

MATSQUI FIRST NATION
Consolidated Financial Statements
March 31, 2023

MATSQUI FIRST NATION

Consolidated Financial Statements

Table of Contents

Year Ended March 31, 2023

Management's Responsibility for Financial Reporting.....	1
Independent Auditors' Report.....	2-3
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Operations and Accumulated Surplus.....	5
Consolidated Statement of Changes in Net Financial Assets.....	6
Consolidated Statement of Cash Flows.....	7
Notes to the Consolidated Financial Statements.....	8-16
Schedule 1 - Segment Disclosure.....	17-18

MATSQUI FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2023

The Chief and Council of the Matsqui First Nation have delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the Matsqui First Nation. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Matsqui First Nation's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these consolidated financial statements present fairly the Matsqui First Nation's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

Chief and Council review the consolidated financial statements and approve them. Chief and Council meet 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 consolidated financial statements and the independent auditors' report. Chief and Council consider their findings when approving the consolidated financial statements for issuance.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Matsqui First Nation as at March 31, 2023.



Chief Alice McKay, Band Administrator
July 28, 2023



INDEPENDENT AUDITORS' REPORT

To the Chief and Council and the Members of the Matsqui First Nation,

Opinion

We have audited the accompanying consolidated financial statements of the Matsqui First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the Nation's consolidated financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2023, and its financial performance and cash flows for the year then ended. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 the 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 intends for the Nation to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our 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 auditors' report that includes our 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 the users taken on the basis of these consolidated financial statements.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.
- 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 we identify during our audit.

Chan Newstead Boates Inc

Chartered Professional Accountants
Campbell River, BC

July 28, 2023

MATSQUI FIRST NATION

Consolidated Statement of Financial Position

March 31, 2023

2023

2022

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 3)	\$ 6,238,021	\$ 4,796,513
Temporary Investments (Note 4)	2,633,895	2,596,412
Accounts Receivable (Note 5)	1,856,041	811,916
Investment in Government Business Enterprises (Note 6)	<u>20,810,964</u>	<u>20,772,304</u>
	<u>31,538,921</u>	<u>28,977,145</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 7)	200,144	327,585
Deferred Revenue (Note 8)	371,729	204,539
Minors' Trust Funds (Notes 9 & 10)	2,633,895	2,596,412
Long Term Debt (Note 11)	<u>3,301,803</u>	<u>3,510,028</u>
	<u>6,507,571</u>	<u>6,638,564</u>

NET FINANCIAL ASSETS

25,031,350 22,338,581

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 13)	<u>8,780,652</u>	<u>8,667,467</u>
-----------------------------------	------------------	------------------

ACCUMULATED SURPLUS

\$ 33,812,002 \$ 31,006,048

Contingent Liabilities and Commitments (Note 12)

Approved by:


Chief


Councilor

MATSQUI FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2023

	2023		2022
	Actual	Budget (Note 16)	
Revenues			
Indigenous Services Canada	\$ 971,947	\$ 776,300	\$ 1,104,053
Government of Canada	2,166,872	1,709,124	1,906,420
CMHC	41,724	42,500	41,933
Other First Nation Governments	211,095	288,496	192,797
Province of BC	803,692	422,000	271,074
BC First Nation Gaming	422,327	-	179,779
Income from Government Business Enterprises	38,162	20,000	17,912
Lease and Rental Revenue	774,837	769,100	757,583
Property Taxation	253,484	197,183	248,118
Contract Revenue	170,314	-	170,314
Other Revenue	2,324,518	2,437,105	957,485
Interest Income & Sundry	45,829	29,619	9,071
	<u>8,224,801</u>	<u>6,691,427</u>	<u>5,856,539</u>
Expenditures (Note 14)			
Governance	1,606,464	2,109,745	1,020,464
Lands and Economic Development	2,281,990	2,716,533	2,143,373
Health and Education	869,657	1,758,899	717,861
Housing and Capital	432,812	365,300	350,169
Taxation	227,924	401,183	183,337
	<u>5,418,847</u>	<u>7,351,660</u>	<u>4,415,204</u>
Annual Surplus (Deficit)	2,805,954	\$ <u>(660,233)</u>	1,441,335
Accumulated Surplus, Beginning of Year	<u>31,006,048</u>		<u>29,564,713</u>
Accumulated Surplus, End of Year	<u>\$ 33,812,002</u>		<u>\$ 31,006,048</u>

