

MATSQUI FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2019

**Matsqui First Nation
Consolidated Financial Statements
Year Ended March 31, 2019**

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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, 2019 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.

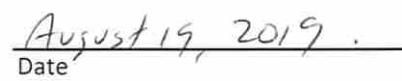
Matsqui First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and Matsqui First Nation's assets are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

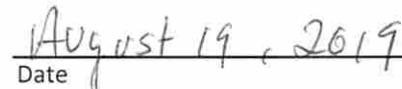
Governing Body meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the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

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


Chief Alice McKay


Date


Councillor Brenda Morgan


Date


Councillor Ryan Bird


Date

Independent Auditor's Report

To the Members of Matsqui First Nation:

Opinion

I have audited the accompanying consolidated financial statements of Matsqui First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Matsqui First Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of Matsqui First Nation in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Matsqui First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Matsqui First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Matsqui First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Matsqui First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Matsqui First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Matsqui First Nation to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Chartered Professional Accountant

Chilliwack, BC

August 19, 2019

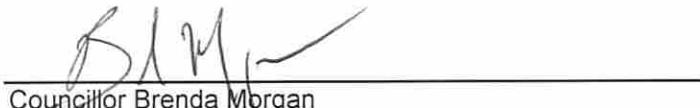
Matsqui First Nation
Consolidated Statement of Financial Position
Year Ended March 31, 2019

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	2019	2018
	<u>(Restated)</u>	
Financial assets		
Cash (Note 2)	\$ 2,282,731	\$ 3,207,845
Temporary investments (Note 3)	2,586,402	2,284,123
Accounts receivable (Note 4)	423,475	408,514
Investment in Nation business entities (Note 5)	749,596	864,859
	<u>6,042,204</u>	<u>6,765,341</u>
Liabilities		
Accounts payable and accrued liabilities (Note 8)	107,240	228,501
Deferred revenue (Note 9)	91,117	60,797
Minors Trust Funds (Note 6 & 7) (Note 14)	2,586,402	2,284,123
Long-term debt (Note 10)	3,982,924	4,153,325
	<u>6,767,683</u>	<u>6,726,746</u>
Net financial assets (net debt)	<u>(725,479)</u>	<u>38,595</u>
Non-financial assets		
Tangible capital assets (Note 11)	8,288,679	7,912,143
Prepaid insurance	41,088	25,070
	<u>8,329,767</u>	<u>7,937,213</u>
Accumulated surplus (Note 14)	<u>\$ 7,604,288</u>	<u>\$ 7,975,808</u>

APPROVED on behalf of the Council of Matsqui First Nation:


 Chief Alice McKay


 Councillor Brenda Morgan

Councillor Ryan Bird

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, 2019

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	2019	2018
	(Restated)	
Revenues		
Federal Government:		
Indigenous and Northern Affairs Canada	\$ 469,931	\$ 698,063
Government of Canada - FNGST	535,093	491,423
Canada Mortgage and Housing Corporation	42,510	28,898
Other First Nation Governments	244,575	220,588
Other Federal funding	-	30,000
Province of BC	275,105	135,259
Contract revenue	208,585	152,100
Insurance proceeds	53,646	120,000
Investment income	5,346	134,976
Lease and rental revenue	818,233	905,569
Property taxation	274,177	267,578
Donation	2,000	-
Interest Income & sundry	17,260	18,133
	<u>2,946,461</u>	<u>3,202,587</u>
Expenses		
Governance	469,011	557,253
Economic development	1,850,548	1,305,342
Health, education and training	800,147	654,305
Housing and capital	(28,367)	581,242
Taxation	226,642	188,201
	<u>3,317,981</u>	<u>3,286,343</u>
Annual deficit	(371,520)	(83,756)
Accumulated surplus, beginning of year (Note 14)	<u>7,975,808</u>	<u>8,059,564</u>
Accumulated surplus, end of year	<u>\$ 7,604,288</u>	<u>\$ 7,975,808</u>

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

Matsqui First Nation
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
Year Ended March 31, 2019

