

**MATSQUI FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2018**

**Matsqui First Nation  
Consolidated Financial Statements  
Year Ended March 31, 2018**

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Consolidated Financial Statements

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### Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Matsqui First Nation for the year ended March 31, 2018 are the responsibility of management and have been approved by the Governing Body.

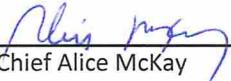
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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 13, 2018  
Date

  
Councillor Brenda Morgan

August 13, 2018  
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, 2018 and 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, 2018 and 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  
August 13, 2018

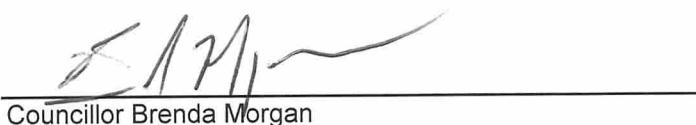
**Matsqui First Nation**  
**Consolidated Statement of Financial Position**  
**Year Ended March 31, 2018**

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	<b>2018</b>	<b>2017</b>
<b>Financial assets</b>		
Cash (Note 2)	\$ 3,207,846	\$ 2,686,601
Temporary investments (Note 3, 6 & 7)	2,284,122	1,730,664
Accounts receivable (Note 4)	408,514	1,269,854
Investment in Nation business entities (Note 5)	864,859	941,627
	<hr/>	<hr/>
	6,765,341	6,628,746
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	228,501	178,708
Deferred revenue (Note 9)	60,797	118,268
Long-term debt (Note 10)	4,153,325	4,164,952
	<hr/>	<hr/>
	4,442,623	4,461,928
<b>Net financial assets</b>	<hr/>	<hr/>
	2,322,718	2,166,818
<b>Non-financial assets</b>		
Tangible capital assets (Note 1, 11)	7,912,143	8,153,676
Prepaid insurance	25,070	23,193
	<hr/>	<hr/>
	7,937,213	8,176,869
<b>Accumulated surplus (Note 12)</b>	<hr/>	<hr/>
	\$ 10,259,931	\$ 10,343,687

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, 2018**

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	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Federal Government:		
Indigenous and Northern Affairs Canada	\$ 698,063	\$ 613,990
Government of Canada - FNGST	491,423	506,601
Canada Mortgage and Housing Corporation	28,898	41,878
First Nation Health Authority	-	6,000
Other First Nation Governments	220,588	163,132
Other Federal funding	30,000	-
Province of BC	135,259	83,023
Contract revenue	152,100	1,183,250
Insurance proceeds	120,000	-
Investment income	134,976	401,233
Lease and rental revenue	905,569	815,823
Property taxation	267,578	261,109
Donation	-	2,000
Interest Income & sundry	18,133	19,724
	<hr/> 3,202,587	<hr/> 4,097,763
<b>Expenses</b>		
Governance	557,253	423,967
Economic development	1,305,342	2,332,158
Health, education and training	654,305	643,682
Housing and Capital	581,242	198,908
Taxation	188,201	238,412
	<hr/> 3,286,343	<hr/> 3,837,127
<b>Annual surplus (deficit)</b>	(83,756)	260,636
<b>Accumulated surplus, beginning of year</b>	<hr/> 10,343,687	<hr/> 10,083,051
<b>Accumulated surplus, end of year</b>	<hr/> \$ 10,259,931	<hr/> \$ 10,343,687

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, 2018**

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	<b>2018</b>	<b>2017</b>
<b>Annual surplus (deficit)</b>	\$ (83,756)	\$ 260,636
Acquisition of tangible capital assets	-	(352,827)
Amortization of tangible capital assets	<u>241,534</u>	<u>245,145</u>
	<u>157,778</u>	<u>152,954</u>
Acquisition of prepaid expenses	(1,878)	788
	<u>(1,878)</u>	<u>788</u>
<b>Change in net financial assets</b>	<b>155,900</b>	<b>153,742</b>
<b>Net financial assets, beginning of year</b>	<b>2,166,818</b>	<b>2,013,076</b>
<b>Net financial assets, end of year</b>	<b><u>\$ 2,322,718</u></b>	<b><u>\$ 2,166,818</u></b>