MATSQUI FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2023

	2023		2022
	Actual	Budget (Note 16)	
Annual Surplus	\$ 2,805,954	\$ (660,233)	\$ 1,441,335
Purchase of Tangible Capital Assets	(437,343)	-	(509,270)
Amortization of Tangible Capital Assets	308,270	-	275,984
Disposal of Tangible Capital Assets	<u>15,888</u>	<u>-</u>	<u>27,409</u>
	2,692,769	(660,233)	1,235,458
Increase (Decrease) in Net Financial Assets	2,692,769	<u><u>\$ (660,233)</u></u>	1,235,458
Net Financial Assets, Beginning of Year	<u>22,338,581</u>		<u>21,103,123</u>
Net Financial Assets, End of Year	<u><u>\$ 25,031,350</u></u>		<u><u>\$ 22,338,581</u></u>

MATSQUI FIRST NATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2023

2023

2022

Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	\$ 7,264,464	\$ 5,978,324
Cash Paid to Suppliers and Members	(5,178,670)	(4,138,902)
Interest Received	45,240	9,071
Interest Paid	(21,865)	(111,847)
	<u>2,109,169</u>	<u>1,736,646</u>

Cash Flows From Investing Activities:

Investment in Government Business Enterprises	(498)	(1,171)
Investment in (Withdrawal of) Temporary Investments	(37,483)	3,888
	<u>(37,981)</u>	<u>2,717</u>

Cash Flows From Financing Activities:

Proceeds from Long Term Debt	-	116,040
Repayment of Long Term Debt	(208,225)	(202,064)
	<u>(208,225)</u>	<u>(86,024)</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(437,343)	(509,270)
Disposal of Tangible Capital Assets	15,888	27,409
	<u>(421,455)</u>	<u>(481,861)</u>

Increase in Cash and Cash Equivalents

1,441,508 1,171,478

Cash - Beginning of Year

4,796,513 3,625,035

Cash - End of Year

\$ 6,238,021 \$ 4,796,513

Cash is Represented by:

Cash on Hand and Held in Banks (Note 3)	\$ 6,128,408	\$ 4,690,645
Restricted Cash (Note 3)	109,613	105,868
	<u>\$ 6,238,021</u>	<u>\$ 4,796,513</u>

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

1. Significant Accounting Policies:

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada.

b) Basis of Presentation

The consolidated financial statements include Matsqui First Nation (the "Nation") government and a company wholly owned and controlled by the Nation, 2179 McCallum Nominee Ltd. The controlled entity does not meet the definition of a government business enterprise.

The Nation accounts for their investments in government business enterprises (GBE's) or partnerships using the modified equity method. Under the modified equity method of accounting, only the Nation's investment in the business entities and the entities' net income and other changes in equity are recorded. No adjustment is made for accounting policies that are different from those of the Nation, except that any other comprehensive income of the business entities is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated.

Investments in the following entities are accounted for by the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Nation:

Matsqui First Nation Development Corporation (100%)
Matsqui First Nation Development Limited Partnership (99.99%)
Matsqui Development G.P. Ltd.(100%)
Matsqui Development Limited Partnership (99.99%)

c) 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 and may be consumed in normal operations. Non-financial assets include tangible capital assets, property under development, and prepaid expenses. Intangible assets, and items inherited by right of the Nation, are not recognized in the consolidated financial statements.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided for using the following rates and methods:

Housing & Buildings	35-50 years
Automotive and General Equipment	10 years
Office and Other Equipment	10-25 years
Infrastructure	40-80 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the assets are less than their net book value. The net writedowns are accounted for as expenses in the statement of operations.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued):

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks net of bank overdraft. Cash subject to external restrictions that prevent its use for current purposes is reflected in restricted cash.

f) Temporary Investments

Temporary investments include guaranteed investment certificates maturing at various times in subsequent fiscal years. These investments are recorded at cost.

g) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to any obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability.

Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Rents, leases, contributions from non-government agreements and interest are recognized as revenues in the period earned, when collection is reasonably assured.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Taxation revenues are recognized when authorized by Council, the taxable event has occurred, and the definition of an asset is met.

h) Measurement Uncertainty:

In preparing the consolidated financial statements for the Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include the allowance for doubtful accounts and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

i) Asset Retirement Obligations

The Nation recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

2. Change in Accounting Policy:

On April 1, 2022, the Nation adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Nation determined that at both April 1, 2021 and April 1, 2022, it did not have any tangible capital assets that would result in an asset retirement obligation.

