



Matsqui First Nation

Financial Statements

March 31, 2016

MATSQUI FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2016

2018 JUL 29 AM 11:00

L J F

**Matsqui First Nation
Consolidated Financial Statements
Year Ended March 31, 2016**

Page

Consolidated Financial Statements

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Change in Net Financial Assets (Debt)	5
Consolidated Statement of Cash Flows	6
Notes to Financial Statements	7 - 17

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Matsqui First Nation for the year ended March 31, 2016 are the responsibility of management and have been approved by the Governing Body.

These 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.

Matsqui First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and Matsqui First Nation's assets are appropriately accounted for and adequately safeguarded.

Matsqui First Nation Council is responsible for ensuring that management fulfills its responsibilities of financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Governing Body meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Loréen J. Falys CPA, CGA in accordance with Canadian generally accepted auditing standards on behalf of the Members. Loréen J. Falys CPA, CGA has full and free access to the Governing Body with regard to audit requirements.

Alice McKav, Governing Body

July 27, 2016

Brenda Morgan, Governing Body

Date

Louis Julian, Governing Body

Date

Independent Auditor's Report

To the Members of Matsqui First Nation

I have audited the accompanying consolidated financial statements of Matsqui First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statement of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion these consolidated financial statements present fairly, in all material respects, the financial position of Matsqui First Nation as at March 31, 2016, and the consolidated results of its operations and changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for governments.



Chartered Professional Accountant

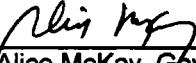
Chilliwack, BC
July 28, 2016

Matsqui First Nation
Consolidated Statement of Financial Position
Year Ended March 31, 2016

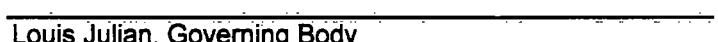
3

	2016	2015
Financial assets		
Cash (Note 2)	\$ 4,317,202	\$ 3,038,599
Temporary investments (Note 3, 6 & 7)	1,610,703	721,257
Accounts receivable (Note 4)	140,215	733,747
Investment in government business enterprises (Note 5)	536,846	70,623
Inventory for resale	- 1,449	
	<u>6,604,966</u>	<u>4,565,675</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	344,856	560,455
Deferred revenue (Note 10)	118,013	201,409
Long-term debt (Note 11)	4,129,021	3,970,737
	<u>4,591,890</u>	<u>4,732,601</u>
Net financial assets(debt)	<u>2,013,076</u>	<u>(166,926)</u>
Non-financial assets		
Tangible capital assets (Note 1, 12)	8,045,995	7,102,338
Prepaid insurance	23,980	15,911
	<u>8,069,975</u>	<u>7,118,249</u>
Accumulated surplus (Note 13)	<u>\$ 10,083,051</u>	<u>\$ 6,951,323</u>

APPROVED on behalf of the Council of Matsqui First Nation:


 Alice McKay, Governing Body


 Brenda Morgan, Governing Body


 Louis Julian, Governing Body

The accompanying notes are an integral part of these consolidated financial statements.

L J F

Matsqui First Nation
Consolidated Statement of Operations and Accumulated Surplus
Year Ended March 31, 2016

4

	Budget	2016	2015
Revenues			
Federal Government:			
First Nation Health Authority	\$ 60,000	\$ 60,000	\$ 1,126,000
Indiginous and Northern Affairs Canada	433,607	2,337,639	644,532
Government of Canada - FNGST	365,568	492,118	463,148
Canada Mortgage and Housing Corporation	33,000	57,905	46,946
Other Federal funding	-	15,419	75,000
Other First Nation Governments	125,064	168,781	97,099
Province of BC	77,104	77,104	82,367
Contract revenue	3,151,500	3,151,500	873,897
Investment income	-	459,391	37,618
Lease and rental revenue	602,603	780,709	737,542
Property taxation	219,124	253,955	245,526
Gas Bar	8,500	8,203	46,363
Interest Income & sundry	8,500	15,497	19,535
	<hr/> 5,084,570	<hr/> 7,878,221	<hr/> 4,495,573
Expenses			
Governance	315,555	320,771	317,676
Economic development	3,600,499	3,517,086	1,460,961
Health, education and training	327,880	537,080	382,898
Housing	83,493	126,869	649,621
Amortization	-	244,687	119,924
	<hr/> 4,327,427	<hr/> 4,746,493	<hr/> 2,931,080
Annual surplus	757,143	3,131,728	1,564,493
Accumulated surplus, beginning of year	<hr/> 6,951,323	<hr/> 6,951,323	<hr/> 5,386,830
Accumulated surplus, end of year	<hr/> \$ 7,708,466	<hr/> \$ 10,083,051	<hr/> \$ 6,951,323

The accompanying notes are an integral part of these consolidated financial statements.