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

**Matsqui First Nation**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2018**

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	<b>2018</b>	<b>2017</b>
<b>Operating transactions</b>		
Annual surplus	\$ (83,756)	\$ 260,636
Items not involving cash:		
Amortization	241,534	245,145
Equity income from businesses	(134,976)	(401,233)
Change in non-cash assets and liabilities:		
Accounts receivable	861,340	(1,133,186)
Prepaid	(1,877)	787
Deferred revenue	(57,471)	255
Accounts payable and accrued liabilities	<u>49,793</u>	<u>(166,148)</u>
Net change in cash from operating activities	<u>874,587</u>	<u>(1,193,744)</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	- -	(352,827)
<b>Investing Activities</b>		
Distribution from Nation businesses	211,743	-
<b>Financing activities</b>		
Acquire new long-term debt	160,187	226,754
Repayment of long-term debt	<u>(171,814)</u>	<u>(190,823)</u>
	<u>(11,627)</u>	<u>35,931</u>
<b>Net change in cash</b>	<b>1,074,703</b>	<b>(1,510,640)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,417,265</b>	<b>5,927,905</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 5,491,968</u></b>	<b><u>\$ 4,417,265</u></b>
<b>Cash flow supplemental information</b>		
Interest received	\$ 18,133	\$ 19,724
Interest paid	\$ 120,819	\$ 127,525

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.

## **1. Significant Accounting Policies Cont'd**

### **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.

### **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.

## **1. Significant Accounting Policies Cont'd**

### **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.

### **k) Budgets**

Consolidated budgets were not prepared for the year ended March 31, 2018. Budgets were prepared for singular programs and are included in the schedules only.

### **l) 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 12).

### **m) 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, 2018.

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, 2018, management has determined no liability is required to be recorded.

### **m) Net financial assets (net debt)**

Matsqui First Nation financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of Matsqui First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

**Matsqui First Nation  
Notes to the Financial Statements  
Year Ended March 31, 2018**

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**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:

	<b>2018</b>	<b>2017</b>
<b>Externally restricted</b>		
CMHC Replacement Reserve	\$ 18,068	\$ 14,222
CMHC Operating Reserve	36,956	13,999
<b>Internally restricted</b>		
Taxation Account	705,960	598,104
<b>Unrestricted</b>		
Operations	2,223,582	1,812,467
Social Housing	<u>223,280</u>	<u>247,809</u>
	<u><u>\$ 3,207,846</u></u>	<u><u>\$ 2,686,601</u></u>

**3. Temporary Investments - Restricted**

	<b>2018</b>	<b>2017</b>
Royal Bank of Canada:		
Term Deposits renewable within one year with interest rates of 0.5%, latest matures Mar 17, 2019		
Minor's Trust Fund & Minor's Reserve (Note 6 & 7)	<u><u>\$ 2,284,122</u></u>	<u><u>\$ 1,730,664</u></u>

**4. Accounts Receivable**

	<b>2018</b>	<b>2017</b>
Accounts receivable	\$ 219,058	\$ 1,086,797
Accounts receivable - Federal government	47,264	39,970
Receivable - members	4,500	40
Rents receivable - members	1,715	425
CMHC Subsidy receivable	2,408	3,644
GST Rebate receivable	13,948	29,701
Homeowner Grant receivable	106,257	103,934
Property Taxation receivable	<u>13,364</u>	<u>5,343</u>
	<u><u>\$ 408,514</u></u>	<u><u>\$ 1,269,854</u></u>

**5. Investment in Nation Business Entities**

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>2018</u>	<u>2017</u>
Matsqui Development Corporation Ltd. - Shares	\$ 3	\$ 3
Matsqui Development Corporation Ltd.	4,332	3,719
Matsqui First Nation Development Limited Partnership - Units	1,000	1,000
Matsqui First Nation Development Limited Partnership - 99.9% Equity	<u>859,524</u>	<u>936,905</u>
	<u>\$ 864,859</u>	<u>\$ 941,627</u>

