

**MALAHAT NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

# **MALAHAT NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

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# MALAHAT NATION

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING MARCH 31, 2019

The accompanying consolidated financial statements of Malahat First Nation and all for the year ended March 31, 2019 are the responsibility of management and have been approved by the Chief and Council.

The 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 judgement. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Malahat 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 the Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, 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 Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.)


The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to Chief and Council. Reid Hurst Nagy Inc. have full and free access to the management for information purposes.

  
\_\_\_\_\_  
Chief

1/30/2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Councilor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Councilor

1/30/2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Councilor

1/30/2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Acting Director of Finance

1/30/2020  
\_\_\_\_\_  
Date

## Independent Auditor's Report

To the Members of  
**Malahat Nation**

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### *Qualified Opinion*

We have audited the consolidated financial statements of Malahat Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of revenue, expenses and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

The financial information for certain government business enterprises and partnerships are not available and have not been accounted for in the consolidated financial statements. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments that might have been necessary to investment in government business enterprises, investment in government business partnerships, income (loss) from the government business enterprises, income (loss) from the government business partnerships, due to and from government business enterprises, due to and from government business partnerships, and the enterprises fund balance.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First 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 for our qualified 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 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 the First Nation or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's 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 auditor's 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 users taken on the basis of these financial statements. 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 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 the 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 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 auditor's report. However, future events or conditions may cause the 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 the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.



Reid Hurst Nagy Inc.  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, B.C.  
January 23, 2020

# MALAHAT NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	-	678,261
Marketable securities (Note 3)	362,693	360,882
Accounts receivable (Note 4)	2,046,471	433,217
Note receivable (Note 5)	37,347,974	36,705,078
Due from related entities (Note 6)	163,312	253,444
Investment in government business partnerships (Note 8)	41,976	41,976
Federal trust funds (Note 9)	491,546	490,899
Funds held in trust (Note 10)	5,034,097	6,116,015
	<b>45,488,069</b>	<b>45,079,772</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 2)	610,779	-
Bank demand loan (Note 11)	300,000	-
Accounts payable and accrued liabilities (Note 12)	879,654	655,215
Deferred revenue (Note 13)	2,320,699	2,826,468
Due to related entities (Note 14)	4,796,041	3,568,515
Liability in Government Business Enterprises (Note 7)	6,758,353	6,299,991
Liability in Government Business Partnerships (Note 8)	83,994	83,994
Long-term debt (Note 15)	2,250,509	1,581,153
Promissory notes (Note 16)	36,890,939	37,371,608
	<b>54,890,968</b>	<b>52,386,944</b>
<b>NET DEBT</b>	<b>(9,402,899)</b>	<b>(7,307,172)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 17)	10,627,169	6,571,718
Prepaid expenses	58,858	38,812
	<b>10,686,027</b>	<b>6,610,530</b>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 18)</b>	<b>1,283,128</b>	<b>(696,642)</b>

### APPROVED ON BEHALF OF THE MALAHAT NATION

 , Chief

 , Councilor

 , Acting Director of Finance

 , Councilor

 , Councilor

## **MALAHAT NATION**

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### **CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>1,979,770</b>	<b>(3,502,926)</b>
Acquisition of tangible capital assets	<b>(6,303,237)</b>	(3,260,278)
Amortization of tangible capital assets	<b>302,943</b>	260,249
Uses of construction in progress	<b>1,468,882</b>	-
Disposition of net tangible capital assets	<b>475,961</b>	-
	<b>(4,055,451)</b>	<b>(3,000,029)</b>
Acquisition of prepaid assets	<b>(58,858)</b>	(38,812)
Use of prepaid assets	<b>38,812</b>	31,141
	<b>(20,046)</b>	<b>(7,671)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(2,095,727)</b>	<b>(6,510,626)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(7,307,172)</b>	<b>(796,546)</b>
<b>NET DEBT, END OF YEAR</b>	<b>(9,402,899)</b>	<b>(7,307,172)</b>

