

Consolidated Financial Statements of

**MUSQUEAM INDIAN BAND**

Year ended March 31, 2020

# MUSQUEAM INDIAN BAND

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Year ended March 31, 2020

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## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Musqueam Indian Band ("Musqueam") are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements of Musqueam are the responsibility of management prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

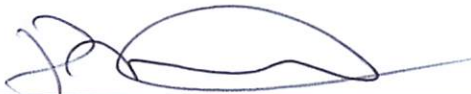
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements. Chief and Council carries out this responsibility principally through its Finance and Administration Standing Committee.

The Finance and Administration Standing Committee meets 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 consolidated financial statements and the external auditor's report. The Finance and Administration Standing Committee reports its findings to Chief and Council for consideration when approving the consolidated financial statements for issuance to the Members.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Musqueam Indian Band and meet when required.

On behalf of Musqueam Indian Band:

  
\_\_\_\_\_  
Chief Administration Officer

  
\_\_\_\_\_  
Chief Financial Officer

November, 10, 2020  
Date

NOVEMBER 10, 2020  
Date



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## Independent Auditor's Report

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To the Chief and Council of Musqueam Indian Band

### Opinion

We have audited the consolidated financial statements of the Musqueam Indian Band and its controlled entities (the "Consolidated Entity") which comprise the Consolidated Statement of Financial Position as at March 31, 2020, and the Consolidated Statements of Operations, Changes in Net Financial Assets, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at March 31, 2020 and its results of operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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 this report. We are independent of the Consolidated Entity 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 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 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 Consolidated Entity'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 Consolidated Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Entity'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 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 Consolidated Entity'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 Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify 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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Consolidated Entity 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.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
November 3, 2020

# MUSQUEAM INDIAN BAND


## Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial Assets</b>		
Cash (note 5)	\$ 29,241,392	\$ 27,871,418
Restricted cash	305,618	300,757
Restricted short-term investment	594,055	582,597
Accounts receivable – members of Musqueam (note 2)	633,577	659,123
Ground leases and other receivables (notes 3 & 22)	8,831,021	9,347,934
Contributions receivable (note 4)	1,251,107	940,467
Tax receivable	678,138	702,077
Inventory	409,954	78,817
Ottawa Trust Funds (note 5)	4,235	4,305
2010 Legacies Trust Funds (note 6)	977,451	977,868
Investment in and advances to government business enterprises and partnerships (note 7)	174,988,244	181,929,662
	<u>217,914,792</u>	<u>223,395,025</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,843,200	3,776,219
Deferred revenue (note 9)	5,233,456	4,844,439
Canada Mortgage Housing Corporation (C.M.H.C.) loans payable (note 10)	6,967,395	7,431,972
Capital lease obligations (note 11(b))	70,038	66,202
Government loans payable (note 12)	-	2,230,566
	<u>16,114,089</u>	<u>18,349,398</u>
Net financial assets	\$ 201,800,703	\$ 205,045,627
<b>Non-Financial Assets</b>		
Reconciliation agreement lands (note 13)	\$ 65,068,036	\$ 65,068,036
Tangible capital assets (note 14)	82,244,107	82,443,145
Prepaid expenses	503,459	477,654
	<u>147,815,602</u>	<u>147,988,835</u>
Commitments (note 11)		
Contingent liabilities (note 15)		
Guarantees (note 16)		
Accumulated surplus	\$ 349,616,305	\$ 353,034,462

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:

 Councillor

 Councillor

# MUSQUEAM INDIAN BAND

## Consolidated Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	Budget 2020	2020	2019
	(note 19)		
<b>Revenue:</b>			
Government:			
Indigenous Services Canada (I.S.C)	\$ 4,871,200	\$ 5,413,238	\$ 5,584,888
I.S.C. - Transfers to deferred revenue (note 15(a))	-	(197,314)	(411,971)
First Nations Health Authority (F.N.H.A.)	1,242,400	1,354,101	1,369,745
F.N.H.A. - Transfers from (to) deferred revenue	255,700	225,656	(216,507)
C.M.H.C.	808,000	285,294	234,153
Department of Fisheries and Oceans (D.F.O.)	860,700	907,026	410,716
D.F.O. - Transfers to deferred revenue	-	(242,810)	(16,684)
Vancouver Coastal Health Authority	81,700	84,600	82,492
Forgiveness of government loans payable (note 12)	-	2,230,566	-
Miscellaneous – grants	4,204,500	5,098,826	4,504,428
	12,324,200	15,159,183	11,541,260
Self-generated:			
Rent and leases	3,278,100	3,277,692	3,314,052
Non-government agreements	6,703,200	7,115,000	8,563,148
Taxation Fund	2,507,720	2,660,379	2,726,677
Miscellaneous	1,783,000	2,242,922	1,781,104
Other economic activities	3,609,346	4,240,543	5,868,319
Other investment income	250,000	377,864	279,030
Investment income from Ottawa Trust Fund (note 5)	-	107,610	98,924
	18,131,366	20,022,010	22,631,254
Modified equity income (loss) from government business enterprises and partnerships (note 7):			
Marine business	593,882	350,116	108,023
Real estate business	(3,358,661)	(2,623,925)	(6,463,843)
	(2,764,779)	(2,273,809)	(6,355,820)
<b>Total revenue</b>	<b>27,690,787</b>	<b>32,907,384</b>	<b>27,816,694</b>
<b>Expenses (note 17):</b>			
Administration	15,360,129	15,831,915	12,622,224
Education	2,683,100	2,737,063	2,648,123
Social development	2,442,600	2,378,188	2,295,242
Health	1,784,800	1,520,836	1,244,454
Employment and training	1,019,100	2,343,530	1,807,531
Social Housing	1,888,112	1,886,816	1,886,746
Treaty, land and resources	3,317,300	2,406,954	2,577,771
Fisheries	1,097,914	738,395	710,770
Other economic activities	5,756,064	5,977,529	4,732,108
Other projects	1,621,700	504,315	519,757
	36,970,819	36,325,541	31,044,726
<b>Annual deficit</b>	<b>(9,280,032)</b>	<b>(3,418,157)</b>	<b>(3,228,032)</b>
Accumulated surplus, beginning of year	353,034,462	353,034,462	356,262,494
<b>Accumulated surplus, end of year</b>	<b>\$ 343,754,430</b>	<b>\$ 349,616,305</b>	<b>\$ 353,034,462</b>