Matsqui First Nation
Consolidated Statement of Changes in Net Financial Assets (Debt)
Year Ended March 31, 2016

5

	2016	2015
Annual surplus	\$ 3,131,728	\$ 1,564,493
Acquisition of tangible capital assets	(1,188,344)	(4,100,586)
Amortization of tangible capital assets	244,687	119,924
	<u>2,188,071</u>	<u>(2,416,169)</u>
Acquisition of prepaid expenses	(8,069)	(586)
	<u>(8,069)</u>	<u>(586)</u>
Change in net financial assets (net debt)	2,180,002	(2,416,755)
Net financial assets(debt), beginning of year	(166,926)	2,249,829
Net financial assets(debt), end of year	\$ 2,013,076	\$ (166,926)

The accompanying notes are an integral part of these consolidated financial statements.

Matsqui First Nation
Consolidated Statement of Cash Flows
Year Ended March 31, 2016

6

	2016	2015
Operating transactions		
Annual surplus	\$ 3,131,728	\$ 1,564,493
Items not involving cash:		
Income from government businesses	(459,391)	(37,618)
Amortization	244,687	119,924
Change in non-cash assets and liabilities:		
Accounts receivable	586,700	(429,660)
Inventory	1,449	2,256
Prepaid	(8,069)	(586)
Deferred revenue	(83,396)	(56,521)
Accounts payable and accrued liabilities	<u>(215,599)</u>	<u>(15,231)</u>
Net change in cash from operating activities	<u>3,198,109</u>	<u>1,147,057</u>
Capital activities		
Acquisition of tangible capital assets	<u>(1,188,344)</u>	<u>(4,100,586)</u>
Financing activities		
Investment in government businesses	-	(32,002)
Acquire new long-term debt	266,092	2,297,127
Repayment of long-term debt	<u>(107,808)</u>	<u>(79,747)</u>
	<u>158,284</u>	<u>2,185,378</u>
Net change in cash	2,168,049	(768,151)
Cash and cash equivalents, beginning of year	3,759,856	4,528,007
Cash and cash equivalents, end of year	<u>\$ 5,927,905</u>	<u>\$ 3,759,856</u>
Cash flow supplemental information		
Interest received	\$ 10,998	\$ 19,533
Interest paid	\$ 89,285	\$ 9,476

The accompanying notes are an integral part of these consolidated financial statements.

Matsqui First Nation is part of the Sto:lo Nation, a tribal organization that encompasses 11 communities between Langley and Boston Bar. Matsqui is governed by a Governing Body made up of representatives from each family within the community. Matsqui is located in the Fraser Valley near the City of Abbotsford, British Columbia.

1. Significant Accounting Policies

a) Basis of Accounting

The consolidated financial statements of Matsqui First Nation are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the Matsqui First Nation are as follows:

b) Reporting Entity

The Matsqui First Nation reporting entity includes the Matsqui First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Matsqui First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Matsqui First Nation.

Organizations consolidated in Matsqui First Nation financial statements include:

- Matsqui Development Corporation (modified equity method)
- Matsqui First Nation Development Limited Partnership (modified equity method)

d) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

e) Cash and cash equivalents

Cash includes cash on hand and balances with banks net of bank overdraft.

f) Short-Term Investments

Short-term investments include guaranteed investment certificates maturing at various times during the next fiscal year. These investments are recorded at cost.

1. Significant Accounting Policies Cont'd

g) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis using the following useful life estimates:

Housing & Buildings	35 years
Automotive and General equipment	10 years
Office equipment and other equipment	10 and 25 years
Infrastructure	40 to 80 years

h) Net Debt

The Matsqui First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Matsqui First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

i) Revenue

Revenues are accounted for in the period in which the transactions or events occur that give rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purposes specified.