The accompanying notes are an integral part of the financial statements

# MALAHAT NATION

## CONSOLIDATED SUMMARY STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>REVENUE</b>			
Indigenous Services Canada	1,979,550	2,546,999	5,297,931
ISC - Reimbursement (Recovery)	-	(30,289)	(1,171)
Canada Mortgage and Housing Corporation	751,314	80,625	66,729
Fisheries and Oceans Canada	-	44,880	44,880
First Nation Health Authority	399,458	2,050,512	8,802
Natural Resources Canada	-	83,725	9,000
Ottawa Trust Fund	-	23,126	22,510
Province of BC	-	87,000	522,600
Funding from First Nation Organizations	-	134,101	182,968
Net income (loss) from Government Business Enterprises	-	(448,361)	(6,349,374)
Gain on disposal of tangible capital assets	-	52,885	-
Other Funding Recovery	-	-	(6,750)
Other Revenue	2,000	2,694,296	3,147,216
Rental income	-	158,654	99,970
Deferred revenue - prior year	-	2,826,468	1,283,196
Deferred revenue - current year	-	(2,320,699)	(2,826,468)
	3,132,322	7,983,922	1,502,039
<b>EXPENDITURES</b>			
Indian Government Services	363,732	1,860,546	1,750,979
Health	297,985	261,982	8,362
Housing	865,902	364,998	512,630
Education, Employment and Training	573,734	855,495	803,041
Social Development	306,176	351,750	284,204
Economic Development	289,374	1,976,261	1,283,937
Community Infrastructure	103,728	320,953	344,056
Ottawa Trust Fund	-	11,239	11,026
Housing Reserves	-	928	6,730
	2,800,631	6,004,152	5,004,965
<b>ANNUAL SURPLUS (DEFICIT)</b>	331,691	1,979,770	(3,502,926)
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	-	(696,642)	2,806,284
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	331,691	1,283,128	(696,642)

The accompanying notes are an integral part of the financial statements



# MALAHAT NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	1,979,770	(3,502,926)
Items not affecting cash		
Amortization	302,943	260,249
Gain on disposal of tangible capital assets	(52,885)	-
	2,229,828	(3,242,677)
Change in non-cash items on statement of financial position		
Accounts receivable	(1,613,254)	275,446
Prepaid expenses	(20,046)	(7,671)
Accounts payable and accrued liabilities	224,441	96,104
Deferred revenue	(505,769)	1,543,272
Bank demand loan	300,000	-
Federal trust fund	(647)	(458)
Investment in Government Business Enterprises	458,362	6,349,374
	1,072,915	5,013,390
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,305,511)	(3,260,278)
<b>FINANCING ACTIVITIES</b>		
Due from related entities	90,132	(10,089)
Due to related entities	1,227,526	1,349,519
Principal repayment on long-term debt	(81,958)	(402,750)
Proceed from long-term debt	751,314	650,442
Proceed from promissory notes	-	22,000,000
Note receivable	(642,896)	(21,542,178)
Principal repayment on promissory notes	(480,669)	(466,669)
Term deposits	(1,811)	(1,988)
Funds held in trust	1,081,918	(2,800,682)
	1,943,556	(1,224,395)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,289,040)</b>	<b>528,717</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>678,261</b>	<b>149,544</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>(610,779)</b>	<b>678,261</b>

The accompanying notes are an integral part of the financial statements

# **MALAHAT NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

### **1.i NATURE OF OPERATIONS**

Malahat Nation (the "First Nation") is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous Services Canada (ISC) (formerly Indigenous and Northern Affairs Canada) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlements and specific land claims.

### **1.ii BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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

The First Nation reporting entity includes the Malahat Nation government and all related entities that are controlled by the First Nation.

#### **(a) Principles of Consolidation**

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

Entities consolidated in Malahat Nation's financial statements include:

1. Kwunew Kwasun Cultural Society

Entities accounted for on a modified equity basis include:

2. Malahat Aquaculture Ltd. - 100% interest
3. Malahat Construction Ltd. - 100% interest
4. MNQM Contracting Ltd. - 51% interest
5. Yos Economic Development Ltd. - 100% interest
6. Malahat Forestry (2012) Ltd. - 100% interest
7. Malahat Forestry Services Inc. - 100% interest
8. Malahat Investment Corporation - 100% interest
9. Malahat Land Corporation Ltd. - 100% interest
10. Malahat Nation Land Corporation. - 100% interest
11. Malahat Tenure Holding Ltd. - 100% interest
11. Malahat Hazelwood Construction Ltd. - 100% interest
12. Salish Strait Seafoods Ltd. - 20% interest
13. Malahat Aquaculture Limited Partnership - 99.99% interest
14. Malahat Construction Limited Partnership - 99.99% interest
15. Malahat Forestry (2012) Limited Partnership - 99.99% interest
16. Malahat Land Development Limited Partnership - 99.99% interest
17. Malahat Tenure Holding Limited Partnership - 99.99% interest

# **MALAHAT NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

### **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

#### **(c) Note Receivable**

Note receivable is recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

#### **(d) Trust Funds**

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act.

Federal trust funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Other trust fund consist of debt reserves and prepaid loan payments held by the First Nation Finance Authority in relations to repayment of promissory notes outstanding in the year.