See accompanying notes to consolidated financial statements.

# MUSQUEAM INDIAN BAND

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

	Budget 2020 (note 19)	2020	2019
Annual deficit	\$ (9,280,032)	\$ (3,418,157)	\$ (3,228,032)
Tangible capital assets:			
Tangible capital asset acquisitions	(449,386)	(1,912,868)	(4,503,167)
Proceeds from sale of tangible capital assets	-	25,000	-
Gain on sale of tangible capital assets	-	(5,084)	-
Amortization of tangible capital assets	2,070,886	2,091,990	2,094,303
	1,621,500	199,038	(2,408,864)
Other non-financial assets:			
Use of prepaid expenses	-	477,654	143,093
Acquisition of prepaid expenses	-	(503,459)	(477,654)
	-	(25,805)	(334,561)
Decrease in net financial assets	(7,658,532)	(3,244,924)	(5,971,457)
Net financial assets, beginning of year	205,045,627	205,045,627	211,017,084
Net financial assets, end of year	\$ 197,387,095	\$ 201,800,703	\$ 205,045,627

See accompanying notes to consolidated financial statements.



# MUSQUEAM INDIAN BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating transactions:		
Annual deficit	\$ (3,418,157)	\$ (3,228,032)
Items not involving cash:		
Amortization	2,091,990	2,094,303
Gain on sale of tangible capital assets	(5,084)	-
Modified equity loss from government business enterprises and partnerships	2,273,809	6,355,820
Forgiveness of government loans payable (note 12)	(2,230,566)	-
Changes in non-cash operating working capital:		
Decrease in accounts receivables – members of Musqueam	25,546	131,317
Decrease (increase) in ground leases and other receivables	516,913	(5,177,270)
(Increase) decrease in contributions receivable	(310,640)	447,155
Decrease (increase) in tax receivable	23,939	(17,453)
(Increase) decrease in inventory	(331,137)	19,381
Increase in prepaid expenses	(25,805)	(334,561)
Increase in accounts payable and accrued liabilities	66,981	1,418,724
Increase in deferred revenue	389,017	618,428
Net change in cash from operating transactions	(933,194)	2,327,812
Capital transactions:		
Purchase of tangible capital assets	(1,912,868)	(4,503,167)
Proceeds from sale of tangible capital assets	25,000	-
Net change in cash from capital transactions	(1,887,868)	(4,503,167)
Financing transactions:		
Principal payments of capital lease obligations	(32,171)	(27,835)
New capital lease obligations	36,007	-
Proceeds from C.M.H.C. loans	-	1,052,443
Repayment of C.M.H.C. loans	(464,577)	(401,746)
Net change in cash from financing transactions	(460,741)	622,862
Investing transactions:		
(Increase) decrease in restricted short-term investment	(11,458)	824,554
Net change in 2010 Legacies Trust	417	1,928
Net advances from (to) government business enterprises and partnerships	4,667,609	(1,052,664)
Net change in Ottawa Trust Funds	70	6,091
Net change in cash from investing transactions	4,656,638	(220,091)
Increase (decrease) in cash	1,374,835	(1,772,584)
Cash, beginning of year	28,172,175	29,944,759
Cash, end of year	\$ 29,547,010	\$ 28,172,175
Represented by:		
Cash	\$ 29,241,392	\$ 27,871,418
Restricted cash	305,618	300,757
Cash, end of year	\$ 29,547,010	\$ 28,172,175

See accompanying notes to consolidated financial statements.