3. Cash and Cash Equivalents:

	<u>2023</u>	<u>2022</u>
Externally Restricted		
CMHC Replacement Reserve	\$ 53,087	\$ 52,952
CMHC Operating Reserve	<u>56,526</u>	<u>52,916</u>
	<u>109,613</u>	<u>105,868</u>
Held for Other Organizations		
LMS Society	<u>-</u>	<u>63,819</u>
Internally Restricted		
Taxation Account	<u>396,255</u>	<u>418,083</u>
Unrestricted		
Trust Funds Held by the Federal Government	586	588
Operations	5,351,502	3,768,955
Housing	<u>380,065</u>	<u>439,200</u>
	<u>5,732,153</u>	<u>4,208,743</u>
	<u>\$ 6,238,021</u>	<u>\$ 4,796,513</u>

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds, along with accumulated interest, must be held in separate bank accounts, with the agreement with CMHC requiring its own bank account.

The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. Interest earned is to be credited as to the replacement reserve and funds in the account may only be used for CMHC approved expenditures.

The Nation is also required to maintain a separate bank account for the operating surplus resulting from the operation of the program under the agreement, known as the operating reserve.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

4. Temporary Investments:

	<u>2023</u>	<u>2022</u>
Royal Bank of Canada:		
Term Deposits renewable within one year, interest rates of 0.25% - 1.75%		
Minor's Trust Fund & Minor's Reserve (Note 9 & 10)	\$ <u>2,633,895</u>	\$ <u>2,596,412</u>

5. Accounts Receivable:

	<u>2023</u>	<u>2022</u>
Accounts Receivable	\$ 1,004,804	\$ 187,525
Accounts Receivable Federal Government	749,108	511,299
Receivable - Members	3,650	3,450
Rents Receivable (Payable) - Members	-	4,374
CMHC Subsidy Receivable	3,482	3,543
GST Rebate Receivable (Payable)	-	13,218
Homeowner Grant Receivable	55,621	68,252
Property Taxation Receivable	<u>39,376</u>	<u>20,255</u>
	\$ <u>1,856,041</u>	\$ <u>811,916</u>

6. Investment in Government Business Enterprises:

The Nation's investment in Government Business Enterprises consists of the following:

	<u>2023</u>	<u>2022</u>
Matsqui Development Corporation Ltd.	\$ 6,324	\$ 6,324
Matsqui First Nation Development Limited Partnership	312,997	311,922
Matsqui Development G.P. Ltd.	1	1
Matsqui Development Limited Partnership	<u>20,491,642</u>	<u>20,454,057</u>
	\$ <u>20,810,964</u>	\$ <u>20,772,304</u>

Matsqui First Nation has 100% ownership of Matsqui First Nation Development Corporation Ltd. which owns one unit of and is the general partner of Matsqui First Nation Development Limited Partnership. Matsqui First Nation is the limited partner and owns all outstanding units beyond those identified as owned by the Corporation. The purpose of the business entities is to develop and pursue activities related to forestry operations.

Matsqui First Nation has 100% ownership of Matsqui Development G.P. Ltd. which is the general partner of the Matsqui Development Limited Partnership. Matsqui First Nation is the limited partner and owns all outstanding units of the LP. The purpose of the business entities is to develop land at 2179 McCallum Road.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

6. Investment in Government Business Enterprises (continued):

	Matsqui First Nation Development Corporation	Matsqui First Nation Development Limited Partnership	Matsqui Development G.P. Ltd.	Matsqui Development Limited Partnership	2023	2022
Assets	\$ <u>3</u>	\$ <u>460,708</u>	\$ <u>100</u>	\$ <u>27,976,728</u>	\$ <u>28,437,539</u>	\$ <u>28,639,853</u>
Liabilities	\$ 7,215	\$ 148,093	\$ 99	\$ 7,484,910	\$ 7,640,317	\$ 7,880,793
Retained Earnings/Partners' Capital	<u>(7,212)</u>	<u>312,615</u>	<u>1</u>	<u>20,491,818</u>	<u>20,797,222</u>	<u>20,759,060</u>
Total Liabilities and Equity	\$ <u>3</u>	\$ <u>460,708</u>	\$ <u>100</u>	\$ <u>27,976,728</u>	\$ <u>28,437,539</u>	\$ <u>28,639,853</u>
Revenue	\$ -	\$ 3,585	\$ -	\$ 48,512	\$ 52,097	\$ 51,724
Expenses	<u>-</u>	<u>3,008</u>	<u>-</u>	<u>10,927</u>	<u>13,935</u>	<u>33,814</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>577</u>	\$ <u>-</u>	\$ <u>37,585</u>	\$ <u>38,162</u>	\$ <u>17,910</u>

