



Matsqui First Nation

Financial Statements

March 31, 2017

MATSQUI FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2017

**Matsqui First Nation
Consolidated Financial Statements
Year Ended March 31, 2017**

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	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, 2017 are the responsibility of management and have been approved by the Governing Body.

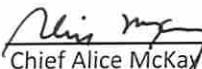
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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 Loreen J. Faly CPA, CGA in accordance with Canadian generally accepted auditing standards on behalf of the Members. Loreen J. Faly CPA, CGA has full and free access to the Governing Body with regard to audit requirements.



Chief Alice McKay

August 2, 2017
Date



Councillor Brenda Morgan

August 2, 2017
Date

Councillor Louis Julian

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, 2017, the consolidated statement of operations and accumulated surplus, change in net financial assets 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, 2017, 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, 2017

Matsqui First Nation
Consolidated Statement of Financial Position
Year Ended March 31, 2017

3

	2017	2016
Financial assets		
Cash (Note 2)	\$ 2,686,601	\$ 4,317,202
Temporary investments (Note 3, 6 & 7)	1,730,664	1,610,703
Accounts receivable (Note 4)	1,269,854	140,215
Investment in government business enterprises (Note 5)	941,627	536,846
	<hr/>	<hr/>
	6,628,746	6,604,966
Liabilities		
Accounts payable and accrued liabilities (Note 9)	178,708	344,856
Deferred revenue (Note 10)	118,268	118,013
Long-term debt (Note 11)	4,164,952	4,129,021
	<hr/>	<hr/>
	4,461,928	4,591,890
Net financial assets	<hr/>	<hr/>
	2,166,818	2,013,076
Non-financial assets		
Tangible capital assets (Note 1, 12)	8,153,676	8,045,995
Prepaid insurance	23,193	23,980
	<hr/>	<hr/>
	8,176,869	8,069,975
Accumulated surplus (Note 13)	<hr/>	<hr/>
	\$ 10,343,687	\$ 10,083,051

APPROVED on behalf of the Council of Matsqui First Nation:


 Chief Alice McKay


 Councillor Brenda Morgan

Councillor Louis Julian

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

Matsqui First Nation
Consolidated Statement of Operations and Accumulated Surplus
Year Ended March 31, 2017

4

	Budget	2017	2016
Revenues			
Federal Government:			
Indigenous and Northern Affairs Canada	\$ 632,470	\$ 613,990	\$ 2,337,639
Government of Canada - FNGST	506,600	506,601	492,118
Canada Mortgage and Housing Corporation	42,000	41,878	57,905
First Nation Health Authority	5,000	6,000	60,000
Other First Nation Governments	7,119	163,132	168,781
Other Federal funding	-	-	15,419
Province of BC	-	83,023	77,104
Contract revenue	152,000	1,183,250	3,151,500
Investment income	-	401,233	459,391
Lease and rental revenue	798,500	815,823	778,709
Property taxation	219,856	261,109	253,955
Donation	2,000	2,000	2,000
Gas Bar	-	-	8,203
Interest Income & sundry	18,800	19,724	15,497
	<hr/> 2,384,345	<hr/> 4,097,763	<hr/> 7,878,221
Expenses			
Governance	394,430	423,967	320,771
Economic development	980,288	2,332,158	3,371,091
Health, education and training	333,037	643,682	537,080
Housing and Capital	376,090	198,908	371,556
Taxation	219,856	238,412	145,995
	<hr/> 2,303,701	<hr/> 3,837,127	<hr/> 4,746,493
Annual surplus	80,644	260,636	3,131,728
Accumulated surplus, beginning of year	<hr/> 10,083,051	<hr/> 10,083,051	<hr/> 6,951,323
Accumulated surplus, end of year	<hr/> \$ 10,163,695	<hr/> \$ 10,343,687	<hr/> \$ 10,083,051

