

**Ashcroft Indian Band**  
**Consolidated Financial Statements**  
For the year ended March 31, 2023

**Ashcroft Indian Band**  
**Consolidated Financial Statements**  
For the year ended March 31, 2023

**Contents**

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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.

DocuSigned by:  
  
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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, 2023 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, 2023, 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, 2023 and 2022, the related investment income for the years ended March 31, 2023 and 2022, and the equity in investments as at March 31, 2023 and 2022.

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 qualified 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.


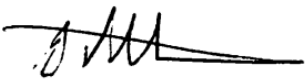
Chartered Professional Accountants

Kamloops, British Columbia  
February 29, 2024

## Ashcroft Indian Band Consolidated Statement of Financial Position

| As at March 31   | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>Financial Assets</b>                                |                      |                      |
| Cash and cash equivalents                              | \$ 3,704,759         | \$ 2,784,027         |
| Restricted cash (Note 3)                               | 8,153                | 7,099                |
| Accounts receivable (Note 4)                           | 457,525              | 970,787              |
| Investments (Note 5)                                   | 29,479               | 29,479               |
| Due from Ashcroft Indian Band Development LLP (Note 6) | 1,751,653            | 2,392,969            |
|  | <u>5,951,569</u>     | <u>6,184,361</u>     |
| <b>Liabilities</b>                                     |                      |                      |
| Accounts payable                                       | 346,394              | 173,263              |
| Deferred revenue (Note 7)                              | 879,829              | 1,592,369            |
| Long term debt (Note 8)                                | -                    | 562,239              |
|  | <u>1,226,223</u>     | <u>2,327,871</u>     |
| <b>Net Financial Assets</b>                            | <u>4,725,346</u>     | <u>3,856,490</u>     |
| <b>Non-financial Assets</b>                            |                      |                      |
| Prepaid expenses                                       | 85,831               | 76,529               |
| Tangible capital assets (Note 9)                       | 12,289,768           | 11,629,473           |
|  | <u>12,375,599</u>    | <u>11,706,002</u>    |
| <b>Accumulated Surplus (Note 10)</b>                   | <u>\$ 17,100,945</u> | <u>\$ 15,562,492</u> |
| <b>Commitments (Note 11)</b>                           |                      |                      |
| <b>Contingencies (Note 12)</b>                         |                      |                      |

Approved on behalf of the Band Council:

|   |                  |
|---|------------------|
|  | <p>Councilor</p> |
|  | <p>Councilor</p> |

## Ashcroft Indian Band

### Consolidated Statement of Change in Net Financial Assets

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| <b>Annual surplus</b>                            | <b>\$ 1,537,399</b> | <b>\$ 1,408,084</b> |
| Acquisition of tangible capital assets (Note 9)  | <b>(1,266,331)</b>  | (1,320,632)         |
| Amortization of tangible capital assets (Note 9) | <b>606,036</b>      | 599,257             |
| Disposal of tangible capital assets (Note 9)     | <b>-</b>            | 27,831              |
|  | <b>877,104</b>      | 714,540             |
| Change in prepaid expenses                       | <b>(9,302)</b>      | (2,075)             |
| Equity change in Ottawa Trust                    | <b>1,054</b>        | 799                 |
| <b>Change in net financial assets</b>            | <b>868,856</b>      | 713,264             |
| <b>Net financial assets, beginning of year</b>   | <b>3,856,489</b>    | 3,143,225           |
| <b>Net financial assets, end of year</b>         | <b>\$ 4,725,345</b> | <b>\$ 3,856,489</b> |

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

## Ashcroft Indian Band Consolidated Statement of Operations

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| <b>Revenue</b>                           |                     |                     |
| Indigenous Services Canada ("ISC")       | \$ 2,424,943        | \$ 2,242,839        |
| ISC recovery                             | (32,652)            | -                   |
| First Nations Health Authority           | 470,339             | 387,457             |
| Province of BC                           | 283,261             | 616,800             |
| Miscellaneous income                     | 2,099,348           | 1,554,785           |
| Elders rental income                     | 58,000              | 34,984              |
| Rental income                            | 104,445             | 130,794             |
| Trust income                             | 524,757             | -                   |
|  | <u>5,932,441</u>    | <u>4,967,659</u>    |
| <b>Expenses</b>                          |                     |                     |
| Community Welfare                        | 951,793             | 1,002,676           |
| Administration                           | 1,820,024           | 1,299,246           |
| Operations & Maintenance                 | 1,035,617           | 899,148             |
| Education                                | 185,107             | 206,070             |
| Natural Resources & Economic Development | 253,787             | 80,244              |
| Capital                                  | 148,714             | 72,191              |
|  | <u>4,395,042</u>    | <u>3,559,575</u>    |
|  | <u>\$ 1,537,399</u> | <u>\$ 1,408,084</u> |