7. Accounts Payable and Accrued Liabilities:

	2023	2022
Accounts Payable	\$ 141,417	\$ 139,045
Other Accrued Liabilities	55,645	121,639
Accrued Interest Payable	3,082	3,082
Due to LMS Society	<u>-</u>	<u>63,819</u>
	\$ <u>200,144</u>	\$ <u>327,585</u>

8. Deferred Revenue:

Deferred revenue consists of the following at year end:

	Balance March 31, 2022	Funding Received	Revenue Recognized	Balance March 31, 2023
Sto:lo Nation Health Programs	\$ 57,195	185,084	102,929	\$ 139,350
Indigenous Services Canada	-	1,149,659	971,947	177,712
Province of BC	-	30,000	-	30,000
Community Foundations of Canada	<u>147,344</u>	<u>-</u>	<u>122,677</u>	<u>24,667</u>
	\$ <u>204,539</u>	\$ <u>1,364,743</u>	\$ <u>1,197,553</u>	\$ <u>371,729</u>

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

9. Minors' 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 consolidated financial statements as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 2,579,147	\$ 2,580,189
Additions:		
Summer Distribution 45 at \$1,500 (2022 - 45 at \$1,500)	67,500	67,500
Winter Distribution 44 at \$2,500 (2022 - 43 at \$2,500)	110,000	107,500
Interest Income	<u>8,415</u>	<u>10,266</u>
	<u>185,915</u>	<u>185,266</u>
Deductions:		
Matured Distribution Held in Trust	-	53,250
Distribution to Minor Band Members with Interest	<u>142,698</u>	<u>133,058</u>
Balance, end of year (Note 3)	\$ <u>2,622,364</u>	\$ <u>2,579,147</u>

10. Minors' 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, 2023 a total of 54 members (2022 - 52) have received the original \$2,500 per capital distribution plus accumulated interest.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 17,265	\$ 20,111
Distribution, Including Interest	(5,801)	(2,887)
Interest Earned During Year	<u>67</u>	<u>41</u>
Balance, end of year (Note 3)	\$ <u>11,531</u>	\$ <u>17,265</u>
Allocated as:		
Distribution at \$2,500 each - 4 Remaining (2022 - 6)	10,000	15,000
Interest Earned on Undistributed Balance	<u>1,531</u>	<u>2,265</u>
	\$ <u>11,531</u>	\$ <u>17,265</u>

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

11. Long-Term Debt:

	<u>2023</u>	<u>2022</u>
Phase 1 - All Nations Trust Company		
Mortgage bearing interest at 0.98%, repayable in monthly payments of \$1,633, renews April 1, 2025, matures April 1, 2040	\$ 308,240	\$ 324,738
Phase 2 - All Nation Trust Company		
Mortgage bearing interest at 1.13%, repayable in monthly payments of \$1,185, renews June 1, 2026, matures June 1, 2041	234,519	246,028
Phase 3 - All Nation Trust Company		
Mortgage bearing interest at 3.12%, repayable in monthly payments of \$1,535, renews April 1, 2028, matures April 1, 2043	275,465	287,419
Royal Bank of Canada		
Term loan bearing interest at 4.31%, repayable in monthly payments of \$1,590, due in full March 30, 2024	17,111	35,029
Royal Bank of Canada		
Demand Loan bearing interest at 3.46%, repayable in monthly payments of \$19,542, renews July 24, 2025, matures August 1, 2035	2,350,428	2,500,774
Government of Canada - IR 1 Promissory Note:		
Interest-free; maturing the earlier of March 31, 2026 or the date on which the IR 1 Roads Claim is settled	58,030	58,030
Government of Canada - IR 2 Promissory Note:		
Interest-free; maturing the earlier of March 31, 2026 or the date on which the IR 2 Roads Claim is settled	58,010	58,010
	<u>\$ 3,301,803</u>	<u>\$ 3,510,028</u>

Interest expense on Long Term Debt for the year ended March 31, 2023 is \$13,742 (2022 - \$104,206). Scheduled principal repayments for the next five years are estimated as follows:

2024	\$ 211,003
2025	199,979
2026	322,309
2027	212,768
2028 and Thereafter	2,355,744

