

MATSQUI FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2020

**Matsqui First Nation
Consolidated Financial Statements
Year Ended March 31, 2020**

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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, 2020 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

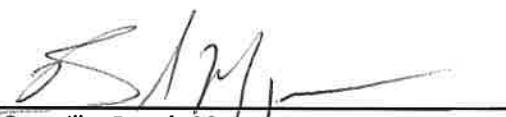
Matsqui First Nation Council is responsible for ensuring that management fulfills its responsibilities of financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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

October 5, 2020
Date


Councillor Brenda Morgan

October 5, 2020
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, 2020, 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, 2020, 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

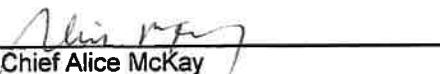
Chilliwack, BC
October 5, 2020

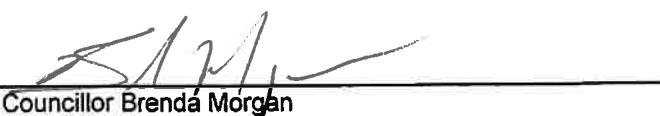
Matsqui First Nation
Consolidated Statement of Financial Position
Year Ended March 31, 2020

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	2020	2019
Financial assets		
Cash (Note 2)	\$ 2,375,725	\$ 2,282,731
Temporary investments (Note 3)	2,582,759	2,586,402
Accounts receivable (Note 4)	455,220	423,475
Investment in Nation business entities (Note 5)	478,477	749,596
	<u>5,892,181</u>	<u>6,042,204</u>
Liabilities		
Accounts payable and accrued liabilities (Note 8)	124,656	107,240
Deferred revenue (Note 9)	147,495	91,117
Minors Trust Funds (Note 6 & 7)	2,582,759	2,586,402
Long-term debt (Note 10)	3,792,015	3,982,924
	<u>6,646,925</u>	<u>6,767,683</u>
Net financial assets (net debt)	<u>(754,744)</u>	<u>(725,479)</u>
Guarantee (Note 11)		
Subsequent event (Note 15)		
Non-financial assets		
Tangible capital assets (Note 12)	8,400,531	8,288,679
Prepaid insurance	5,666	41,088
	<u>8,406,197</u>	<u>8,329,767</u>
Accumulated surplus	<u>\$ 7,651,453</u>	<u>\$ 7,604,288</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.

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Matsqui First Nation
Consolidated Statement of Operations and Accumulated Surplus
Year Ended March 31, 2020

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	2020	2019
Revenues		
Federal Government:		
Indigenous and Northern Affairs Canada	\$ 496,034	\$ 469,931
Government of Canada - FNGST	591,642	535,093
Canada Mortgage and Housing Corporation	42,510	42,510
Province of BC	502,259	275,105
BC First Nation Gaming	295,129	-
Contract revenue	150,546	208,585
Insurance proceeds	-	53,646
Investment income (loss)	(50,883)	5,346
Lease and rental revenue	815,316	818,233
Property taxation	262,596	274,177
Donation	-	2,000
Interest Income & sundry	21,500	17,260
	3,381,503	2,946,461
Expenses		
Governance	400,470	469,011
Economic development	1,659,383	1,850,548
Health, education and training	743,721	800,147
Housing and capital	374,753	(28,367)
Taxation	156,011	226,642
	3,334,338	3,317,981
Annual surplus (deficit)	47,165	(371,520)
Accumulated surplus, beginning of year	7,604,288	7,975,808
Accumulated surplus, end of year	\$ 7,651,453	\$ 7,604,288

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, 2020

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	2020	2019
Annual surplus (deficit)	\$ 47,165	\$ (371,520)
Acquisition of tangible capital assets	(370,795)	(621,131)
Amortization of tangible capital assets	<u>258,943</u>	<u>244,595</u>
	<u>(64,687)</u>	<u>(748,056)</u>
Acquisition of prepaid expenses	<u>35,422</u>	<u>(16,018)</u>
	<u>35,422</u>	<u>(16,018)</u>
Change in net financial assets (net debt)	(29,265)	(764,074)
Net financial assets (net debt), beginning of year	<u>(725,479)</u>	<u>38,595</u>
Net financial assets (net debt), end of year	<u><u>\$ (754,744)</u></u>	<u><u>\$ (725,479)</u></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, 2020