Government transfers from the federal and provincial governments are recognized as revenue when the transfers have been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

Rental revenue is recognized monthly as it becomes receivable under the terms of applicable rental agreements. Gas bar revenue is recognized at point of sales. Taxation revenue is recognized in the period in which it is earned. Investment income is recognized when earned.

j) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during each period. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent.

In addition, Matsqui First Nation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

1. Significant Accounting Policies Cont'd

k) Budgets

The budget figures are approved annually by the Governing Body. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by the Governing Body to reflect changes in the budget as required.

l) Recent accounting pronouncements

Related party transactions

In March 2015, the Public Accounting Board (PSAB) issued PS 2200 Related party disclosures to define a related party and establish the disclosure required for a related party transaction. Disclosure of information about related party transactions and their relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

PS 2200 is effective for fiscal years beginning on or after April 1, 2017 though early adoption is permitted. The Band has not yet determined the effect of the new section in its financial statements.

m) Segment disclosure

A segment is defined as a distinguishable activity or group of activities of the First Nation, for which it is appropriate to separately report financial information to achieve the objectives of the standard. Matsqui First Nation has provided definitions of segments used as well as presented financial information in segment format (Note 13).

n) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists. Matsqui First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expensed net recoveries based on information available at March 31, 2016.

At each financial reporting date, Matsqui First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. Matsqui First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016**

10

2. Cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually in the amount of \$11,648 (Phase II-VI). These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. Withdrawals are credited to interest first and then principal.

Cash is comprised of the following:

	2016	2015
Externally restricted		
CMHC Replacement Reserve	\$ 8,201	\$ 11,214
CMHC Operating reserve	13,999	-
Internally restricted		
Taxation Account	318,799	652,948
Unrestricted		
Operations	3,860,413	2,294,853
Social Housing	115,790	79,584
	<u>\$ 4,317,202</u>	<u>\$ 3,038,599</u>

3. Temporary Investments - Restricted

	2016	2015
Royal Bank of Canada:		
Term Deposits renewable within one year ranging in rates from 0.5% to 1.0%, latest matures Mar 2, 2017		
Minor's Trust Fund & Minor's Reserve (Note 6 & 7)	<u>\$ 1,610,703</u>	<u>\$ 721,257</u>

4. Accounts Receivable

	2016	2015
Accounts receivable	\$ 102,665	\$ 205,214
Accounts receivable - Federal government	-	139,604
Payroll advances receivable - members	1,350	2,523
Non-Profit Housing rents receivable - members	7,612	7,574
CMHC Subsidy receivable	2,720	1,895
GST Rebate receivable	24,425	374,301
Homeowner Grant receivable	-	1,605
Property Taxation receivable	1,443	18,061
Property Taxation allowance for doubtful accounts	-	(17,030)
	<u>\$ 140,215</u>	<u>\$ 733,747</u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016**

11

5. Investment in Government Business Enterprise

Matsqui First Nation has 100% ownership in Matsqui Development Corporation Ltd. which in turn owns one unit and is the general partner of Matsqui First Nation Development Limited Partnership along with Matsqui First Nation which is the limited partner and owning the other issued unit. The purpose of the business entities is to develop and pursue activities related to forestry operations.

	<u>2016</u>	<u>2015</u>
Matsqui Development Corporation Ltd. - Shares	\$ 3	\$ 3
Matsqui Development Corporation Ltd.	2,504	(3,057)
Matsqui First Nation Development Limited Partnership - Units	1,000	1,000
Matsqui First Nation Development Limited Partnership - 99.9% Equity	<u>533,339</u>	<u>72,677</u>
	<u>\$ 536,846</u>	<u>\$ 70,623</u>

	Matsqui Development Corporation <u>Ltd.</u>	First Nation Development Limited <u>Partnership</u>	<u>2016</u>	<u>2015</u>
Assets	<u>\$ 80</u>	<u>\$ 557,364</u>	<u>\$ 557,444</u>	<u>\$ 76,822</u>
Accounts payable and accruals	\$ 3,089	\$ 23,577	\$ 26,666	\$ 6,166
Share capital/Unit	3	1,001	1,004	1,004
Retained Earnings/Partners' Capital	<u>(3,012)</u>	<u>532,786</u>	<u>529,774</u>	<u>69,652</u>
Total Liabilities and Equity	<u>\$ 80</u>	<u>\$ 557,364</u>	<u>\$ 557,444</u>	<u>\$ 76,822</u>
Revenue	\$ 45	\$ 650,583	\$ 650,604	\$ 95,252
Expenses	-	196,832	196,832	58,921
Net Income (loss)	<u>\$ 45</u>	<u>\$ 453,751</u>	<u>\$ 453,772</u>	<u>\$ 36,331</u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016**

12

6. Minor's Trust Fund

Matsqui First Nation has established a Minor's Trust Fund to account for member distributions to minors. This decision was documented by way of a Band Council Resolution dated December 15, 2009. These funds are held by Matsqui First Nation in an interest bearing account until the member reaches the legal age of 19.