12. Contingent Liabilities and Commitments:

Matsqui First Nation guaranteed mortgages for members totaling \$2,006,839 (2022 - \$1,498,483). At March 31, 2023 no liability has been recorded associated with these guarantees.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2023	2022
Band Homes	\$ 2,898,912	\$ 102,644	\$ 85,255	\$ 2,916,301	\$ 2,239,906	\$ 45,842	\$ 69,367	\$ 2,216,381	\$ 699,920	\$ 659,006
Tractors & Vehicles	572,467	79,517	-	651,984	180,589	51,010	-	231,599	420,385	391,878
Equipment	251,565	77,799	-	329,364	117,283	17,926	-	135,209	194,155	134,282
Multi-purpose Building	5,292,199	-	-	5,292,199	670,344	105,844	-	776,188	4,516,011	4,621,855
Infrastructure	2,107,218	177,383	-	2,284,601	247,205	47,687	-	294,892	1,989,709	1,860,013
NPH Housing	1,218,759	-	-	1,218,759	218,326	39,961	-	258,287	960,472	1,000,433
Total	\$12,341,120	\$ 437,343	\$ 85,255	\$12,693,208	\$ 3,673,653	\$ 308,270	\$ 69,367	\$ 3,912,556	\$ 8,780,652	\$ 8,667,467

14. Expenses by Object:

	<u>2023</u>	<u>2022</u>
Accounting and audit	\$ 55,486	\$ 49,820
Administration	10,037	26,572
Amortization	308,270	275,984
Band meetings	48,191	7,114
Bank charges and interest	8,123	7,641
BC Gaming	380,171	-
Consulting contracts	681,634	672,457
Cultural activities	24,492	36,697
Donations and funeral costs	11,198	3,480
Equipment lease and repair	4,274	5,404
Grounds maintenance	49,229	15,741
Honoraria	237,212	295,788
Incentives	894,000	991,250
Insurance	90,177	95,739
Interest on long-term debt	13,742	104,206
Lawyer fees	24,018	114,137
Materials and supplies	8,106	32,284
Office supplies and sundry	20,039	7,408
Other	938,170	527,769
Rent	19,200	13,900
Repair and maintenance	90,711	64,814
Service agreements	232,786	169,341
Telephone and cable	16,100	15,510
Utilities	10,719	1,764
Vehicle and travel	44,201	13,607
Wages and salary	1,184,311	854,777
Water testing	14,250	12,000
	<u>\$ 5,418,847</u>	<u>\$ 4,415,204</u>

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

15. Economic Dependence:

The Nation receives a significant portion of its revenues from Indigenous Services Canada (ISC) as a result of agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the Indian Act. The Nation's ability to continue operations with its current programs is partially dependent upon the Government of Canada's continued financial support.

16. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Nation and have not been audited.

17. Comparative Financial Information:

Certain comparative financial information has been reclassified, where necessary, to conform with the financial statement presentation in the current year.

18. Segment Disclosure:

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Governance

Governance contains all activities that are needed to manage and administer the Nation's organization including corporate administration. Governance is responsible for the support and coordination of all the Nation's departments.

Lands and Economic Development

All self-generated and resource based activities of the Nation are reported in this segment including land leases, contract activities, management of land and related resources as well as all activities involved in the development of the community and economic opportunities.

Health and Education

Health and education contains activities that provide health services, medical services, educational facilitation and assist where necessary with financial support or support by other means to members that is aimed at developing both the individual as well as the community.

Housing and Capital

Housing and Capital contains activities that relate to on reserve housing and capital expansion both on reserve land and off reserve properties owned by the Nation.

Taxation

Taxation contains all activities relating to property taxes collected and expensed during normal operations throughout the fiscal year.