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	2019	2018
Annual deficit	\$ (371,520)	\$ (83,756)
Acquisition of tangible capital assets	(621,131)	-
Amortization of tangible capital assets	244,595	241,534
	<u>(748,056)</u>	<u>157,778</u>
Acquisition of prepaid expenses	(16,018)	(1,878)
	<u>(16,018)</u>	<u>(1,878)</u>
Change in net financial assets (net debt)	(764,074)	155,900
Net financial assets (net debt), beginning of year	38,595	(117,305)
Net financial assets (net debt), end of year	<u>\$ (725,479)</u>	<u>\$ 38,595</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, 2019

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	2019	2018
Operating transactions		
Annual deficit	\$ (371,520)	\$ (83,756)
Items not involving cash:		
Amortization	244,595	241,534
Equity income from businesses	(5,346)	(134,976)
Change in working capital accounts:		
Accounts receivable	(14,961)	861,340
Minor Trust Funds	302,279	-
Prepaid	(16,018)	(1,877)
Deferred revenue	30,320	(57,471)
Accounts payable and accrued liabilities	<u>(121,261)</u>	<u>49,793</u>
Net change in cash from operating activities	<u>48,088</u>	<u>874,587</u>
Capital activities		
Acquisition of tangible capital assets	<u>(621,131)</u>	<u>-</u>
Investing Activities		
Distribution from Nation businesses	120,609	211,743
Financing activities		
Acquire new long-term debt	12,300	160,187
Repayment of long-term debt	<u>(182,701)</u>	<u>(171,814)</u>
	<u>(170,401)</u>	<u>(11,627)</u>
Net change in cash	(622,835)	1,074,703
Cash and cash equivalents, beginning of year	5,491,968	4,417,265
Cash and cash equivalents, end of year	<u>\$ 4,869,133</u>	<u>\$ 5,491,968</u>

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"). 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. Taxation revenue is recognized in the period in which it is authorized by a legislature, council, or legislative convention. 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, 2019. 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, 2019.

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, 2019, 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, 2019**

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2. Cash

Cash is comprised of the following:

	2019	2018
Externally restricted		
CMHC Replacement Reserve	\$ 25,389	\$ 18,068
CMHC Operating Reserve	37,518	36,956
Internally restricted		
Taxation Account	469,842	705,960
Unrestricted		
Operations	1,461,661	2,223,581
Housing	288,321	223,280
	<hr/> <u>\$ 2,282,731</u>	<hr/> <u>\$ 3,207,845</u>

3. Temporary Investments - Restricted

	2019	2018
Royal Bank of Canada:		
Term Deposits renewable within one year with interest rates of 0.5%, latest matures March 2,2020		
Minor's Trust Fund & Minor's Reserve (Note 6 & 7)	<u>\$ 2,586,402</u>	<u>\$ 2,284,122</u>

4. Accounts Receivable

	2019	2018
Accounts receivable	\$ 240,906	\$ 219,058
Accounts receivable - Federal Government	40,000	47,264
Receivable - members	1,250	4,500
Rents receivable - members	5,696	1,715
CMHC Subsidy receivable	3,543	2,408
GST Rebate receivable	9,109	13,948
Homeowner Grant receivable	109,943	106,257
Property Taxation receivable	13,028	13,364
	<hr/> <u>\$ 423,475</u>	<hr/> <u>\$ 408,514</u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2019**

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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>2019</u>	<u>2018</u>
Matsqui Development Corporation Ltd. - Shares	\$ 3	\$ 3
Matsqui Development Corporation Ltd.	4,948	4,332
Matsqui First Nation Development Limited Partnership - Units	1,000	1,000
Matsqui First Nation Development Limited Partnership - 99.9% Equity	<u>743,645</u>	<u>859,524</u>
	<u>\$ 749,596</u>	<u>\$ 864,859</u>