These committed funds are reported in the financial statement as follows:

	2016	2015
Balance, beginning of year	\$ 652,053	\$ 512,460
Additions		
Summer Distribution 57 at \$1,000 (2015 - 59 at \$1,000)	57,000	59,000
Distribution 55 at \$15,000	825,000	-
Winter Distribution 58 at \$1,000 (2015 - 56 at \$2,000)	58,000	112,000
Interest income	5,052	4,936
	<u>945,052</u>	<u>175,936</u>
Deductions		
Distribution to Minor Band Members with interest	47,710	36,343
Balance, end of year (Note 3)	<u>\$ 1,549,395</u>	<u>\$ 652,053</u>

7. Minor's Reserve

In November 2006, Matsqui First Nation and the Ministry of Transportation reached a settlement in the amount of \$500,000 with respect to the Mt Lehman Interchange. At that time, it was decided and documented by way of a Band Council Resolution that Matsqui First Nation would provide a \$2,500 per capita distribution for 58 minor children (\$145,000) as per the Matsqui First Nation's minor Membership list. These funds are held by Matsqui First Nation in an interest bearing account until the member reaches the age of 19. At March 31, 2015 a total of 36 members (2015 - 33) have received the original \$2,500 per capital distribution plus accumulated interest.

These committed fund are reported in the financial statement as follows:

	2016	2015
Balance, beginning of year	\$ 69,204	\$ 89,887
Distribution, including interest	(8,333)	(8,272)
Interest earned during year	436	588
Balance, end of year (Note 3)	<u>\$ 61,307</u>	<u>\$ 82,203</u>
Allocated as:		
Distribution at \$2,500 each - 22 remaining (2014 - 25)	\$ 55,000	\$ 62,500
Interest earned on undistributed balance	6,307	6,704
	<u>\$ 61,307</u>	<u>\$ 69,204</u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016**

13

8. Ottawa Trust Fund

Trust fund accounts arise from moneys 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	Capital Fund	Revenue Fund	2016	2015
	Total	Total		
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Additions				
Interest income	-	-	-	2,170
B.C. Special Distribution	-	617	617	614
	-	617	617	2,784
Deductions				
FNLM Release to Band	-	617	617	2,784
	-	617	617	2,784
Balance, end of year	\$ -	\$ -	\$ -	\$ -

9. Accounts Payable and Accrued Liabilities

	2016	2015
Account payables	\$ 224,647	\$ 525,279
GST/HST payable	-	959
Accrued wages payable	14,339	10,304
Other accrued liabilities	105,450	23,803
Accrued interest payable	420	110
	\$ 344,856	\$ 560,455

10. Deferred Revenue

Deferred revenue consists of the following at year end:

	2016			Balance March 31, 2016
	Balance March 31, 2015	Funding Received	Revenue Recognized	
Federal Government				
Land Management Operational Funding	\$ 83,359	\$ -	\$ 83,359	\$ -
Other First Nation Governments				
Sto:lo Nation Health Programs	118,050	125,064	125,101	118,013
	\$ 201,409	\$ 125,064	\$ 208,460	\$ 118,013

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016**

14

11. Long-Term Debt

	2016	2015
Phase 1 - All Nations Trust Company Mortgage bearing interest at 1.05%, repayable in monthly payments of \$1,644, renews April 1, 2020	\$ 419,863	\$ 397,570
Phase 2 - All Nation Trust Company Mortgage advances for construction of Phase 2 interest only to June 1, 2016 at a rate of 2%	243,799	-
Project III - Royal Bank of Canada Mortgage bearing interest at 3.13%, repayable in monthly payments of \$1,012, due May 1, 2017	13,037	24,581
Project IV - Royal Bank of Canada Mortgage bearing interest at 4.95%, repayable in monthly payments of \$2,083, due August 1, 2015	-	10,356
Project VI - Royal Bank of Canada Mortgage bearing interest at 3.17%, repayable in monthly payments of \$1,648, due April 24, 2017	24,214	42,902
Royal Bank of Canada Term loan bearing interest at 4.24%, repayable in monthly payments of \$1,562, due March 30, 2019	127,042	140,087
Royal Bank of Canada Mortgage bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July, 2020	3,301,066	3,355,241
	<u>\$ 4,129,021</u>	<u>\$ 3,970,737</u>