## Ashcroft Indian Band Consolidated Statement of Cash Flows

| For the year ended March 31                         | 2023                | 2022                |
|---|---------------------|---------------------|
| <b>Operating activities</b>                         |                     |                     |
| Cash receipts from various sources                  | \$ 4,990,539        | \$ 4,709,640        |
| Cash paid to employees and suppliers                | <u>(2,882,554)</u>  | <u>(2,947,753)</u>  |
| <b>Cash flows from operating activities</b>         | <u>2,107,985</u>    | <u>1,761,887</u>    |
| <b>Capital activity</b>                             |                     |                     |
| Acquisition of tangible capital assets              | <u>(1,266,330)</u>  | <u>(1,320,632)</u>  |
| <b>Investing activities</b>                         |                     |                     |
| Change in equity in Ottawa Trust                    | 1,054               | 801                 |
| Loans and advances with related parties             | <u>641,316</u>      | <u>267,389</u>      |
| <b>Cash flows used in investing activities</b>      | <u>642,370</u>      | <u>268,190</u>      |
| <b>Financing activity</b>                           |                     |                     |
| Repayment of long term debt                         | <u>(562,239)</u>    | <u>(94,058)</u>     |
| <b>Net increase in cash and cash equivalents</b>    | 921,786             | 615,387             |
| <b>Cash and cash equivalents, beginning of year</b> | <u>2,791,126</u>    | <u>2,175,739</u>    |
| <b>Cash and cash equivalents, end of year</b>       | <u>\$ 3,712,912</u> | <u>\$ 2,791,126</u> |
| <b>Represented by:</b>                              |                     |                     |
| Cash  | \$ 3,704,759        | \$ 2,784,027        |
| Restricted cash                                     | <u>8,153</u>        | <u>7,099</u>        |
|   | <u>\$ 3,712,912</u> | <u>\$ 2,791,126</u> |

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2023

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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 (the "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, 2023

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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, 2023**

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

##### **Deferred Revenue**

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purposes.

##### **Segmented Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Band. The Band identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.

##### **Asset Retirement Obligations**

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of time can be made.

There are no asset retirement obligations as at March 31, 2023 or 2022. Assumptions used in the calculations are reviewed annually.

##### **Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- (a) an environmental standard exists
- (b) the Band:
  - is directly responsible; or
  - accepts responsibility;
- (c) it is expected future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no contaminated sites as at March 31, 2023 or 2022.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

March 31, 2023

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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. Restricted Cash

|  | 2023            |  | 2022            |
|--|-----------------|--|-----------------|
|  | <u>\$ 8,153</u> |  | <u>\$ 7,099</u> |

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of capital funds requires the consent of Indigenous Services Canada and generally must be for projects of a capital nature.

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#### 4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

|   | 2023              | 2022              |
|---|-------------------|-------------------|
| Trade accounts receivable               | \$ 434,241        | \$ 821,289        |
| ISC accounts receivable                 | -                 | 139,714           |
| Employee loan receivable                | 68,294            | 54,794            |
| Allowance for doubtful loans receivable | (45,010)          | (45,010)          |
|   | <u>\$ 457,525</u> | <u>\$ 970,787</u> |

Included in employee loans receivable is \$23,284 (2022 - \$9,874) 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, 2023**

#### 5. Investments

|   | 2023             | 2022             |
|---|------------------|------------------|
| Investment in Ashcroft Indian Band Development LLP      | \$ 200           | \$ 200           |
| Investment in All Nations Trust Company                 | 8,175            | 8,175            |
| Investment in Nlaka'pamux Resources Limited Partnership | 21,104           | 21,104           |
|   | <b>\$ 29,479</b> | <b>\$ 29,479</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 \$181,071 (2021 - \$946,123) 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, 2023 are as follows:

#### Statement of Financial Position

|                         | 2023                | 2022                |
|-------------------------|---------------------|---------------------|
| Cash                    | \$ 429,837          | \$ 361,842          |
| Accounts receivable     | 71,570              | 105,970             |
| Prepaid expenses        | 831,702             | 852,409             |
| Tangible capital assets | 2,681,456           | 2,785,754           |
| Inventory               | 272,570             | 230,343             |
| Franchise fees          | 8,000               | 13,500              |
|                         | <b>\$ 4,295,135</b> | <b>\$ 4,349,818</b> |
| Accounts payable        | 139,348             | 149,321             |
| Due to related parties  | 1,751,653           | 2,392,969           |
| Long-term debt          | 2,585,205           | 2,753,651           |
| Partners' deficiency    | (181,071)           | (946,123)           |
|                         | <b>\$ 4,295,135</b> | <b>\$ 4,349,818</b> |

#### Statement of Operations

|                         | 2023              | 2022              |
|-------------------------|-------------------|-------------------|
| Revenue                 | \$ 10,392,219     | \$ 8,518,310      |
| Cost of sales           | 7,755,633         | 6,522,599         |
| Gross profit            | 2,636,586         | 1,995,711         |
| Expenses                | 1,871,535         | 1,871,708         |
| Net income for the year | <b>\$ 765,051</b> | <b>\$ 124,003</b> |

## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2023**

#### 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 favour of the bank loan the Band has guaranteed.

#### 7. Deferred Revenue

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

|                                       | <b>2023</b>       | <b>2022</b>         |
|---------------------------------------|-------------------|---------------------|
| Operating Fund                        |                   |                     |
| Indigenous Services Canada            |                   |                     |
| Basic Needs                           | \$ 18,781         | \$ 60,523           |
| Institutional Care                    | 2,888             | 5,969               |
| In-Home Care                          | -                 | 2,087               |
| Special Needs                         | -                 | 2,308               |
| Specific Claims Water Rights          | 66,881            | 66,734              |
| Fire Prevention                       | 113,124           | -                   |
|                                       | <b>201,674</b>    | 137,621             |
| Other deferred revenue                | <b>375,220</b>    | 148,811             |
|                                       | <b>576,894</b>    | 286,432             |
| Capital Fund                          |                   |                     |
| Indigenous Services Canada            |                   |                     |
| Pilot Shed                            | 100,214           | 233,138             |
| Water Diversion Program               | 90,715            | 139,506             |
| Campground COVID-19 Relief            | 42,440            | 796,319             |
| MJR Renos                             | -                 | 32,866              |
| ACRS Road Top-up                      | 69,566            | 79,108              |
| Administration - Other Infrastructure | -                 | 25,000              |
|                                       | <b>302,935</b>    | 1,305,937           |
|                                       | <b>\$ 879,829</b> | <b>\$ 1,592,369</b> |

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

**March 31, 2023**

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**8. Long Term Debt**

|                                    | <u>2023</u> | <u>2022</u>       |
|------------------------------------|-------------|-------------------|
| <b><u>Ashcroft Indian Band</u></b> |             |                   |
| Term loan repaid during the year   | \$ -        | \$ 8,574          |
| Term loan repaid during the year   | -           | 553,665           |
|                                    | <u>\$ -</u> | <u>\$ 562,239</u> |

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

**March 31, 2023**

**9. Tangible Capital Assets**

|   | <b>2023</b>                  |                         |              |                       |                               |                |                           |            |               |
|---|------------------------------|-------------------------|--------------|-----------------------|-------------------------------|----------------|---------------------------|------------|---------------|
|   | Assets under<br>construction | Automotive<br>equipment | Buildings    | Computer<br>equipment | Furniture<br>and<br>equipment | Infrastructure | Leasehold<br>improvements | Machinery  | Total         |
| Cost, beginning of<br>year                        | \$ 55,701                    | \$ 581,892              | \$ 8,587,531 | \$ 209,412            | \$ 382,488                    | \$ 4,694,202   | \$ 431,108                | \$ 479,642 | \$ 15,421,976 |
| Additions   | -                            | 90,000                  | 51,518       | 6,350                 | 45,683                        | 1,072,780      | -                         | -          | 1,266,331     |
| Cost, end of year                                 | 55,701                       | 671,892                 | 8,639,049    | 215,762               | 428,171                       | 5,766,982      | 431,108                   | 479,642    | 16,688,307    |
| Accumulated<br>amortization,<br>beginning of year | -                            | 359,501                 | 2,110,813    | 173,943               | 272,792                       | 152,728        | 350,643                   | 372,083    | 3,792,503     |
| Amortization                                      | -                            | 66,717                  | 252,195      | 22,497                | 36,862                        | 189,707        | -                         | 38,058     | 606,036       |
| Accumulated<br>amortization, end of<br>year       | -                            | 426,218                 | 2,363,008    | 196,440               | 309,654                       | 342,435        | 350,643                   | 410,141    | 4,398,539     |
| Net carrying amount,<br>end of year               | \$ 55,701                    | \$ 245,674              | \$ 6,276,041 | \$ 19,322             | \$ 118,517                    | \$ 5,424,547   | \$ 80,465                 | \$ 69,501  | \$ 12,289,768 |