	Matsqui Development Corporation <u>Ltd.</u>	First Nation Development Limited <u>Partnership</u>	<u>2019</u>	<u>2018</u>
Assets	<u>\$ 3</u>	<u>\$ 891,869</u>	<u>\$ 891,872</u>	<u>\$ 1,022,640</u>
Accounts payable and accruals	\$ 5,817	\$ 148,093	\$ 153,910	\$ 168,171
Share capital/Unit	3	1,001	1,004	1,004
Retained Earnings/Partners' Capital	<u>(5,817)</u>	<u>742,775</u>	<u>736,958</u>	<u>853,465</u>
Total Liabilities and Equity	<u>\$ 3</u>	<u>\$ 891,869</u>	<u>\$ 891,872</u>	<u>\$ 1,022,640</u>
Revenue	\$ 1	\$ 6,259	\$ 190,836	\$ 190,836
Expenses	<u>600</u>	<u>912</u>	<u>1,512</u>	<u>56,831</u>
Net Income (loss)	<u>\$ (599)</u>	<u>\$ 5,347</u>	<u>\$ 189,324</u>	<u>\$ 134,005</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:

	2019	2018
Balance, beginning of year	\$ 2,239,102	\$ 1,677,458
Additions		
Summer Distribution 53 at \$2,500 (2018 - 57 at \$1,500)	132,500	57,000
Winter Distribution 54 at \$4,000 (2018 - 54 at \$2,500)	216,000	243,000
Bonus Distribution (2018 - 59 at \$7,500)	-	442,500
Interest income	<u>11,220</u>	<u>8,469</u>
	<u>359,720</u>	<u>750,969</u>
Deductions		
Distribution held in trust	(50,938)	-
Distribution to Minor Band Members with interest	<u>102,942</u>	<u>189,325</u>
Balance, end of year (Note 3) (Note 14)	<u>\$ 2,546,818</u>	<u>\$ 2,239,102</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, 2019 a total of 44 members (2018 - 42) have received the original \$2,500 per capital distribution plus accumulated interest.

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

	2019	2018
Balance, beginning of year	\$ 45,021	\$ 53,206
Distribution, including interest	(5,650)	(8,437)
Interest earned during year	<u>213</u>	<u>252</u>
Balance, end of year (Note 3) (Note 14)	<u>\$ 39,584</u>	<u>\$ 45,021</u>
Allocated as:		
Distribution at \$2,500 each - 14 remaining (2018 - 16)	\$ 35,000	\$ 40,000
Interest earned on undistributed balance	<u>4,584</u>	<u>5,021</u>
	<u>\$ 39,584</u>	<u>\$ 45,021</u>

8. Accounts Payable and Accrued Liabilities

	2019	2018
Account payables	\$ 75,033	\$ 192,541
Prepaid rent deposits	-	1,260
Accrued wages payable	-	1,069
Other accrued liabilities	28,995	30,650
Accrued interest payable	<u>3,212</u>	<u>2,981</u>
	<u><u>\$ 107,240</u></u>	<u><u>\$ 228,501</u></u>

9. Deferred Revenue

Deferred revenue consists of the following at year end:

	Balance March 31, 2018	2019		Balance March 31, 2019
		Funding Received	Revenue Recognized	
Federal Government				
Land Management Operational Funding	\$ 19,298	\$ 272,259	\$ 226,828	\$ 64,729
Other First Nation Governments				
Sto:lo Nation Health Programs	<u>41,499</u>	<u>174,172</u>	<u>189,283</u>	<u>26,388</u>
	<u><u>\$ 60,797</u></u>	<u><u>\$ 446,431</u></u>	<u><u>\$ 416,111</u></u>	<u><u>\$ 91,117</u></u>