	Matsqui Development Corporation <u>Ltd.</u>	First Nation Development Limited <u>Partnership</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>	<u>\$ 3</u>	<u>\$ 1,022,637</u>	<u>\$ 1,022,640</u>	<u>\$ 1,135,327</u>
Accounts payable and accruals	\$ 5,189	\$ 162,982	\$ 168,171	\$ 202,162
Share capital/Unit	3	1,001	1,004	1,004
Retained Earnings/Partners' Capital	<u>(5,189)</u>	<u>858,654</u>	<u>853,465</u>	<u>932,161</u>
<b>Total Liabilities and Equity</b>	<u>\$ 3</u>	<u>\$ 1,022,637</u>	<u>\$ 1,022,640</u>	<u>\$ 1,135,327</u>
Revenue	\$ 13	\$ 190,836	\$ 190,836	\$ 841,744
Expenses	<u>971</u>	<u>55,860</u>	<u>56,831</u>	<u>441,085</u>
<b>Net Income (loss)</b>	<u>\$ (958)</u>	<u>\$ 134,976</u>	<u>\$ 134,005</u>	<u>\$ 400,659</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.

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

	<b>2018</b>	<b>2017</b>
<b>Balance, beginning of year</b>	<b>\$ 1,677,458</b>	<b>\$ 1,549,395</b>
<b>Additions</b>		
Summer Distribution 57 at \$1,000 (2017 - 56 at \$1,500)	57,000	84,000
Winter Distribution 54 at \$4,500 (2017 - 58 at \$2,500)	243,000	145,000
Bonus Distribution 59 at \$7,500	442,500	-
Interest income	8,469	12,900
	<u>750,969</u>	<u>945,052</u>
<b>Deductions</b>		
Distribution to Minor Band Members with interest	189,325	113,837
<b>Balance, end of year (Note 3)</b>	<b><u>\$ 2,239,102</u></b>	<b><u>\$ 1,677,458</u></b>

## 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, 2018 a total of 42 members (2017 - 39) have received the original \$2,500 per capital distribution plus accumulated interest.

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

	<b>2018</b>	<b>2017</b>
<b>Balance, beginning of year</b>	<b>\$ 53,206</b>	<b>\$ 61,307</b>
Distribution, including interest	(8,437)	(8,380)
Interest earned during year	252	279
<b>Balance, end of year (Note 3)</b>	<b><u>\$ 45,021</u></b>	<b><u>\$ 53,206</u></b>
<b>Allocated as:</b>		
Distribution at \$2,500 each - 16 remaining (2017 - 19)	\$ 40,000	\$ 47,500
Interest earned on undistributed balance	5,021	5,706
	<u>\$ 45,021</u>	<u>\$ 53,206</u>

**8. Accounts Payable and Accrued Liabilities**

	<b>2018</b>	<b>2017</b>
Account payables	\$ 192,541	\$ 137,604
Prepaid rent deposits	1,260	6,983
Accrued wages payable	1,069	2,082
Other accrued liabilities	30,650	29,300
Accrued interest payable	2,981	2,739
	<hr/>	<hr/>
	<u>\$ 228,501</u>	<u>\$ 178,708</u>

**9. Deferred Revenue**

Deferred revenue consists of the following at year end:

	<b>2018</b>			<b>Balance March 31, 2018</b>
	<b>Balance March 31, 2017</b>	<b>Funding Received</b>	<b>Revenue Recognized</b>	
<b>Federal Government</b>				
Land Management Operational Funding	\$ 18,480	\$ 204,536	\$ 203,718	\$ 19,298
<b>Other First Nation Governments</b>				
Sto:lo Nation Health Programs	<u>99,788</u>	<u>125,975</u>	<u>184,264</u>	<u>41,499</u>
	<u><u>\$ 118,268</u></u>	<u><u>\$ 330,511</u></u>	<u><u>\$ 387,982</u></u>	<u><u>\$ 60,797</u></u>