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

Matsqui First Nation
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2017

5

	2017	2016
Annual surplus	\$ 260,636	\$ 3,131,728
Acquisition of tangible capital assets	(352,827)	(1,188,344)
Amortization of tangible capital assets	245,145	244,687
	<u>152,954</u>	<u>2,188,071</u>
Acquisition of prepaid expenses	788	(8,069)
	<u>788</u>	<u>(8,069)</u>
Change in net financial assets	153,742	2,180,002
Net financial assets(debt), beginning of year	2,013,076	(166,926)
Net financial assets, end of year	<u>\$ 2,166,818</u>	<u>\$ 2,013,076</u>

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

Matsqui First Nation
Consolidated Statement of Cash Flows
Year Ended March 31, 2017

6

	2017	2016
Operating transactions		
Annual surplus	\$ 260,636	\$ 3,131,728
Items not involving cash:		
Income from government businesses	(401,233)	(459,391)
Amortization	245,145	244,687
Change in non-cash assets and liabilities:		
Accounts receivable	(1,129,639)	586,700
Inventory	-	1,449
Prepaid	787	(8,069)
Deferred revenue	255	(83,396)
Due from government investments	(3,547)	-
Accounts payable and accrued liabilities	<u>(166,148)</u>	<u>(215,599)</u>
Net change in cash from operating activities	<u>(1,193,744)</u>	<u>3,198,109</u>
Capital activities		
Acquisition of tangible capital assets	<u>(352,827)</u>	<u>(1,188,344)</u>
Financing activities		
Acquire new long-term debt	226,754	266,092
Repayment of long-term debt	<u>(190,823)</u>	<u>(107,808)</u>
	<u>35,931</u>	<u>158,284</u>
Net change in cash	(1,510,640)	2,168,049
Cash and cash equivalents, beginning of year	5,927,905	3,759,856
Cash and cash equivalents, end of year	<u>\$ 4,417,265</u>	<u>\$ 5,927,905</u>
Cash flow supplemental information		
Interest received	\$ 19,724	\$ 10,998
Interest paid	\$ 127,525	\$ 89,285

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 Financial Assets

The Matsqui First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Matsqui First Nation is determined by its liabilities less its financial assets. Net financial assets 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.

1. Significant Accounting Policies Cont'd

k) Budgets

The unaudited 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, 2017.

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. As at March 31, 2017, management has determined no liability is required to be recorded.

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2017**

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:

	2017	2016
Externally restricted		
CMHC Replacement Reserve	\$ 14,222	\$ 8,201
CMHC Operating reserve	13,999	13,999
Internally restricted		
Taxation Account	598,104	318,799
Unrestricted		
Operations	1,812,467	3,860,413
Social Housing	<u>247,809</u>	<u>115,790</u>
	<u><u>\$ 2,686,601</u></u>	<u><u>\$ 4,317,202</u></u>

3. Temporary Investments - Restricted

	2017	2016
Royal Bank of Canada:		
Term Deposits renewable within one year with interest rates of 0.5%, latest matures Mar 17, 2018		
Minor's Trust Fund & Minor's Reserve (Note 6 & 7)	<u><u>\$ 1,730,664</u></u>	<u><u>\$ 1,610,703</u></u>

4. Accounts Receivable

	2017	2016
Accounts receivable	\$ 1,086,797	\$ 102,665
Accounts receivable - Federal government	39,970	-
Receivable - members	40	1,350
Rents receivable - members	425	7,612
CMHC Subsidy receivable	3,644	2,720
GST Rebate receivable	29,701	24,425
Homeowner Grant receivable	103,934	-
Property Taxation receivable	<u>5,343</u>	<u>1,443</u>
	<u><u>\$ 1,269,854</u></u>	<u><u>\$ 140,215</u></u>

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>2017</u>	<u>2016</u>
Matsqui Development Corporation Ltd. - Shares	\$ 3	\$ 3
Matsqui Development Corporation Ltd.	3,719	2,504
Matsqui First Nation Development Limited Partnership - Units	1,000	1,000
Matsqui First Nation Development Limited Partnership - 99.9% Equity	936,905	533,339
	<u>\$ 941,627</u>	<u>\$ 536,846</u>