Principal payments due in the next five years are approximately as follows:

2017	\$ 196,051
2018	187,086
2019	176,595
2020	180,866
2021	186,451
Balance	<u>3,201,972</u>
	<u> \$ 4,129,021</u>

12. Tangible Capital Assets

	Buildings, Band Homes	Tractors and Vehicles	Office & Other Equip.	Multi Purpose Building	Infra- Structure	NPH Housing	2016	2015
Cost								
Opening costs	\$ 1,526,858	\$ 145,102	\$ 251,565	\$ 4,598,655	\$ 1,421,701	\$ 1,066,267	\$ 9,010,148	\$ 4,920,002
Additions during the year	-	-	-	693,544	-	494,800	1,188,344	4,100,586
Disposals and write downs	<u>419,186</u>	-	-	-	-	<u>(419,186)</u>	-	<u>(10,080)</u>
Closing costs	<u>1,946,044</u>	<u>145,102</u>	<u>251,565</u>	<u>5,292,199</u>	<u>1,421,701</u>	<u>1,141,881</u>	<u>10,198,492</u>	<u>9,010,508</u>
Accumulated Amortization								
Opening accum'd amortization	1,076,079	123,326	34,716	-	709	672,980	1,907,810	1,798,326
Amortization	55,601	2,722	11,485	88,203	32,108	54,568	244,687	119,924
Disposals and write downs	<u>328,113</u>	-	-	-	-	<u>(328,113)</u>	-	<u>(10,080)</u>
Closing accum'd amortization	<u>1,459,793</u>	<u>126,048</u>	<u>46,201</u>	<u>88,203</u>	<u>32,817</u>	<u>399,435</u>	<u>2,152,497</u>	<u>1,908,170</u>
Net Book Value of Tangible Capital Assets	<u>\$ 486,251</u>	<u>\$ 19,054</u>	<u>\$ 205,364</u>	<u>\$ 5,203,996</u>	<u>\$ 1,388,884</u>	<u>\$ 742,446</u>	<u>\$ 8,045,995</u>	<u>\$ 7,102,338</u>

13. Segment disclosure

Matsqui First Nation provides a wide variety of services to its members. For segment disclosure, these services are grouped and reported under service areas/departments that are responsible for providing services as follows:

Governance: Provides general services to members, maintains band and community property.

Economic Development: All self-generated and resource based activities of Matsqui First Nation are reported in this segment including property taxation, land leases and contract activities.

Health & Education: Community health programs, training and education programs are included.

Housing: Community social housing and band housing activities are included.

Capital Asset Fund: Reports all activities relating to the capital assets of Matsqui First Nation.