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

**March 31, 2023**

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

|   |                              |                         |              |                       |                               |                |                           |            | 2022          |
|---|------------------------------|-------------------------|--------------|-----------------------|-------------------------------|----------------|---------------------------|------------|---------------|
|   | Assets under<br>construction | Automotive<br>equipment | Buildings    | Computer<br>equipment | Furniture<br>and<br>equipment | Infrastructure | Leasehold<br>improvements | Machinery  | Total         |
| Cost, beginning of<br>year                        | \$ 369,600                   | \$ 492,687              | \$ 8,258,905 | \$ 209,412            | \$ 326,482                    | \$ 3,579,053   | \$ 431,108                | \$ 472,617 | \$ 14,139,864 |
| Additions   |                              | 127,725                 | 14,727       | -                     | 56,006                        | 1,115,149      | -                         | 7,025      | 1,320,632     |
| Disposals   | -                            | (38,520)                | -            | -                     | -                             | -              | -                         | -          | (38,520)      |
| Transfers   | (313,899)                    | -                       | 313,899      | -                     | -                             | -              | -                         | -          | -             |
| Cost, end of year                                 | 55,701                       | 581,892                 | 8,587,531    | 209,412               | 382,488                       | 4,694,202      | 431,108                   | 479,642    | 15,421,976    |
| Accumulated<br>amortization,<br>beginning of year | -                            | 302,250                 | 1,857,563    | 138,473               | 250,653                       | (14,867)       | 350,643                   | 319,220    | 3,203,935     |
| Amortization                                      | -                            | 67,940                  | 253,250      | 35,470                | 22,139                        | 167,595        | -                         | 52,863     | 599,257       |
| Write-downs                                       |                              | (10,689)                | -            | -                     | -                             | -              | -                         | -          | (10,689)      |
| Accumulated<br>amortization, end of<br>year       | -                            | 359,501                 | 2,110,813    | 173,943               | 272,792                       | 152,728        | 350,643                   | 372,083    | 3,792,503     |
| Net carrying amount,<br>end of year               | \$ 55,701                    | \$ 222,391              | \$ 6,476,718 | \$ 35,469             | \$ 109,696                    | \$ 4,541,474   | \$ 80,465                 | \$ 107,559 | \$ 11,629,473 |

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2023**

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#### 10. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

|                                   | <u>2023</u>          | <u>2022</u>          |
|-----------------------------------|----------------------|----------------------|
| Equity in investments (Note 5)    | \$ 29,479            | \$ 29,479            |
| Equity in Ottawa Trust (Note 3)   | 8,153                | 7,099                |
| Equity in tangible capital assets | 12,289,768           | 11,067,234           |
| Unrestricted surplus              | 4,773,545            | 4,458,680            |
|                                   | <u>\$ 17,100,945</u> | <u>\$ 15,562,492</u> |

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#### 11. 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:

|      |                  |
|------|------------------|
| 2024 | \$ 15,093        |
| 2025 | 15,093           |
| 2026 | 2,428            |
| 2027 | 1,812            |
|      | <u>\$ 34,426</u> |

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#### 12. 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, 2023, the loan had an outstanding balance of \$2,585,206 (2022 - \$2,753,651). The loan is secured by tangible capital assets with a carrying amount of \$2,681,455 (2022 - \$2,785,754).

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.

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#### 13. 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, 2023**

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**14. 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 \$138,522 (2022 - \$141,630).