10. Long-Term Debt

	2019	2018
Phase 1 - All Nations Trust Company		
Mortgage bearing interest at 1.05%, repayable in monthly payments of \$1,644, renews April 1, 2020	\$ 373,143	\$ 388,877
Matures April 1, 2040		
Phase 2 - All Nation Trust Company		
Mortgage bearing interest at 1.14%, repayable in monthly payments of \$1,235, renews June 1, 2021	281,038	292,474
Matures June 1, 2041		
Phase 3 - All Nation Trust Company		
Mortgage bearing interest at 2.41%, repayable in monthly payments of \$1,560, renews April 1, 2023	321,318	318,551
Matures April 1, 2043		
Royal Bank of Canada		
Term loan bearing interest at 4.24%, repayable in monthly payments of \$1,562, renewed April 8, 2019	85,636	100,415
Royal Bank of Canada		
Demand Loan bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July, 2020	<u>2,921,789</u>	<u>3,053,008</u>
	<u><u>\$ 3,982,924</u></u>	<u><u>\$ 4,153,325</u></u>

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

2019	\$ 189,803
2020	197,318
2021	202,221
2022	208,674
2023	215,349
Balance	<u>2,969,559</u>
	<u><u>\$ 3,982,924</u></u>

11. Tangible Capital Assets

	Buildings, Band Homes	Tractors and Vehicles	Office & Other Equip.	Multi Purpose Building	Infra- Structure	NPH Housing	2019	2018
Cost								
Opening costs	\$ 2,593,124	\$ 145,102	\$ 251,565	\$ 5,292,199	\$ 1,421,701	\$ 847,628	\$ 10,551,319	\$ 10,551,319
Additions during the year	-	-	-	-	250,000	371,131	621,131	-
Disposals and write downs	-	-	-	-	-	-	-	-
Closing costs	<u>2,593,124</u>	<u>145,102</u>	<u>251,565</u>	<u>5,292,199</u>	<u>1,671,701</u>	<u>1,218,759</u>	<u>11,172,450</u>	<u>10,551,319</u>
Accumulated Amortization								
Opening accum'd amortization	2,012,188	131,492	69,171	264,609	97,033	64,683	2,639,176	2,397,642
Amortization	73,748	2,722	11,485	88,203	32,108	36,329	244,595	241,534
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>2,085,936</u>	<u>134,214</u>	<u>80,656</u>	<u>352,812</u>	<u>129,141</u>	<u>101,012</u>	<u>2,883,771</u>	<u>2,639,176</u>
Net Book Value of Tangible Capital Assets	<u>\$ 507,188</u>	<u>\$ 10,888</u>	<u>\$ 170,909</u>	<u>\$ 4,939,387</u>	<u>\$ 1,542,560</u>	<u>\$ 1,117,747</u>	<u>\$ 8,288,679</u>	<u>\$ 7,912,143</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, 2019