#### **(e) Deferred Revenue**

Under the terms of the contribution agreement between the First Nation, ISC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. On the other hand, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

#### **(f) Long-term Debt**

Loan proceeds related to the financing of tangible capital assets are recorded as revenue in the appropriate fund. The loan amount is also recorded as a liability on the Statement of Financial Position and as a reduction in the Tangible Capital Asset Fund.

Debt payments, including principal and interest, are charged to the fund to which they relate. Principal reductions are reflected as a reduction in the liability with an offsetting increase in the Tangible Capital Assets Fund.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) 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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Malahat Nation's incremental cost of borrowing.

Except for assets related to CMHC Housing, which are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required by the operating agreement with CMHC, amortization is recorded as a reduction to the Tangible Capital Assets Fund and is provided for using the following methods at rates designed to amortize over the estimated useful life of the assets as follows:

Buildings	20 years Straight line
Automotive equipment	5 years Straight line
Equipment	5 years Straight line
Canoes	15 % Declining balance
Infrastructure	20 years Straight line
Marineside development	20 years Straight line
Culture Centre	20 years Straight line
Boat	5 years Straight line

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

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

### **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(h) Revenue Recognition**

##### **Government Funding**

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

##### **First Nation Capital Revenue Trust Funds**

The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

##### **Other Trust Funds**

The First Nation recognized interest revenue when earned from debt reserves associated with outstanding promissory notes.

##### **Housing Rental Income**

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

##### **Own Source Revenue**

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.

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.

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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

### **BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(i) Financial Instruments**

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the First Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The First Nation's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, note receivable, funds held in trust, due from and to related entities, bank drafts, accounts payable and accrued liabilities, deferred revenue, promissory notes and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carry values.

#### **(j) Measurement Uncertainty**

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

#### **(k) Segments**

The First Nation conducts its business through a number of operating segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 2. CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Externally restricted:		
Operating reserve	33,082	31,781
Replacement reserve	173	59,977
Endowment fund	5,295	53,357
	<b>38,550</b>	<b>145,115</b>
Unrestricted:		
Cash and cash equivalents	(649,329)	533,146
<b>Total Cash and Cash Equivalents</b>	<b>(610,779)</b>	<b>678,261</b>

#### Externally restricted - Operating Reserve

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds may be used to offset future deficits. Withdrawals are credited to interest first and then principal. At the year end, the reserve was under funded by \$45,172 (2018: over funded by \$204).

#### Externally restricted - Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$12,390 (2018: \$11,040) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the reserve was under funded by \$58,709 (2018: over funded by \$12,753).

### 3. MARKETABLE SECURITIES

The marketable securities consist of guarantee investment certificates (GIC).

	2019 \$	2018 \$
GICs with maturity less than a year and earning interest at 1.00% per annum (2018: ranging from 0.50% to 0.55% per annum)	317,777	316,066
GICs held as collateral for long-term debt with maturity less than a year and earning interest at 1.00% (2018: 0.50%) per annum	19,992	19,892
GICs held as collateral for long-term debt with maturity in May 2022 and earning interest at 1.85% per annum	24,924	24,924
	<b>362,693</b>	<b>360,882</b>

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 4. ACCOUNTS RECEIVABLE

	2019 \$	2018 \$
<b>Due from members</b>		
Rent	44,316	11,984
<b>Due from Government and other Government Organizations:</b>		
Indigenous Services Canada	733,894	-
Natural Resources Canada	121,060	2,250
GST Public Service Bodies' Rebate	32,422	27,367
Canada Mortgage and Housing Corporation	28,697	12,511
Ministry of Indigenous Relations and Reconciliation	12,500	-
Fisheries and Oceans Canada	8,976	4,488
Province of BC	-	3,500
Transport Canada	-	1,319
First Nation Health Authority	667,866	-
	<b>1,605,415</b>	<b>51,435</b>
<b>Due from others:</b>		
Others	440,685	385,771
	<b>2,090,416</b>	<b>449,190</b>
Allowance for doubtful accounts	(43,945)	(15,973)
	<b>2,046,471</b>	<b>433,217</b>

### 5. NOTE RECEIVABLE

The note to Malahat Investment Corporation, an indirect wholly owned government business enterprise, is due on demand. The note is payable 30 days after demand and bears interest at 3.1% per annum calculated monthly. There are no fixed terms of principal repayment. Interest shall become due and be paid on the first day of each and every month after the date hereof until the whole of the principal balance of advances made hereunder is paid.

Total interest expense recorded for the year is \$1,092,713 (2018: \$1,091,995).