	Matsqui Development Corporation <u>Ltd.</u>	First Nation Development Limited Partnership	<u>2017</u>	<u>2016</u>
Assets	<u>\$ 3</u>	<u>\$ 1,135,324</u>	<u>\$ 1,135,327</u>	<u>\$ 557,444</u>
Accounts payable and accruals	\$ 4,231	\$ 197,931	\$ 202,162	\$ 26,666
Share capital/Unit	3	1,001	1,004	1,004
Retained Earnings/Partners' Capital	<u>(4,231)</u>	<u>936,392</u>	<u>932,161</u>	<u>529,774</u>
Total Liabilities and Equity	<u>\$ 3</u>	<u>\$ 1,135,324</u>	<u>\$ 1,135,327</u>	<u>\$ 557,444</u>
Revenue	\$ 40	\$ 841,728	\$ 841,744	\$ 650,604
Expenses	630	440,455	441,085	196,832
Net Income (loss)	<u>\$ (590)</u>	<u>\$ 401,273</u>	<u>\$ 400,659</u>	<u>\$ 453,772</u>

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. Current year funding totalling \$442,500 was purchased and transferred April 20, 2017.

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

	2017	2016
Balance , beginning of year	\$ 1,549,395	\$ 652,053
Additions		
Summer Distribution 56 at \$1,500 (2016 - 57 at \$1,000)	84,000	57,000
Winter Distribution 58 at \$2,500 (2016 - 58 at \$1,000)	145,000	58,000
Distribution (2016 - 55 at \$15,000)	-	825,000
Interest income	<u>12,900</u>	<u>5,052</u>
	<u>241,900</u>	<u>945,052</u>
Deductions		
Distribution to Minor Band Members with interest	<u>113,837</u>	<u>47,710</u>
Balance , end of year (Note 3)	<u><u>\$ 1,677,458</u></u>	<u><u>\$ 1,549,395</u></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, 2017 a total of 39 members (2016 - 36) have received the original \$2,500 per capital distribution plus accumulated interest.

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

	2017	2016
Balance , beginning of year	\$ 61,307	\$ 69,204
Distribution, including interest	(8,380)	(8,333)
Interest earned during year	<u>279</u>	<u>436</u>
Balance , end of year (Note 3)	<u><u>\$ 53,206</u></u>	<u><u>\$ 61,307</u></u>
Allocated as:		
Distribution at \$2,500 each - 19 remaining (2016 - 22)	\$ 47,500	\$ 55,000
Interest earned on undistributed balance	<u>5,706</u>	<u>6,307</u>
	<u><u>\$ 53,206</u></u>	<u><u>\$ 61,307</u></u>

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	2017	2016
		Total	Total	
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Additions				
Interest income	-	-	-	-
B.C. Special Distribution	-	618	618	617
	-	618	618	617
Deductions				
FNLM Release to Band	-	618	618	617
	-	618	618	617
Balance, end of year	\$ -	\$ -	\$ -	\$ -

9. Accounts Payable and Accrued Liabilities

	2017	2016
Account payables	\$ 137,604	\$ 224,647
Prepaid rent deposits	6,983	-
Accrued wages payable	2,082	14,339
Other accrued liabilities	29,300	105,450
Accrued interest payable	2,739	420
	<u>\$ 178,708</u>	<u>\$ 344,856</u>

10. Deferred Revenue

Deferred revenue consists of the following at year end:

	2017		Balance March 31, 2017
	Balance March 31, 2016	Funding Received	
Federal Government			
Land Management Operational Funding	\$ -	\$ 204,536	\$ 186,056
Other First Nation Governments			
Sto:lo Nation Health Programs	118,013	125,975	144,200
	<u>\$ 118,013</u>	<u>\$ 330,511</u>	<u>\$ 330,256</u>
			<u>\$ 118,268</u>