**10. Long-Term Debt**

	<b>2018</b>	<b>2017</b>
Phase 1 - All Nations Trust Company Mortgage bearing interest at 1.05%, repayable in monthly payments of \$1,644, renews April 1, 2020	\$ 388,877	\$ 404,446
Phase 2 - All Nation Trust Company Mortgage bearing interest at 1.14%, repayable in monthly payments of \$1,235, due June 1, 2021	292,474	303,780
Royal Bank of Canada Mortgage advances for construction of Phase 3 interest only until April 1, 2018 at a rate of 2%	318,551	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
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
Royal Bank of Canada Term loan bearing interest at 4.24%, repayable in monthly payments of \$1,562, due March 30, 2019	100,415	113,417
Royal Bank of Canada Mortgage bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July, 2020	<u>3,053,008</u> <u>\$ 4,153,325</u>	<u>3,178,894</u> <u>\$ 4,164,952</u>

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

2019	\$ 179,003
2020	179,828
2021	184,307
2022	190,241
2023	196,413
Balance	<u>3,223,533</u>
	<u><u>\$ 4,153,325</u></u>

**11. Tangible Capital Assets**

	<b>Buildings, Band Homes</b>	<b>Tractors and Vehicles</b>	<b>Office &amp; Other Equip.</b>	<b>Multi Purpose Building</b>	<b>Infra- Structure</b>	<b>NPH Housing</b>	<b>2018</b>	<b>2017</b>
<b>Cost</b>								
Opening costs	\$ 1,946,044	\$ 145,102	\$ 251,565	\$ 5,292,199	\$ 1,421,701	\$ 1,494,708	\$ 10,551,319	\$ 10,198,492
Additions during the year	647,080	-	-	-	-	(647,080)	-	352,827
Disposals and write downs	-	-	-	-	-	-	-	(1)
Closing costs	<u>2,593,124</u>	<u>145,102</u>	<u>251,565</u>	<u>5,292,199</u>	<u>1,421,701</u>	<u>847,628</u>	<u>10,551,319</u>	<u>10,551,318</u>
<b>Accumulated Amortization</b>								
Opening accum'd amortization	1,515,394	128,770	57,686	176,406	64,925	454,461	2,397,642	2,152,497
Amortization	74,089	2,722	11,485	88,203	32,108	32,927	241,534	245,145
Disposals and write downs	<u>422,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(422,705)</u>	<u>-</u>	<u>-</u>
Closing accum'd amortization	<u>2,012,188</u>	<u>131,492</u>	<u>69,171</u>	<u>264,609</u>	<u>97,033</u>	<u>64,683</u>	<u>2,639,176</u>	<u>2,397,642</u>
Net Book Value of Tangible Capital Assets	<u>\$ 580,936</u>	<u>\$ 13,610</u>	<u>\$ 182,394</u>	<u>\$ 5,027,590</u>	<u>\$ 1,324,668</u>	<u>\$ 782,945</u>	<u>\$ 7,912,143</u>	<u>\$ 8,153,676</u>