	2019 \$	2018 \$
Note receivable	35,023,580	35,473,397
Interest receivable	2,324,394	1,231,681
	<b>37,347,974</b>	<b>36,705,078</b>



# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 6. DUE FROM RELATED ENTITIES

	2019	2018
	\$	\$
Malahat Aquaculture Limited Partnership	725	725
Malahat Aquaculture Ltd.	2,782	2,782
Malahat Business Trust	1,450	1,450
Malahat Construction Limited Partnership	74,914	174,914
Malahat Construction Ltd.	2,254	1,995
Malahat Economic Development Ltd.	26,463	25,126
Malahat Forestry Ltd.	5,076	4,815
Malahat Land Development Limited Partnership	725	725
Malahat Nation Land Corporation	31,173	23,422
Malahat Tenure Holding Ltd.	17,750	17,490
	<b>163,312</b>	<b>253,444</b>

### 7. LIABILITY IN GOVERNMENT BUSINESS ENTERPRISES

The Malahat First Nation's investment in government business enterprises consist of the following:

	2019	2018
	\$	\$
Malahat Investment Corporation	(6,870,736)	(6,412,374)
Malahat Aquaculture Ltd.	(1,797)	(1,797)
Malahat Construction Ltd.	1,019	1,019
Malahat Economic Development Ltd.	(8,557)	(8,557)
Malahat Forestry (2012) Ltd.	(1,328)	(1,328)
Malahat Forestry Services Inc.	2	2
Malahat Land Corporation	1	1
Malahat Nation Land Corporation	(7,659)	(7,659)
Malahat Tenure Holding Ltd.	(5,704)	(5,704)
Salish Strait Seafoods Ltd.	136,406	136,406
	<b>(6,758,353)</b>	<b>(6,299,991)</b>

# MALAHAT NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 7. LIABILITY IN GOVERNMENT BUSINESS ENTERPRISES, continued

As of the date of the Independent Auditor's Report, the financial information for all investments, except for Malahat Investment Corporation, is not available. The financial information of Malahat Investment Corporation for the year ended March 31, 2019 is summarized as below:

	Total Assets \$	Total Liabilities \$	2019 Equity \$	2018 Equity \$
Malahat Investment Corporation	30,566,346	37,437,079	(6,870,733)	(6,412,372)

	Total Revenue \$	Total Expenses \$	2019 Net Income (Loss) \$	2018 Net Income (Loss) \$
Malahat Investment Corporation	1,547,183	2,005,544	(458,361)	(6,349,374)

### 8. INVESTMENT AND LIABILITY IN GOVERNMENT BUSINESS PARTNERSHIP

The First Nation's investment in government business partnerships consist of the following:

	2019 \$	2018 \$
Malahat Forestry (2012) Limited Partnership (MFLP)	41,976	41,976

The First Nation's liability in government business partnerships consist of the following:

	2019 \$	2018 \$
Malahat Construction Limited Partnership (MCLP)	83,994	83,994

As of the date of the Independent Auditor's Report, the financial information is not available for these Limited Partnerships.

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 9. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2019	2018
	\$	\$
Revenue funds held in trust	485,340	485,340
Capital funds held in trust	6,206	5,559
	<b>491,546</b>	<b>490,899</b>

	2019 Revenue	2019 Capital	2019 Total	2018 Total
	\$	\$	\$	\$
Surplus, beginning of year	5,559	485,340	490,899	490,441
Withdrawals	(11,239)	-	(11,239)	(11,026)
Interest earnings	11,120	-	11,120	10,720
BC Special	766	-	766	764
Surplus, end of year	6,206	485,340	491,546	490,899

### 10. FUNDS HELD IN TRUST

	2019	2018
	\$	\$
FNFA Secured Revenues Trust Account	3,015,635	4,160,537
FNFA Debt Reserve Fund	2,018,462	1,955,478
	<b>5,034,097</b>	<b>6,116,015</b>

Funds held in trust are established by the First Nations Finance Authority (FNFA) in the First Nation. Secured Revenues Trust Account, as prescribed in the First Nations Fiscal Management Act and regulations as adapted by the Financing Secured by Other Revenues Regulations, are deposited and used to finance the FNFA Promissory note outstanding in the year (note 15). Interest accrued on deposit for 2019 is \$88,300 (2018: \$47,656).

FNFA holds on to 5% of the promissory note in the Debt Reserve Fund. This amount is invested to the credit of the First Nation and will be returned on the maturity of the promissory note. Interest accrued on the deposit for 2019 is \$66,601 (2018: \$19,218).