11. Long-Term Debt

	2017	2016
Phase 1 - All Nations Trust Company Mortgage bearing interest at 1.05%, repayable in monthly payments of \$1,644, renews April 1, 2020	\$ 404,446	\$ 419,863
Phase 2 - All Nation Trust Company Mortgage bearing interest at 1.14%, repayable in monthly payments of \$1,235, due June 1, 2021	303,780	243,799
Royal Bank of Canada Mortgage advances for construction of Phase 3 interest only until June 1, 2017 at a rate of 2%	158,364	-
Project III - Royal Bank of Canada Mortgage bearing interest at 3.13%, repayable in monthly payments of \$1,012, due May 1, 2017	1,127	13,037
Project VI - Royal Bank of Canada Mortgage bearing interest at 3.17%, repayable in monthly payments of \$1,648, due April 24, 2017	4,924	24,214
Royal Bank of Canada Term loan bearing interest at 4.24%, repayable in monthly payments of \$1,562, due March 30, 2019	113,417	127,042
Royal Bank of Canada Mortgage bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July, 2020	<u>3,178,894</u>	<u>3,301,066</u>
	<u><u>\$ 4,164,952</u></u>	<u><u>\$ 4,129,021</u></u>

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

2018	\$ 173,566
2019	172,890
2020	178,430
2021	184,163
2022	190,098
Balance	<u>3,265,805</u>
	<u><u>\$ 4,164,952</u></u>

12. Tangible Capital Assets

	Buildings, Band Homes	Tractors and Vehicles	Office & Other Equip.	Multi Purpose Building	Infra- Structure	NPH Housing	2017	2016
Cost								
Opening costs	\$ 1,946,044	\$ 145,102	\$ 251,565	\$ 5,292,199	\$ 1,421,701	\$ 1,141,881	\$ 10,198,492	\$ 9,010,148
Additions during the year	-	-	-	-	-	352,827	352,827	1,188,344
Disposals and write downs	-	-	-	(1)	-	-	(1)	-
Closing costs	<u>1,946,044</u>	<u>145,102</u>	<u>251,565</u>	<u>5,292,198</u>	<u>1,421,701</u>	<u>1,494,708</u>	<u>10,551,318</u>	<u>10,198,492</u>
Accumulated Amortization								
Opening accum'd amortization	1,459,793	126,048	46,201	88,203	32,817	399,435	2,152,497	1,907,810
Amortization	55,601	2,722	11,485	88,203	32,108	55,026	245,145	244,687
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>1,515,394</u>	<u>128,770</u>	<u>57,686</u>	<u>176,406</u>	<u>64,925</u>	<u>454,461</u>	<u>2,397,642</u>	<u>2,152,497</u>
Net Book Value of Tangible Capital Assets	<u>\$ 430,650</u>	<u>\$ 16,332</u>	<u>\$ 193,879</u>	<u>\$ 5,115,792</u>	<u>\$ 1,356,776</u>	<u>\$ 1,040,247</u>	<u>\$ 8,153,676</u>	<u>\$ 8,045,995</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 land leases and contract activities.

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

Housing and Capital: Community housing and capital assets of Matsqui First Nation.

Taxation: Reports all activities relating to property taxes.