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

18. Segment Disclosure (continued):

	Governance			Lands & Economic Development			Health & Education		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
Revenue									
Federal Transfers:									
Indigenous Services Canada	\$ 376,097	\$ 563,500	\$ 823,545	\$ 283,313	\$ 299,348	\$ 280,508	\$ 116,890	\$ 14,250	\$ -
Government of Canada	-	39,847	-	1,709,124	2,127,025	1,906,420	-	-	-
CMHC	-	-	-	-	-	-	-	-	-
Other First Nation Governments	27,000	44,000	24,000	22,751	18,764	16,171	238,745	148,331	152,626
Province of BC	200,000	602,196	108,630	-	171,496	85,000	30,000	30,000	77,444
BC First Nation Gaming	-	-	-	-	-	-	-	422,327	179,779
Investment income	-	-	-	20,000	38,162	17,912	-	-	-
Lease and rental income	15,000	14,800	13,900	620,000	638,250	608,550	-	275	6,000
Property taxation	-	-	-	-	-	-	-	-	-
Contract revenue	-	-	-	-	170,314	170,314	-	-	-
Other revenue	1,400,600	802,260	410,744	479,650	1,293,695	404,682	556,855	228,563	142,059
Interest and sundry income	-	589	-	6,000	26,927	5,826	10,919	10,993	2,033
	<u>2,018,697</u>	<u>2,067,192</u>	<u>1,380,819</u>	<u>3,140,838</u>	<u>4,783,981</u>	<u>3,495,383</u>	<u>953,409</u>	<u>854,739</u>	<u>559,941</u>
Expenses									
Amortization	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	89,327	-	84,155	-
Program costs	1,768,245	1,211,059	695,524	1,925,526	1,638,646	1,638,643	1,612,544	659,940	603,427
Wages and salaries	341,500	395,405	324,940	791,007	643,344	415,403	146,355	125,562	114,434
	<u>2,109,745</u>	<u>1,606,464</u>	<u>1,020,464</u>	<u>2,716,533</u>	<u>2,281,990</u>	<u>2,143,373</u>	<u>1,758,899</u>	<u>869,657</u>	<u>717,861</u>
Transfers	-	28,168	-	-	(489,909)	668,192	-	(131,948)	(222,339)
Annual Surplus (Deficit)	<u>\$ (91,048)</u>	<u>\$ 488,896</u>	<u>\$ 360,355</u>	<u>\$ 424,305</u>	<u>\$ 2,012,082</u>	<u>\$ 2,020,202</u>	<u>\$ (805,490)</u>	<u>\$ (146,866)</u>	<u>\$ (380,259)</u>

MATSQUI FIRST NATION

Notes to the Financial Statements

March 31, 2023

18. Segment Disclosure (continued):

	Housing & Capital			Taxation			Total		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
Revenue									
Federal Transfers:									
Indigenous Services Canada	\$ -	\$ 94,849	\$ -	\$ -	\$ -	\$ -	\$ 776,300	\$ 971,947	\$ 1,104,053
Government of Canada	-	-	-	-	-	-	1,709,124	2,166,872	1,906,420
CMHC	42,500	41,724	41,933	-	-	-	42,500	41,724	41,933
Other First Nation Governments	-	-	-	-	-	-	288,496	211,095	192,797
Province of BC	-	-	-	192,000	-	-	422,000	803,692	271,074
BC First Nation Gaming	-	-	-	-	-	-	-	422,327	179,779
Investment income	-	-	-	-	-	-	20,000	38,162	17,912
Lease and rental income	134,100	121,512	129,133	-	-	-	769,100	774,837	757,583
Property taxation	-	-	-	197,183	253,484	248,118	197,183	253,484	248,118
Contract revenue	-	-	-	-	-	-	-	170,314	170,314
Other revenue	-	-	-	-	-	-	2,437,105	2,324,518	957,485
Interest and sundry income	700	4,069	668	12,000	3,251	544	29,619	45,829	9,071
	<u>177,300</u>	<u>262,154</u>	<u>171,734</u>	<u>401,183</u>	<u>256,735</u>	<u>248,662</u>	<u>6,691,427</u>	<u>8,224,801</u>	<u>5,856,539</u>
Expenses									
Amortization	280,000	308,270	275,984	-	-	-	280,000	308,270	275,984
Interest	-	13,742	14,879	-	-	-	-	97,897	104,206
Program costs	85,300	90,800	59,306	401,183	227,924	183,337	5,792,798	3,828,369	3,180,237
Wages and salaries	-	20,000	-	-	-	-	<u>1,278,862</u>	<u>1,184,311</u>	<u>854,777</u>
	<u>365,300</u>	<u>432,812</u>	<u>350,169</u>	<u>401,183</u>	<u>227,924</u>	<u>183,337</u>	<u>7,351,660</u>	<u>5,418,847</u>	<u>4,415,204</u>
Transfers	-	593,689	(445,853)	-	-	-	-	-	-
Annual Surplus (Deficit)	<u>\$ (188,000)</u>	<u>\$ 423,031</u>	<u>\$ (624,288)</u>	<u>\$ -</u>	<u>\$ 28,811</u>	<u>\$ 65,325</u>	<u>\$ (660,233)</u>	<u>\$ 2,805,954</u>	<u>\$ 1,441,335</u>