### 11. BANK DEMAND LOAN

The Nation has drawn from their Royal Bank of Canada line of credit in the year. The loan is interest bearing at prime plus 2% per annum.

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	\$	\$
Accounts payable and accrued liabilities	835,235	591,826
Government remittances	24,496	45,125
Vacation payable	19,923	18,264
	<b>879,654</b>	<b>655,215</b>

The vacation is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the First Nation is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributed during the year \$45,291 (2018: \$59,950) for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2019.

### 13. DEFERRED REVENUE

Deferred revenue represents monies received of which the funds are restricted for specific projects or programs and of which the expenses have not yet been incurred.

	2019	2018
	\$	\$
Indigenous Services Canada	1,090,627	2,118,619
First Nation Health Authority	921,639	-
Other	308,433	707,849
	<b>2,320,699</b>	<b>2,826,468</b>

### 14. DUE TO RELATED ENTITIES

	2019	2018
	\$	\$
Malahat Forestry (2012) Ltd.	17,872	17,872
Malahat Forestry (2012) Limited Partnership	595,890	595,890
Malahat Investment Corporation	4,182,279	2,954,753
	<b>4,796,041</b>	<b>3,568,515</b>

Advances due to related entities are unsecured and without interest or any fixed terms of repayment.

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 15. LONG-TERM DEBT

	2019 \$	2018 \$
All Nations Trust Company - repayable at \$2,087 per month including interest at 1.14% per annum. The loan will be renewed on June 1, 2021 and will mature in February 2026. It is secured by a first mortgage on housing units and a Ministerial Guarantee.	166,519	189,529
All Nations Trust Company - repayable at \$3,644 per month including interest at 2.21% per annum. The loan will be renewed on February 1, 2024 and will mature in February 2044. It is secured by a first mortgage on housing units and a Ministerial Guarantee.	775,377	604,618
All Nations Trust Company - repayable at \$2,662 per month including interest at 2.41% per annum. The loan will be renewed on April 1, 2023 and will mature in April 2038. It is secured by a first mortgage on housing units and a Ministerial Guarantee.	489,074	508,855
All Nations Trust Company - Loan advance with interest at 1.90% per annum. The advance does not have terms of repayment until completion of the Phase 005 construction project.	592,115	-
Loan advance from Peace Hill Trust has a 15 year term, maturing June 1, 2028 and will be renewed on May 1, 2023. The loan is repayable at \$2,065 per month including interest at 5.50% per annum. The loan is guaranteed by the First Nation Market Housing Fund with a collateral of a GIC for the amount of \$24,924.	183,590	197,019
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 2 years at the rate of \$622 per month beginning on August 1, 2016. The loan was fully forgiven during the year.	-	2,488
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 3 years at the rate of \$585 per month beginning on April 1, 2017. The unearned forgivable loan plus interest at 3.375% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on April 1, 2020.	7,024	14,047
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 2 years at the rate of \$590 per month beginning on August 1, 2016. The loan was fully forgiven during the year.	-	2,359
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 3 years at the rate of \$507 per month beginning on April 1, 2017. The unearned forgivable loan plus interest at 3.375% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on April 1, 2020.	6,083	12,167

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 15. LONG-TERM DEBT, continued

	2019 \$	2018 \$
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 3 years at the rate of \$874 per month beginning on September 1, 2017. The unearned forgivable loan plus interest at 3.375% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on September 1, 2020.	20,978	26,223
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 3 years at the rate of \$542 per month beginning on September 1, 2017. The unearned forgivable loan plus interest at 3.375% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on September 1, 2020.	9,749	16,248
Loan advance from CMHC On-Reserve Home Adaptions for Seniors Independence Program will be earned by the First Nation in full after 6 months beginning on January 15, 2018. The loan was fully forgiven during the year.	-	7,600
	<b>2,250,509</b>	<b>1,581,153</b>
Principal portion of long-term debt due within the next five years:		
2020	115,674	
2021	101,530	
2022	90,080	
2023	92,449	
2024 and thereafter	1,850,776	
	<b>2,250,509</b>	
	2019 \$	2018 \$
Interest expense for the year on long-term debt	42,332	29,655

# MALAHAT NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 16. PROMISSORY NOTES

The promissory notes are provided by First Nation Finance Authority as follow:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
The note has a 30 year term, is due on demand without principal repayment and interest is payable monthly at 3.65% per annum. The note matures on June 1, 2028	<b>22,000,000</b>	22,000,000
The note has a 25 year term, maturing on June 26, 2024. The note is repayable at \$18,285 principal per month with interest payable monthly at 2.985% per annum.	<b>7,141,958</b>	7,379,982
The note has a 25 year term, maturing on June 24, 2024. The note is repayable at \$19,200 principal per month with interest payable monthly at 2.900% per annum.	<b>7,748,981</b>	7,991,626
	<b>36,890,939</b>	<b>37,371,608</b>

During the year, the Malahat First Nation paid \$1,265,108 (2018: \$694,956) of interest on these promissory notes.