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**15. 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, 2023**

#### 16. Expenses by Object

|                         | <b>2023</b>         | <b>2022</b>         |
|-------------------------|---------------------|---------------------|
| Amortization            | \$ 606,036          | \$ 599,257          |
| Bad debts               | 663,524             | 54,466              |
| Bank charges            | 42,095              | 21,209              |
| Contract services       | 42,989              | 62,643              |
| COVID-19                | -                   | 4,112               |
| Donations               | 54                  | 1                   |
| Food                    | 4,767               | 4,258               |
| Fuel                    | 87,619              | 66,240              |
| Honoraria               | 231,364             | 220,100             |
| Insurance               | 120,277             | 114,872             |
| Materials and supplies  | 232,534             | 83,408              |
| Office supplies         | 977                 | -                   |
| Professional fees       | 344,440             | 505,980             |
| Program activities      | 204,834             | 280,003             |
| Lease                   | 19,556              | 21,978              |
| Repairs and maintenance | 129,975             | 103,164             |
| Social development      | 274,737             | 245,780             |
| Student allowances      | 55,572              | 71,972              |
| Telephone               | 33,307              | 27,250              |
| Training                | 9,084               | 3,835               |
| Travel                  | 50,394              | 38,192              |
| Tuition                 | 71,885              | 70,669              |
| Utilities               | 36,510              | 33,434              |
| Vehicle expenses        | 153,883             | 32,877              |
| Wages and benefits      | 978,629             | 892,544             |
| Loss on sale of asset   | -                   | 1,331               |
|                         | <b>\$ 4,395,042</b> | <b>\$ 3,559,575</b> |

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## **Ashcroft Indian Band**

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

**March 31, 2023**

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#### **17. 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 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, 2023**

**19. Segment Disclosure - continued**

**2023**

|                   | Community<br>Welfare | Administration | Operations &<br>Maintenance | Education  | Natural<br>Resources &<br>Economic<br>Development | Capital     | Total        |
|-------------------|----------------------|----------------|-----------------------------|------------|---|-------------|--------------|
| <b>Revenue</b>    |                      |                |                             |            |   |             |              |
| ISC               | \$ 1,551,793         | \$ 437,188     | \$ 227,045                  | \$ 182,367 | \$ -  | \$ 26,550   | \$ 2,424,943 |
| Other             | 1,293,923            | 1,029,969      | 19,680                      | -          | 1,080,337   | 83,589      | 3,507,498    |
| Total             | 2,845,716            | 1,467,157      | 246,725                     | 182,367    | 1,080,337   | 110,139     | 5,932,441    |
| <b>Expenses</b>   |                      |                |                             |            |   |             |              |
| Wages & benefits  | 138,438              | 396,501        | 131,548                     | 33,828     | 215,427   | 62,887      | 978,629      |
| Purchases         | 813,355              | 1,423,523      | 298,033                     | 151,279    | 38,360  | 85,827      | 2,810,377    |
| Amortization      | -                    | -              | 606,036                     | -          | -   | -           | 606,036      |
| Total             | 951,793              | 1,820,024      | 1,035,617                   | 185,107    | 253,787   | 148,714     | 4,395,042    |
| Surplus (deficit) | \$ 1,893,923         | \$ (352,867)   | \$ (788,892)                | \$ (2,740) | \$ 826,550  | \$ (38,575) | \$ 1,537,399 |

**2022**

|                   | Community<br>Welfare | Administration | Operations &<br>Maintenance | Education  | Natural<br>Resources &<br>Economic<br>Development | Capital   | Total        |
|-------------------|----------------------|----------------|-----------------------------|------------|---|-----------|--------------|
| <b>Revenue</b>    |                      |                |                             |            |   |           |              |
| ISC               | \$ 1,480,551         | \$ 305,784     | \$ 200,929                  | \$ 203,952 | \$ -  | \$ 51,623 | \$ 2,242,839 |
| Other             | 909,798              | 980,683        | 18,745                      | -          | 705,610   | 109,984   | 2,724,820    |
| Total             | 2,390,349            | 1,286,467      | 219,674                     | 203,952    | 705,610   | 161,607   | 4,967,659    |
| <b>Expenses</b>   |                      |                |                             |            |   |           |              |
| Wages & benefits  | 200,448              | 461,517        | 105,083                     | 48,160     | 65,335  | 12,000    | 892,543      |
| Purchases         | 802,228              | 837,729        | 194,808                     | 157,910    | 14,909  | 60,191    | 2,067,775    |
| Amortization      | -                    | -              | 599,257                     | -          | -   | -         | 599,257      |
| Total             | 1,002,676            | 1,299,246      | 899,148                     | 206,070    | 80,244  | 72,191    | 3,559,575    |
| Surplus (deficit) | \$ 1,387,673         | \$ (12,779)    | \$ (679,474)                | \$ (2,118) | \$ 625,366  | \$ 89,416 | \$ 1,408,084 |