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	2020	2019
Operating transactions		
Annual surplus (deficit)	\$ 47,165	\$ (371,520)
Items not involving cash:		
Amortization	258,943	244,595
Equity income from businesses	50,883	(5,346)
Change in working capital accounts:		
Accounts receivable	(31,745)	(14,961)
Accounts payable and accrued liabilities	17,416	(121,261)
Deferred revenue	56,378	30,320
Minor Trust Funds	(3,643)	302,279
Prepaid	35,422	(16,018)
Net change in cash from operating activities	<u>430,819</u>	<u>48,088</u>
Capital activities		
Acquisition of tangible capital assets	<u>(370,795)</u>	<u>(621,131)</u>
Investing Activities		
Distribution from Nation businesses	220,236	120,609
Financing activities		
Acquire new long-term debt	-	12,300
Repayment of long-term debt	<u>(190,909)</u>	<u>(182,701)</u>
	<u>(190,909)</u>	<u>(170,401)</u>
Net change in cash	89,351	(622,835)
Cash and cash equivalents, beginning of year	<u>4,869,133</u>	<u>5,491,968</u>
Cash and cash equivalents, end of year	<u>\$ 4,958,484</u>	<u>\$ 4,869,133</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:

- Leq'a:mel Mathexwi Sema:th Society (full consolidation)
- 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, 2020. 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 13).

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, 2020.

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, 2020, management has determined no liability is required to be recorded.

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020**

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2. Cash

Cash is comprised of the following:

	2020	2019
Externally restricted		
CMHC Replacement Reserve	\$ 34,802	\$ 25,389
CMHC Operating Reserve	46,729	37,518
BC FN Gaming Bank	157,408	-
Internally restricted		
Taxation Account	344,655	469,842
Unrestricted		
Ottawa Trust Account	596	597
Operations	1,503,214	1,461,064
Housing	288,321	288,321
	<u>\$ 2,375,725</u>	<u>\$ 2,282,731</u>

3. Temporary Investments - Restricted

	2020	2019
Royal Bank of Canada:		
Term Deposits renewable within one year with interest rates of 1.0% to 1.2%		
Minor's Trust Fund & Minor's Reserve (Note 6 & 7)	<u>\$ 2,582,759</u>	<u>\$ 2,586,402</u>

4. Accounts Receivable

	2020	2019
Accounts receivable	\$ 264,731	\$ 240,906
Accounts receivable - Federal Government	69,973	40,000
Receivable - members	700	1,250
Rents receivable - members	8,814	5,696
CMHC Subsidy receivable	3,543	3,543
GST Rebate receivable	8,977	9,109
Homeowner Grant receivable	94,556	109,943
Property Taxation receivable	3,926	13,028
	<u>\$ 455,220</u>	<u>\$ 423,475</u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020**

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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>2020</u>	<u>2019</u>
Matsqui Development Corporation Ltd. - Shares	\$ 3	\$ 3
Matsqui Development Corporation Ltd.	5,626	4,948
Matsqui First Nation Development Limited Partnership - Units	1,000	1,000
Matsqui First Nation Development Limited Partnership - 99.9% Equity	<u>471,848</u>	<u>743,645</u>
	<u><u>\$ 478,477</u></u>	<u><u>\$ 749,596</u></u>

	Matsqui Development Corporation Ltd.	First Nation Development Limited Partnership	<u>2020</u>	<u>2019</u>
Assets	<u><u>\$ 3</u></u>	<u><u>\$ 629,560</u></u>	<u><u>\$ 629,563</u></u>	<u><u>\$ 1,022,640</u></u>
Accounts payable and accruals	\$ 6,505	\$ 157,585	\$ 164,090	\$ 168,171
Share capital/Unit	3	1,001	1,004	1,004
Retained Earnings/Partners' Capital	<u>(6,505)</u>	<u>470,974</u>	<u>464,469</u>	<u>853,465</u>
Total Liabilities and Equity	<u><u>\$ 3</u></u>	<u><u>\$ 629,560</u></u>	<u><u>\$ 629,563</u></u>	<u><u>\$ 1,022,640</u></u>
Revenue	\$ (5)	\$ 6,800	\$ 6,795	\$ 190,836
Expenses	682	57,683	58,365	56,831
Net Income (loss)	<u><u>\$ (687)</u></u>	<u><u>\$ (50,883)</u></u>	<u><u>\$ (51,570)</u></u>	<u><u>\$ 134,005</u></u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020**

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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:

	2020	2019
Balance, beginning of year	\$ 2,546,818	\$ 2,239,102
Additions		
Summer Distribution 53 at \$2,000 (2019 - 53 at \$2,500)	106,000	132,500
Winter Distribution 49 at \$2,500 (2019 - 54 at \$4,000)	122,500	216,000
Interest income	13,415	11,220
	241,915	359,720
Deductions		
Matured Distribution held in trust	(53,250)	(50,938)
Distribution to Minor Band Members with interest	287,793	102,942
Balance, end of year (Note 3)	\$ 2,554,190	\$ 2,546,818

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, 2020 a total of 48 members (2019 - 44) have received the original \$2,500 per capital distribution plus accumulated interest.