Principal portion of promissory notes due within the next five years:

2020	449,817
2021	449,817
2022	449,817
2023	449,817
2024 and thereafter	35,091,671

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 17. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				
	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$	Balance, beginning of year \$	Additions \$	Accumulated amortization on disposals \$	Balance, end of year \$	2019 net book value \$
Buildings	1,851,519	1,931,966	(528,846)	3,254,639	727,629	103,179	(52,884)	777,924	2,476,715
Automotive equipment	72,575	25,000	-	97,575	21,772	17,015	-	38,787	58,788
Equipment	108,078	47,248	-	155,326	50,844	26,341	-	77,185	78,141
Canoes	14,826	-	-	14,826	11,360	520	-	11,880	2,946
Infrastructure	558,406	289,426	-	847,832	287,154	35,155	-	322,309	525,523
Social housing	1,134,490	1,255,569	-	2,390,059	415,738	45,004	-	407,858	1,982,201
Construction in progress	3,587,923	2,754,030	(1,468,882)	4,873,071	-	-	-	-	4,873,071
Marineside development	70,678	-	-	70,678	12,369	3,534	-	15,903	54,775
Culture Centre	604,081	-	-	604,081	105,095	30,204	-	135,299	468,782
Boat	209,954	-	-	209,954	61,736	41,991	-	103,727	106,227
	<b>8,212,530</b>	<b>6,303,239</b>	<b>(1,997,728)</b>	<b>12,518,041</b>	<b>1,693,697</b>	<b>302,943</b>	<b>(52,884)</b>	<b>1,890,872</b>	<b>10,627,169</b>

	Cost				Accumulated amortization				
	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$	Balance, beginning of year \$	Amortization \$	Accumulated amortization on disposals \$	Balance, end of year \$	2018 Net book value \$
Buildings	1,851,519	-	-	1,851,519	646,307	81,322	-	727,629	1,123,890
Automotive equipment	72,575	-	-	72,575	7,257	14,515	-	21,772	50,803
Equipment	62,114	45,964	-	108,078	33,825	17,019	-	50,844	57,234
Canoes	13,025	1,801	-	14,826	10,907	453	-	11,360	3,466
Infrastructure	558,406	-	-	558,406	259,232	27,921	-	287,153	271,253
Social housing	1,134,490	-	-	1,134,490	318,939	43,915	-	362,854	771,636
Construction in progress	381,660	3,206,263	-	3,587,923	-	-	-	-	3,587,923
Marineside development	70,678	-	-	70,678	8,835	3,534	-	12,369	58,309
Culture Centre	604,081	-	-	604,081	74,891	30,204	-	105,095	498,986
Boat	203,704	6,250	-	209,954	20,370	41,366	-	61,736	148,218
	<b>4,952,252</b>	<b>3,260,278</b>	<b>-</b>	<b>8,212,530</b>	<b>1,380,563</b>	<b>260,249</b>	<b>-</b>	<b>1,640,812</b>	<b>6,571,718</b>

The construction project for the Big House and CMHC Phase 004 housing had been completed and amortized during the fiscal year. The construction in progress for current fiscal year represents construction of CMHC Phase 005 & 006, a multi-use building, a sanitary pump and others.



# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 18. ACCUMULATED SURPLUS

	2019 \$	2018 \$
Restricted		
Ottawa Trust Fund	491,546	490,899
Housing Reserves	105,932	78,801
	<b>597,478</b>	569,700
Unrestricted		
Net invested in tangible capital assets	8,391,302	4,991,433
Operations	(7,705,652)	(6,257,775)
	<b>685,650</b>	(1,266,342)
	<b>1,283,128</b>	<b>(696,642)</b>

### 19. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the management.

### 20. EXPENSES BY OBJECT

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Amortization	-	302,943	260,249
Communications and utilities	-	2,714	8,084
Education related expenses	436,227	507,561	304,624
Honorariums	-	2,625	75
Insurance	-	97,631	76,630
Interest and bank charges	-	1,302,043	728,374
Materials and supplies	2,500	108,343	74,949
Membership support	-	4,200	-
Other expense	88,655	347,242	299,447
Per capita distribution	-	32,300	31,100
Professional development	-	12,587	12,205
Professional fees	60,445	360,822	371,654
Programs delivery	504,541	106,931	45,149
Repairs and maintenance	42,443	134,440	64,703
Social assistance programs delivery	199,089	189,919	192,392
Subcontractors	865,902	240,120	344,862
Travel	-	41,227	26,364
Wages and benefits	600,829	2,210,504	2,164,104
		<b>6,004,152</b>	<b>5,004,965</b>