12. Segmented Disclosure Cont'd

	Governance		Economic Development		Health & Education		Housing & Capital Assets		Taxation		Totals	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue												
Federal transfers:												(Restate) (Note 14)
Aboriginal Affairs & Northern Dev.	\$ 223,698	\$ 313,486	\$ 226,828	\$ 277,518	\$ -	\$ -	\$ 19,405	\$ 107,059	\$ -	\$ -	\$ 469,931	\$ 698,063
CMHC	-	-	-	-	-	-	42,510	28,898	-	-	42,510	28,898
Other Federal Funding	-	-	535,093	521,423	-	-	-	-	-	-	535,093	521,423
Other First Nation Governments	-	-	51,841	11,323	192,734	209,264	-	-	-	-	244,575	220,587
Province of BC	97,000	-	25,000	-	152,510	135,259	-	-	-	-	274,510	135,259
Investment income - GBE	-	-	5,346	134,976	-	-	-	-	-	-	5,346	134,976
Insurance proceeds	53,646	120,000	-	-	-	-	-	-	-	-	53,646	120,000
Lease and rental income	-	-	664,100	747,459	16,055	13,635	138,078	144,475	-	-	818,233	905,569
Property Taxation	-	-	-	-	-	-	-	-	274,177	267,578	274,177	267,578
Contract Revenue	-	-	208,585	152,100	-	-	-	-	-	-	208,585	152,100
Interest and Sundry Income	595	9,329	11,038	5,149	3,481	2,101	1,252	22	3,489	1,533	19,855	18,134
	<u>374,939</u>	<u>276,772</u>	<u>1,727,831</u>	<u>1,849,948</u>	<u>364,780</u>	<u>360,259</u>	<u>201,245</u>	<u>280,454</u>	<u>277,666</u>	<u>269,111</u>	<u>2,946,461</u>	<u>3,202,587</u>
Expenses												
Amortization	-	-	-	-	-	-	244,595	235,483	-	-	244,595	235,483
Debt servicing	-	-	102,842	108,533	-	-	20,023	12,286	-	-	122,865	120,819
Program costs	310,789	405,910	1,537,170	1,000,204	701,811	573,480	(292,985)	333,473	226,642	188,201	2,483,427	2,501,268
Wages and benefits	158,222	151,343	210,536	196,605	98,336	80,825	-	-	-	-	467,094	428,773
	<u>469,011</u>	<u>423,967</u>	<u>1,850,548</u>	<u>1,305,342</u>	<u>800,147</u>	<u>654,305</u>	<u>(28,367)</u>	<u>581,242</u>	<u>226,642</u>	<u>188,201</u>	<u>3,317,981</u>	<u>3,286,343</u>
Excess(deficiency) of revenues over expenses	(94,072)	(114,438)	(122,717)	544,606	(435,367)	(294,046)	229,612	(300,788)	51,024	80,910	(371,520)	(83,756)
Transfer between funds	69,292	369,033	(656,986)	(843,469)	450,475	341,327	387,219	133,109	(250,000)	-	-	-
Accumulated Surplus - start of year	143,636	(110,959)	2,752,108	3,050,971	145,849	98,568	3,955,577	4,123,256	978,638	897,728	7,975,808	8,059,564
Accumulated Surplus - end of year	<u>\$ 118,856</u>	<u>\$ 143,636</u>	<u>\$ 1,972,405</u>	<u>\$ 2,752,108</u>	<u>\$ 160,957</u>	<u>\$ 145,849</u>	<u>\$ 4,572,408</u>	<u>\$ 3,955,577</u>	<u>\$ 779,662</u>	<u>\$ 978,638</u>	<u>\$ 7,604,288</u>	<u>\$ 7,975,808</u>

13. Expenses by Object

	2019	2018
Expenses		
Audit	\$ 18,000	\$ 19,750
Administration	31,925	23,065
Allowance for doubtful accounts	10,118	-
Amortization	244,595	241,533
Band meetings	34,465	30,882
Bank charges and interest	4,798	6,763
Consulting and contracts	340,049	506,325
Capitalize construction costs	(371,507)	-
Cultural activities	43,893	49,654
Donations and funeral costs	19,568	20,302
Equipment lease and repair	7,843	8,272
Grounds maintenance	41,283	32,032
Honoraria	210,323	204,864
Incentives	1,454,092	1,035,262
Insurance	46,024	41,772
Lawyer fees	128,375	62,442
Materials and supplies	869	14,552
Mortgage payments	122,865	120,819
Office supplies and sundry	5,414	3,440
Repair and maintenance	117,654	161,980
Service agreements	106,393	101,061
Telephone and cable	10,642	9,669
Utilities	392	8,731
Vehicle and travel	9,301	15,449
Wages and salary	467,094	428,773
Water testing	7,800	8,033
Other	205,713	130,918
	<u>\$ 3,317,981</u>	<u>\$ 3,286,343</u>

14. Prior Year Restatement

Minor Trust Funds were previously reported as a restricted fund under the Governance segment and have been reclassified as a liability and result in the following changes to accumulated surplus. March 31, 2018 opening accumulated surplus previously was \$10,343,687 and have been restated to \$8,059,564 reflecting the change in accounting for funds held in trust for Minor Trust Fund of \$2,239,102 and MOT Settlement Fund of \$45,021.

March 31, 2018 opening accumulated surplus	<u>\$ 10,343,687</u>
Minor Trust Fund	2,239,102
MOT Settlement Fund	45,021
	<u>2,284,123</u>
Restated March 31, 2018 opening accumulated surplus	<u>\$ 8,059,564</u>