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

	2020	2019
Balance, beginning of year	\$ 39,584	\$ 45,021
Distribution, including interest	(11,411)	(5,650)
Interest earned during year	395	213
Balance, end of year (Note 3)	\$ 28,569	\$ 39,584
Allocated as:		
Distribution at \$2,500 each - 10 remaining (2019 - 14)	\$ 25,000	\$ 35,000
Interest earned on undistributed balance	3,569	4,584
	\$ 28,569	\$ 39,584

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020**

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8. Accounts Payable and Accrued Liabilities

	2020	2019
Account payables	\$ 89,329	\$ 75,033
Other accrued liabilities	32,245	28,995
Accrued interest payable	<u>3,082</u>	<u>3,212</u>
	<u><u>\$ 124,656</u></u>	<u><u>\$ 107,240</u></u>

9. Deferred Revenue

Deferred revenue consists of the following at year end:

	2020			Balance March 31, 2020
	Balance March 31, 2019	Funding Received	Revenue Recognized	
Federal Government				
Land Management Operational Funding	\$ 64,729	\$ 274,981	\$ 208,475	\$ 131,235
Other First Nation Governments				
Sto:lo Nation Health Programs	<u>26,388</u>	<u>175,807</u>	<u>185,935</u>	<u>16,260</u>
	<u><u>\$ 91,117</u></u>	<u><u>\$ 450,788</u></u>	<u><u>\$ 394,410</u></u>	<u><u>\$ 147,495</u></u>

**Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020**

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10. Long-Term Debt

	2020	2019
Phase 1 - All Nations Trust Company		
Mortgage bearing interest at 1.05%, repayable in monthly payments of \$1,644, renews April 1, 2020	\$ 357,252	\$ 373,143
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	269,373	281,038
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	310,501	321,318
Matures April 1, 2043		
Royal Bank of Canada		
Term loan bearing interest at 4.31%, repayable in monthly payments of \$1,562, due in full March 30, 2024	68,634	85,636
Royal Bank of Canada		
Demand Loan bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July, 2020	2,786,255	2,921,789
	<u>\$ 3,792,015</u>	<u>\$ 3,982,924</u>

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

2020	\$ 195,962
2021	203,673
2022	208,730
2023	212,209
2024	202,715
Balance	<u>2,768,725</u>
	<u> \$ 3,792,015</u>

11. Guarantee

Matsqui First Nation guaranteed RBC mortgages for members totalling \$496,001 (2019 - \$415,841). At March 31, 2020 no liability has been recorded associated with this guarantee.

12. Tangible Capital Assets

	Buildings, Band Homes	Tractors and Vehicles	Office & Other Equip.	Multi Purpose Building	Infra- Structure	NPH Housing	2020	2019
Cost								
Opening costs	\$ 2,593,124	\$ 145,102	\$ 251,565	\$ 5,292,199	\$ 1,671,701	\$ 1,218,759	\$ 11,172,450	\$ 10,551,319
Additions during the year	-	120,795	-	-	250,000	-	370,795	621,131
Disposals and write downs	-	-	-	-	-	-	-	-
Closing costs	<u>2,593,124</u>	<u>265,897</u>	<u>251,565</u>	<u>5,292,199</u>	<u>1,921,701</u>	<u>1,218,759</u>	<u>11,543,245</u>	<u>11,172,450</u>
Accumulated Amortization								
Opening accum'd amortization	2,085,936	134,214	80,656	352,812	129,141	101,012	2,883,771	2,639,176
Amortization	58,233	8,762	12,543	105,844	35,188	38,373	258,943	244,595
Disposals and write downs	-	-	-	-	-	-	-	-
Closing accum'd amortization	<u>2,144,169</u>	<u>142,976</u>	<u>93,199</u>	<u>458,656</u>	<u>164,329</u>	<u>139,385</u>	<u>3,142,714</u>	<u>2,883,771</u>
Net Book Value of Tangible Capital Assets	<u>\$ 448,955</u>	<u>\$ 122,921</u>	<u>\$ 158,366</u>	<u>\$ 4,833,543</u>	<u>\$ 1,757,372</u>	<u>\$ 1,079,374</u>	<u>\$ 8,400,531</u>	<u>\$ 8,288,679</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, 2020