# **MALAHAT NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019**

### **21. RELATED PARTY TRANSACTIONS**

During the year, the Malahat First Nation charged Malahat Investment Corporation \$255,727 (2018: \$355,928) in management and accounting services provided and \$1,092,713 (2018, \$1,091,995) in interest on an intercompany loan. Malahat Investment Corporation donated \$25,000 to the Gala event. These transactions are in the normal course of operations and are measured at the exchange value which approximates the arm's length equivalent value for services rendered.

### **22. ECONOMIC DEPENDENCE**

The Malahat Nation receives a significant portion of its revenue pursuant to a funding agreement with ISC. The nature and extent of this revenue is of such significance that the Malahat First Nation is economically dependent on this source of revenue.

### **23. CONTINGENCIES**

The following contingencies existed as at March 31, 2019:

a) ISC provides Ministerial Guarantees for loans to the Malahat First Nation in the amount of \$3,413,139 with an outstanding balance of \$2,023,084.

b) Royal Bank of Canada credit facilities to qualified members of the Malahat First Nation with total advances not to exceed \$750,000. Funding under this program is restricted to the purchase, construction or improvement of housing on the Reserve or to refinance loans advanced by another financial institution for that purpose. The Malahat First Nation is required to provide a separate guarantee for each qualified borrower. As at the date of the Independent Auditor's Report, the Malahat First Nation had provided a guarantee for one loan with a balance of \$198,539.

c) On March 18, 2016, April 22, 2016, and January 16, 2018, Notices of Civic Claim had been filed against the Malahat Investment Corporation ("Company") by former employees for wrongful dismissal. We are unable to determine any subsequent actions or costs that may affect the Company at the date of the audit report.

### **24. SUBSEQUENT EVENTS**

Subsequent to the year ended March 31, 2019, a wrongful dismissal action initiated by a former employee was settled by Malahat First Nation for \$75,000 less Canada Pension Plan contributions.

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 25. SEGMENTED INFORMATION

The Malahat First Nation provides a wide variety of services to its members. For segment disclosure, these services are grouped and reported under service areas that are responsible for providing such services.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those in the preparation of the consolidated financial statements as follows:

	Indian Government Services			Treaty Negotiation				Health	
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous Services Canada	460,607	460,607	335,973	-	-	-	-	-	-
First Nation Health Authority	-	-	-	-	-	-	399,458	414,362	8,802
Other revenue	-	274,315	408,953	-	114,655	-	-	(106,770)	-
Total revenue	460,607	734,922	744,926	-	114,655	-	399,458	307,592	8,802
Expenses									
Wages and benefits	299,506	1,078,126	1,099,026	-	-	-	-	172,130	8,182
Professional fees	15,330	202,200	165,594	-	-	-	-	19,503	-
Social assistance programs delivery	-	-	-	-	-	-	-	456	-
Travel	-	21,316	15,029	-	-	-	-	7,953	-
Repairs and maintenance	-	669	470	-	-	-	-	2,862	-
Education related expenses	-	-	-	-	-	-	-	368	-
Interest and bank charges	-	2,299	5,246	-	-	-	-	-	-
Per capita distribution	-	32,300	31,100	-	-	-	-	-	-
Other expenses	48,896	523,636	434,514	-	-	-	297,985	58,710	180
Total expenses	363,732	1,860,546	1,750,979	-	-	-	297,985	261,982	8,362
Annual surplus (deficit)	96,875	(1,125,624)	(1,006,053)	-	114,655	-	101,473	45,610	440

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 25. SEGMENTED INFORMATION, continued