Matsqui First Nation
Notes to Consolidated Financial Statements
March 31, 2016

13. Segmented Disclosure Cont'd

	Governance		Economic Development		Health & Education		Housing		Capital Asset Fund		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue												
Federal transfers:												
Aboriginal Affairs & Northern Dev.	\$ 1,905,106	\$ 223,401	\$ 391,895	\$ 279,730	\$ -	\$ -	\$ 40,638	\$ 141,401	\$ -	\$ -	\$ 2,337,639	\$ 644,532
CMHC	60,000	1,100,000	-	-	506,970	538,148	26,000	-	57,905	46,946	57,905	46,946
F.N.H.A.	-	-	43,680	-	-	125,101	97,099	-	-	-	60,000	1,126,000
Other Federal Funding	-	-	-	-	-	77,104	82,367	-	-	-	506,970	538,148
Other First Nation Governments	-	-	-	-	-	-	-	-	-	-	168,781	97,099
Province of BC	-	-	-	-	-	-	-	-	-	-	77,104	82,367
Investment income - GBE	-	459,391	37,618	-	-	-	-	-	-	-	459,391	37,618
Lease and rental income	-	643,172	621,825	3,990	-	133,323	115,717	-	-	-	780,485	737,542
Property Taxation	-	253,954	245,526	-	-	-	-	-	-	-	253,954	245,526
Contract Revenue	-	3,151,560	873,897	-	-	-	-	-	-	-	3,151,500	873,897
Gas Bar Sales	-	8,203	46,363	-	-	-	-	-	-	-	8,203	46,363
Interest and Sundry Income	<u>6,386</u>	<u>9,739</u>	<u>2,464</u>	<u>7,860</u>	<u>6,648</u>	<u>1,909</u>	<u>791</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>16,289</u>	<u>19,535</u>
	<u>1,971,492</u>	<u>1,333,140</u>	<u>5,461,229</u>	<u>2,650,967</u>	<u>212,843</u>	<u>207,375</u>	<u>232,657</u>	<u>304,091</u>	<u>-</u>	<u>-</u>	<u>7,878,221</u>	<u>4,495,573</u>
Expenses												
Amortization	-	-	-	-	-	-	-	-	11,985	9,476	244,687	119,924
Debt servicing	77,400	-	-	-	-	-	-	-	-	-	89,285	9,476
Program costs	153,179	194,454	3,382,641	1,328,560	389,472	280,736	114,984	640,145	-	-	4,040,276	2,443,905
Wages and benefits	<u>90,192</u>	<u>123,212</u>	<u>134,445</u>	<u>132,401</u>	<u>147,608</u>	<u>102,162</u>	<u>382,898</u>	<u>126,869</u>	<u>649,621</u>	<u>244,687</u>	<u>372,245</u>	<u>357,775</u>
Excess(deficiency) of revenues over expenses	1,650,721	1,015,464	1,944,143	1,190,006	(324,237)	(175,523)	105,788	(345,530)	(244,687)	(119,924)	3,131,728	1,564,494
Transfer between funds	(1,477,364)	(1,238,386)	406,601	(1,250,673)	239,411	161,298	(198,102)	443,895	1,029,454	1,883,866	-	-
Accumulated Surplus - start of year	<u>1,443,329</u>	<u>1,566,251</u>	<u>2,023,679</u>	<u>2,084,346</u>	<u>228,978</u>	<u>243,203</u>	<u>123,994</u>	<u>25,629</u>	<u>3,131,243</u>	<u>1,367,401</u>	<u>6,951,323</u>	<u>5,386,830</u>
Accumulated Surplus - end of year	<u>\$ 1,616,686</u>	<u>\$ 1,443,329</u>	<u>\$ 4,374,423</u>	<u>\$ 2,023,679</u>	<u>\$ 144,152</u>	<u>\$ 228,978</u>	<u>\$ 31,680</u>	<u>\$ 123,994</u>	<u>\$ 3,916,110</u>	<u>\$ 3,131,343</u>	<u>\$ 10,083,051</u>	<u>\$ 6,951,324</u>

Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2016

17

14. Expenses by Object

	Budget	2016	2015
Expenses			
Accounting services and audit	\$ 19,400	\$ 20,020	\$ 31,620
Administration	95,080	17,028	16,623
Amortization	50,000	244,686	119,924
Bad debts written off	-	1,031	17,030
Band meetings	17,752	31,079	18,803
Bank charges and interest	63,200	62,418	101,612
Consulting and contracts	271,273	1,426,441	4,552,741
Capitalization costs	(1,188,344)	(4,100,586)	
Cultural activities	16,300	20,658	24,448
Donations and funeral costs	13,000	17,539	26,431
Equipment lease and repair	9,100	9,318	6,708
Gas bar expenses	6,000	6,277	47,479
Honoraria	198,900	207,491	310,572
Incentives	2,587,500	2,588,042	478,419
Insurance	45,500	41,742	26,552
Lawyer fees	198,248	215,806	250,826
Materials and supplies	25,000	38,298	79,257
Mortgage interest	92,000	89,285	9,476
Office supplies and sundry	8,000	8,939	6,672
Repair and maintenance	132,300	170,072	235,135
Service agreements	134,535	115,130	117,568
Telephone and cable	10,080	8,426	4,456
Utilities	1,000	224	24,847
Vehicle and travel	16,900	13,142	10,255
Wages and salary	323,241	372,245	357,776
Water testing	-	6,492	6,000
Other	43,118	203,008	150,436
	\$ 4,377,427	\$ 4,746,493	\$ 2,931,080