13. Segmented Disclosure Cont'd

	Governance		Economic Development		Health & Education		Housing & Capital Assets		Taxation		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue												
Federal transfers:												
ISC	\$ 252,376	\$ 223,698	\$ 208,475	\$ 226,828	\$ -	\$ -	\$ 35,183	\$ 19,405	\$ -	\$ -	\$ 495,034	\$ 469,931
Other Federal Funding			591,642	555,093					42,510	42,510	591,642	535,093
CMHC												
Other First Nation Governments	9,191		59,778	51,841	185,935	192,734					42,510	42,510
Province of BC	55,000	97,000	312,000	25,000	135,259	152,510					254,854	244,575
BC First Nation Gaming							295,129					274,510
Investment income (loss)												
Insurance proceeds												
Lease and rental income												
Property Taxation												
Contract Revenue												
Interest and Sundry Income	610	595	12,154	11,038	2,983	3,481	2,013	1,252	3,740	3,489	21,500	19,855
	<u>317,177</u>	<u>276,772</u>	<u>1,938,713</u>	<u>1,849,948</u>	<u>641,709</u>	<u>350,259</u>	<u>217,558</u>	<u>280,454</u>	<u>266,336</u>	<u>269,111</u>	<u>3,381,503</u>	<u>2,946,461</u>
Expenses												
Amortization												
Debt servicing												
Program costs	246,746	310,789	1,352,747	1,537,170	649,895	701,811	97,378	(297,985)	156,011	226,642	117,370	122,865
Wages and benefits	153,724	158,222	207,698	210,536	93,826	98,336					2,502,777	2,483,427
	<u>400,470</u>	<u>469,011</u>	<u>1,659,383</u>	<u>1,850,548</u>	<u>743,721</u>	<u>800,147</u>	<u>374,753</u>	<u>(28,367)</u>	<u>156,011</u>	<u>226,642</u>	<u>455,248</u>	<u>467,084</u>
Excess/(deficiency) of revenues over expenses	(83,293)	(94,072)	279,330	(122,717)	(102,012)	(435,367)	(157,185)	229,612	110,325	51,024	47,165	(371,520)
Transfer between funds	52,517	69,292	(595,087)	(656,986)	280,240	450,475	512,330	387,219	(250,000)	(250,000)	-	-
Accumulated Surplus - start of year	118,856	143,636	1,972,405	2,752,108	160,957	145,849	4,572,408	3,955,577	779,662	978,638	7,604,288	7,975,808
Accumulated Surplus - end of year	<u>\$ 88,080</u>	<u>\$ 118,856</u>	<u>\$ 1,656,568</u>	<u>\$ 1,972,405</u>	<u>\$ 339,185</u>	<u>\$ 160,957</u>	<u>\$ 4,927,553</u>	<u>\$ 4,572,408</u>	<u>\$ 639,987</u>	<u>\$ 779,662</u>	<u>\$ 7,653,453</u>	<u>\$ 7,604,288</u>

Matsqui First Nation
Notes to the Financial Statements
Year Ended March 31, 2020

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14. Expenses by Object

	2020	2019
Expenses		
Audit	\$ 22,250	\$ 18,000
Administration	22,120	31,925
Allowance for doubtful accounts	10,163	10,118
Amortization	258,943	244,595
Band meetings	21,287	34,465
Bank charges and interest	6,665	4,798
Consulting and contracts	204,419	340,049
Capitalize construction costs	-	(371,507)
Cultural activities	26,148	43,893
Donations and funeral costs	7,996	19,568
Equipment lease and repair	5,187	7,843
Grounds maintenance	17,162	41,283
Honoraria	244,220	210,323
Incentives	1,218,050	1,454,092
Insurance	75,066	46,024
Lawyer fees	167,634	128,375
Materials and supplies	2,778	869
Mortgage payments	117,370	122,865
Office supplies and sundry	7,656	5,414
Repair and maintenance	108,629	117,654
Service agreements	120,288	106,393
Telephone and cable	12,564	10,642
Utilities	2,685	392
Vehicle and travel	11,671	9,301
Wages and salary	455,247	467,094
Water testing	3,969	7,800
Other	184,171	205,713
	<u>\$ 3,334,338</u>	<u>\$ 3,317,981</u>

15. Subsequent events

- a) On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of Matsqui First Nation in future periods.
- b) A Benefit Agreement with The Province of BC was signed on September 15, 2020 which provided accommodation to Matsqui First Nation totalling \$12,698,000. This is accommodation for the impacts of a proposed sale of land within Matsqui Territory.