Matsqui First Nation
Notes to Consolidated Financial Statements
March 31, 2017

13. Segmented Disclosure Cont'd

	Governance		Economic Development		Health & Education		Housing & Capital Assets		Taxation		Totals	
	2016	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue												
Federal transfers:												
Aboriginal Affairs & Northern Dev.	\$ 257,976	\$ 1,905,106	\$ 315,376	\$ 391,895	\$ -	\$ -	\$ 40,638	\$ 40,638	\$ -	\$ 613,990	\$ 2,337,639	
CMHC	-	-	-	-	-	-	41,878	57,905	-	-	41,878	57,905
F.N.H.A.	-	60,000	-	-	-	-	-	-	-	-	-	60,000
Other Federal Funding	-	-	506,601	506,970	-	-	-	-	-	-	506,601	506,970
Other First Nation Governments	-	-	4,832	43,680	164,300	125,101	-	-	-	-	169,132	168,781
Province of BC	5,000	-	-	-	78,023	77,104	-	-	-	-	83,023	77,104
Investment income - GBE	-	-	401,233	459,391	-	-	-	-	-	-	401,233	459,391
Lease and rental income	-	-	651,930	643,172	15,659	6,490	148,234	133,323	-	-	815,823	782,985
Property Taxation	-	-	-	-	-	-	-	-	261,109	253,954	261,109	253,954
Contract Revenue	-	-	1,183,250	3,151,500	-	-	-	-	-	-	1,183,250	3,151,500
Gas Bar Sales	-	-	-	8,203	-	-	-	-	-	-	-	8,203
Interest and Sundry Income	13,796	6,386	3,910	2,164	3,419	4,148	8	791	591	300	21,724	13,789
	<u>276,772</u>	<u>1,971,492</u>	<u>3,067,132</u>	<u>5,206,975</u>	<u>261,401</u>	<u>212,843</u>	<u>230,758</u>	<u>232,657</u>	<u>261,700</u>	<u>254,254</u>	<u>4,097,763</u>	<u>7,878,221</u>
Expenses												
Amortization	-	-	-	-	-	-	245,145	244,687	-	-	245,145	244,687
Debt servicing	-	-	114,399	77,400	-	-	-	11,885	-	-	114,399	89,285
Program costs	279,972	230,579	2,069,990	3,159,246	571,436	389,472	(47,112)	114,984	238,412	145,995	3,112,698	4,040,276
Wages and benefits	143,995	90,192	147,769	134,445	72,246	147,608	875	-	-	-	364,885	372,245
	<u>423,967</u>	<u>320,771</u>	<u>2,332,158</u>	<u>3,371,091</u>	<u>643,682</u>	<u>537,080</u>	<u>198,908</u>	<u>371,556</u>	<u>238,412</u>	<u>145,995</u>	<u>3,837,127</u>	<u>4,746,493</u>
Excess(deficiency) of revenues over expenses	(147,195)	1,650,721	734,974	1,835,884	(382,281)	(324,237)	31,850	(138,899)	23,288	108,259	260,636	3,131,728
Transfer between funds	703,673	(1,477,364)	(1,183,986)	125,156	336,697	239,411	143,616	831,352	-	281,445	-	-
Accumulated Surplus - start of year	1,616,686	1,443,329	3,499,983	1,538,943	144,152	228,978	3,947,790	3,255,337	874,440	484,736	10,083,051	6,951,323
Accumulated Surplus - end of year	<u>\$ 2,173,164</u>	<u>\$ 1,616,686</u>	<u>\$ 3,050,971</u>	<u>\$ 3,499,983</u>	<u>\$ 98,568</u>	<u>\$ 144,152</u>	<u>\$ 4,123,256</u>	<u>\$ 3,947,790</u>	<u>\$ 897,728</u>	<u>\$ 874,440</u>	<u>\$ 10,343,687</u>	<u>\$ 10,083,051</u>

Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2017

17

14. Expenses by Object

	Budget	2017	2016
Expenses			
Accounting services and audit	\$ 16,500	\$ 19,440	\$ 20,020
Administration	29,580	33,190	17,028
Amortization	-	245,145	244,686
Bad debts written off	-	-	1,031
Band meetings	17,400	24,355	31,079
Bank charges and interest	3,000	3,452	62,418
Consulting and contracts	159,920	109,940	1,426,441
Capitalization costs	-	-	(1,188,344)
Cultural activities	55,000	80,385	20,658
Donations and funeral costs	30,250	13,044	17,539
Equipment lease and repair	9,300	10,118	9,318
Gas bar expenses	-	-	6,277
Grounds maintenance	39,700	39,224	26,472
Honoraria	159,100	180,310	207,491
Incentives	298,000	1,863,717	2,588,042
Insurance	41,000	42,369	41,742
Lawyer fees	130,000	167,135	215,806
Materials and supplies	500	5,338	38,298
Mortgage interest	234,500	127,525	89,285
Office supplies and sundry	7,800	5,653	8,939
Repair and maintenance	105,800	149,728	143,599
Service agreements	5,000	100,755	115,130
Telephone and cable	10,400	8,648	8,426
Utilities	2,400	19,374	224
Vehicle and travel	11,600	8,892	13,142
Wages and salary	226,082	364,887	372,245
Water testing	-	6,060	6,492
Other	<u>103,442</u>	<u>208,443</u>	<u>203,008</u>
	<u><u>\$ 1,696,274</u></u>	<u><u>\$ 3,837,127</u></u>	<u><u>\$ 4,746,492</u></u>