcroft Indian Band has signed a guarantee and postponement of claim for a loan made to Ashcroft Indian Band Development LLP. As at March 31, 2021, the loan had an outstanding balance of \$2,940,269 (2020 - \$3,116,352). The loan is secured by tangible capital assets with a carrying amount of \$2,939,701.

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.

14. 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, 2021

15. 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 \$168,278 (2020- \$162,131).

16. Impacts on Ashcroft Indian Band

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.

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

17. Prior Period Adjustments

In 2019, \$4,157,715 in capital purchases were incorrectly recorded into the Rebuilding Housing Department instead of the Elders Facility Department and Roundhouse Department. This resulted in additional ISC funding in the amounts of \$810,185 and \$115,932 being recognized under the relevant funding agreements. Management also determined that \$53,591 recorded in accounts receivable and deferred revenue were overstated in 2020 as a result of the receipt of funds being accounted for as revenue incorrectly. The impact of this restatement is as follows:

	Reported	Prior Period Adjustment	Restated
Net assets April 1, 2020	\$ 1,310,086	\$ 826,229	\$ 2,136,315
Deferred revenue	\$ 1,629,080	\$ (879,820)	\$ 749,260
Accounts receivable	\$ 1,037,988	\$ (53,591)	\$ 984,397
Accumulated surplus	\$ 11,817,869	\$ 826,229	\$ 12,644,098
Excess of revenues over expenses	\$ 1,178,531	\$ (99,888)	\$ 1,078,643

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, 2021

19. Expenses by Object

	2021	2020
Amortization	\$ 346,977	\$ 300,712
Bad debts	7,123	8,260
Bank charges	37,731	21,377
Contract services	84,993	27,049
COVID-19	126,571	-
Donations	-	46,236
Food	3,599	9,386
Fuel	50,104	30,713
Honoraria	222,022	224,000
Insurance	106,251	87,393
Materials and supplies	153,065	141,045
Meals	-	19,426
Miscellaneous (recovery) expense	(465)	23,920
Professional fees	635,117	471,057
Program activities	238,267	178,438
Lease	24,309	23,862
Repairs and maintenance	62,284	117,716
Social development	282,007	168,335
Student allowances	77,564	73,810
Telephone	30,939	29,686
Training	2,948	75
Travel	20,168	117,660
Tuition	56,968	55,700
Utilities	20,170	30,992
Vehicle expenses	34,722	52,384
Wages and benefits	785,261	914,549
Write off Racetrack and Holdco assets	-	269,710
	\$ 3,408,695	\$ 3,443,491

Ashcroft Indian Band

Notes to Consolidated Financial Statements

March 31, 2021

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.

Ashcroft Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

20. Segment Disclosure - continued

2021

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Total
Revenue							
ISC	\$ 777,798	\$ 277,577	\$ 167,923	\$ 187,989	\$ (16,247)	\$ 339,213	\$ 1,734,253
Other	1,474,880	1,096,761	35,892	-	575,687	-	3,183,220
Total	2,252,678	1,374,338	203,815	187,989	559,440	339,213	4,917,473
Expenses							
Wages & benefits	187,912	427,139	37,373	43,005	28,244	30,000	753,673
Purchases	793,493	1,115,155	166,648	145,646	87,103	-	2,308,045
Amortization	-	-	346,977	-	-	-	346,977
Total	981,405	1,542,294	550,998	188,651	115,347	30,000	3,408,695
Surplus (deficit)	\$ 1,271,273	\$ (167,956)	\$ (347,183)	\$ (662)	\$ 444,093	\$ 309,213	\$ 1,508,778

2020

	Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Total
Revenue							
ISC	\$ 408,645	\$ 369,869	\$ 80,405	\$ 148,917	\$ 336,408	\$ 742,645	\$ 2,086,889
Other	931,449	986,840	30,460	-	486,496	-	2,435,245
Total	1,340,094	1,356,709	110,865	148,917	822,904	742,645	4,522,134
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)	\$ 720,170	\$ 730,301	\$ 1,078,643