	2019 Budget	Housing 2019 Actual	2018 Actual	Education, Employment and Training			Social Development		
				2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous Services Canada	114,588	673,969	384,032	573,734	573,734	453,221	306,176	306,176	223,202
Canada Mortgage and Housing Corporation	751,314	55,925	42,577	-	24,700	24,152	-	-	-
First Nation Health Authority	-	-	-	-	1,000	-	-	-	-
Province of BC	-	-	-	-	12,500	7,600	-	30,000	30,000
Funding from First Nation Organizations	-	-	-	-	134,101	182,968	-	-	-
Rental income	-	127,814	71,990	-	-	-	-	-	-
Other revenue	-	11,767	(162,404)	-	250,438	219,262	-	22,444	6,239
Total revenue	865,902	869,475	336,195	573,734	996,473	887,203	306,176	358,620	259,441
Expenses									
Wages and benefits	-	107,964	215,477	-	160,235	274,453	38,038	101,560	77,541
Professional fees	-	4,000	5,170	-	13,798	18,107	-	2,638	-
Social assistance programs delivery	-	-	-	-	296	-	199,089	189,166	192,392
Travel	-	-	398	-	5,514	2,633	-	932	1,556
Repairs and maintenance	-	9,826	8,817	-	3,504	4	-	-	-
Education related expenses	-	-	-	436,227	496,181	304,624	-	125	-
Interest and bank charges	-	28,456	25,065	-	5,561	2,861	-	-	-
Other expenses	865,902	214,752	257,703	137,507	170,406	200,359	69,049	57,329	12,715
Total expenses	865,902	364,998	512,630	573,734	855,495	803,041	306,176	351,750	284,204
Annual surplus (deficit)	-	504,477	(176,435)	-	140,978	84,162	-	6,870	(24,763)

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 25. SEGMENTED INFORMATION, continued

	Economic Development			Community Infrastructure			Ottawa Trust Fund		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous Services Canada	287,374	287,374	244,304	237,071	245,139	3,657,199	-	-	-
Fisheries and Oceans Canada	-	44,880	44,880	-	-	-	-	-	-
First Nation Health Authority	-	-	-	-	1,635,150	-	-	-	-
Province of BC	-	44,500	35,000	-	-	450,000	-	-	-
Rental income	-	30,840	27,980	-	-	-	-	-	-
Other revenue	2,000	1,532,134	(3,855,703)	-	757,598	(1,360,834)	-	11,886	11,484
Total revenue	289,374	1,939,728	(3,503,539)	237,071	2,637,887	2,746,365	-	11,886	11,484
Expenses									
Wages and benefits	202,000	404,613	366,463	61,285	185,876	122,962	-	-	-
Professional fees	45,115	84,486	89,969	-	34,197	92,814	-	-	-
Travel	-	3,792	3,831	-	1,721	2,917	-	-	-
Repairs and maintenance	-	76,054	3,399	42,443	41,525	46,338	-	-	-
Education related expenses	-	10,887	-	-	-	-	-	-	-
Interest and bank charges	-	1,265,108	695,001	-	619	201	-	-	-
Other expenses	42,259	131,321	125,274	-	57,015	78,824	-	11,239	11,026
Total expenses	289,374	1,976,261	1,283,937	103,728	320,953	344,056	-	11,239	11,026
Annual surplus (deficit)	-	(36,533)	(4,787,476)	133,343	2,316,934	2,402,309	-	647	458

# MALAHAT NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2019

### 25. SEGMENTED INFORMATION, continued

	Housing Reserves			Consolidated totals		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous Services Canada	-	-	-	1,979,550	<b>2,546,999</b>	5,297,931
Canada Mortgage and Housing Corporation	-	-	-	751,314	<b>80,625</b>	66,729
Fisheries and Oceans Canada	-	-	-	-	<b>44,880</b>	44,880
First Nation Health Authority	-	-	-	399,458	<b>2,050,512</b>	8,802
Province of BC	-	-	-	-	<b>87,000</b>	522,600
Funding from First Nation Organizations	-	-	-	-	<b>134,101</b>	182,968
Rental income	-	-	-	-	<b>158,654</b>	99,970
Other revenue	-	12,684	11,158	2,000	<b>2,920,200</b>	(4,721,845)
Total revenue	-	12,684	11,158	3,132,322	<b>7,983,922</b>	1,502,035
Expenses						
Wages and benefits	-	-	-	600,829	<b>2,210,504</b>	2,164,104
Professional fees	-	-	-	60,445	<b>360,822</b>	371,654
Social assistance programs delivery	-	-	-	199,089	<b>189,918</b>	192,392
Travel	-	-	-	-	<b>41,228</b>	26,364
Repairs and maintenance	-	-	5,675	42,443	<b>134,440</b>	64,703
Withdrawal	-	-	-	436,227	<b>507,561</b>	304,624
Interest and bank charges	-	-	-	-	<b>1,302,043</b>	728,374
Per capita distribution	-	-	-	-	<b>32,300</b>	31,100
Other expenses	-	928	1,055	1,461,598	<b>1,225,336</b>	1,121,650
Total expenses	-	928	6,730	2,800,631	<b>6,004,152</b>	5,004,965
Annual surplus (deficit)	-	11,756	4,428	331,691	<b>1,979,770</b>	(3,502,926)