**12. 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, 2018**

**12. Segmented Disclosure Cont'd**

	Governance		Economic Development		Health & Education		Housing & Capital Assets		Taxation		Totals	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenue</b>												
Federal transfers:												
Aboriginal Affairs & Northern Dev.	\$ 313,486	\$ 257,976	\$ 277,518	\$ 315,376	\$ -	\$ -	\$ 107,059	\$ 40,638	\$ -	\$ 698,063	\$ 613,990	
CMHC	-	-	-	-	-	-	28,898	41,878	-	-	28,898	41,878
F.N.H.A.	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Funding	-	-	521,423	506,601	-	-	-	-	-	-	521,423	506,601
Other First Nation Governments	-	-	11,323	4,832	209,264	164,300	-	-	-	-	220,587	169,132
Province of BC	-	5,000	-	-	135,259	78,023	-	-	-	-	135,259	83,023
Investment income - GBE	-	-	134,976	401,233	-	-	-	-	-	-	134,976	401,233
Insurance proceeds	120,000	-	-	-	-	-	-	-	-	-	120,000	-
Lease and rental income	-	-	747,459	651,930	13,635	15,659	144,475	148,234	-	-	905,569	815,823
Property Taxation	-	-	-	-	-	-	-	-	267,578	261,109	267,578	261,109
Contract Revenue	-	-	152,100	1,183,250	-	-	-	-	-	-	152,100	1,183,250
Gas Bar Sales	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Sundry Income	9,329	13,796	5,149	3,910	2,101	3,419	22	8	1,533	591	18,134	21,724
	<u>442,815</u>	<u>276,772</u>	<u>1,849,948</u>	<u>3,067,132</u>	<u>360,259</u>	<u>261,401</u>	<u>280,454</u>	<u>230,758</u>	<u>269,111</u>	<u>261,700</u>	<u>3,202,587</u>	<u>4,097,763</u>
<b>Expenses</b>												
Amortization	-	-	-	-	-	-	235,483	245,145	-	-	235,483	245,145
Debt servicing	-	-	108,533	114,399	-	-	12,286	-	-	-	120,819	114,399
Program costs	405,910	279,972	1,000,204	2,069,990	573,480	571,436	333,473	(47,112)	188,201	238,412	2,501,268	3,112,698
Wages and benefits	151,343	143,995	196,605	147,769	80,825	72,246	-	875	-	-	428,773	364,885
	<u>557,253</u>	<u>423,967</u>	<u>1,305,342</u>	<u>2,332,158</u>	<u>654,305</u>	<u>643,682</u>	<u>581,242</u>	<u>198,908</u>	<u>188,201</u>	<u>238,412</u>	<u>3,286,343</u>	<u>3,837,127</u>
Excess(deficiency) of revenues over expenses	(114,438)	(147,195)	544,606	734,974	(294,046)	(382,281)	(300,788)	31,850	80,910	23,288	(83,756)	260,636
Transfer between funds	369,033	703,673	(843,469)	(1,183,986)	341,327	336,697	133,109	143,616	-	-	-	-
Accumulated Surplus - start of year	2,173,164	1,616,686	3,050,971	3,499,983	98,568	144,152	4,123,256	3,947,790	897,728	874,440	10,343,687	10,083,051
Accumulated Surplus - end of year	<u>\$ 2,427,759</u>	<u>\$ 2,173,164</u>	<u>\$ 2,752,108</u>	<u>\$ 3,050,971</u>	<u>\$ 145,849</u>	<u>\$ 98,568</u>	<u>\$ 3,955,577</u>	<u>\$ 4,123,256</u>	<u>\$ 978,638</u>	<u>\$ 897,728</u>	<u>\$ 10,259,931</u>	<u>\$ 10,343,687</u>

**13. Expenses by Object**

	<b>2018</b>	<b>2017</b>
<b>Expenses</b>		
Accounting services and audit	\$ 19,750	\$ 19,440
Administration	23,065	33,190
Amortization	241,533	245,145
Band meetings	30,882	24,355
Bank charges and interest	6,763	3,452
Consulting and contracts	506,325	109,940
Cultural activities	49,654	80,385
Donations and funeral costs	20,302	13,044
Equipment lease and repair	8,272	10,118
Grounds maintenance	32,032	39,224
Honoraria	204,864	180,310
Incentives	1,035,262	1,863,717
Insurance	41,772	42,369
Lawyer fees	62,442	167,135
Materials and supplies	14,552	5,338
Mortgage interest	120,819	127,525
Office supplies and sundry	3,440	5,653
Repair and maintenance	161,980	149,728
Service agreements	101,061	100,755
Telephone and cable	9,669	8,648
Utilities	8,731	19,374
Vehicle and travel	15,449	8,892
Wages and salary	428,773	364,887
Water testing	8,033	6,060
Other	130,918	208,443
	<u>\$ 3,286,343</u>	<u>\$ 3,837,127</u>