# MUSQUEAM INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2020, with comparative information for 2019

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Musqueam Indian Band (“Musqueam” or “Band”) is a First Nation that works to ensure enhanced quality of life for all generations of its people to develop a sustainable, self-reliant, vibrant community that is built upon the historical and traditional values of its community.

### 1. Significant accounting policies:

The consolidated financial statements of Musqueam are the responsibility of management and prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) as prescribed by the Public Sector Accounting Board.

(a) Basis of presentation and consolidation:

The consolidated financial statements reflect activities of Musqueam, its Taxation Fund, and its controlled subsidiaries and partnerships.

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by Musqueam. Controlled organizations 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 following organizations are other government organizations (“OGO”)s controlled by Musqueam and are consolidated in these financial statements:

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0742052 BC Ltd.	Blocks A & B Land Limited Partner Ltd.
0948599 B.C. Ltd.	Block K Land Ltd.
0948593 B.C. Ltd.	Bridgepoint Land Ltd.
3770 Investments Ltd.	Bridgepoint Land Limited Partner Ltd.
656243 B.C. Ltd.	Bridgepoint Land Limited Partnership
684348 B.C. Ltd.	Bridgepoint Land General Partner Ltd.
MIB Lot 32 Land General Partner Ltd.	Garden City Ventures Limited
MIB Lot 32 Land Limited Partnership	Partnership
MIB Lot 32 Land Ltd.	Garden City Ventures Ltd.
MIB Lot 32 Limited Partner Ltd.	Musqueam Projects Limited Partner Ltd.
Celtic Shores Properties Ltd.	Musqueam Projects Limited Partnership
Blocks A & B Land Limited Partnership	Musqueam Finance Ltd.
Blocks A & B Land General Partner Ltd.	Musqueam Capital Corp. (“MCC”)
Musqueam Cultural Association	Musqueam Mortgage Ltd.

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Musqueam has shared control in MST Development Corporation, a government partnership, which is proportionately consolidated in these financial statements.

During the year, MST Employment & Training Society was established. Musqueam has 1/3 shared control in this Society which is proportionately consolidated in these financial statements.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 1. Significant accounting policies (continued):

(a) Basis of presentation and consolidation (continued):

(ii) Investments in government business enterprises:

Musqueam accounts for its investments in its government business enterprises using the modified equity method. Under this method, Musqueam's investment in the business enterprise and its net income and other changes in equity are recorded in proportion to its percentage ownership. No adjustment is made to conform the accounting policies of the government business enterprise to those of Musqueam. Inter-organizational transactions and balances are not eliminated, except for any profit or loss on transactions of assets that remain within the consolidated Band entity. The shares of these government business enterprises are held in trust by various Members of Musqueam.

The following organizations are government business enterprises ("GBE"s) and are accounted for by the modified equity method:

0996501 B.C. Ltd.	Musqueam (West Vancouver) General Partner Ltd.
1008729 B.C. Ltd.	MST (West Van) General Partner Ltd. – 33.33% interest
562645 B.C. Ltd.	Musqueam (Jericho) General Partner Ltd.
LDB Land General Partner Ltd. – 25% interest	MST (Jericho) General Partner Ltd. – 33.33% interest
MIB LDB General Partner Ltd.	MIB (Jericho 2016) General Partner Ltd.
MIB LDB Limited Partner Ltd.	MIB (Jericho 2016) Limited Partner Ltd.
MIB Willingdon Limited Partner Ltd.	MST (Jericho 2016) General Partner Ltd. – 33.33% interest
MIB Willingdon General Partner Ltd.	Musqueam Marina General Partner Ltd.
Willingdon (AQ/MIB/TWN) General Partner Ltd. – 33.33% interest	Musqueam Marina Limited Partner Ltd.
Musqueam (Federal) Limited Partner Ltd.	Musqueam Salish Seas Limited Partner Ltd.
Musqueam (Fairmont) General Partner Ltd.	Salish Seas Fisheries General Partner Ltd. – 33.33% interest
MST (Fairmont) General Partner Ltd. – 33.33% interest	
Block F Land Limited Partner Ltd.	
Block F Land General Partner Ltd.	

(iii) Investments in government partnerships:

Government business partnerships are accounted for by the modified equity method.

The following organizations are government business partnerships ("GBP"s) and are accounted for by the modified equity method:

LDB Developments (AQ/MIB/SN/TWN) Limited Partnership – 25% interest	MST (Fairmont) Limited Partnership – 33.33% interest
Willingdon Developments (AQ/MIB/TWN) Limited Partnership – 33.33% interest	MST (Jericho) Limited Partnership - 33.33% interest
Salish Seas Fisheries Limited Partnership – 33.33% interest	MST (Jericho 2016) Limited Partnership – 33.33% interest
Musqueam Marina Limited Partnership	MST (West Van) Limited Partnership – 33.33% interest
Block F Limited Partnership	

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (b) Use of accounting estimates:

The preparation of the consolidated financial statements requires management 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to determining the allowance for doubtful accounts, the useful lives of non-financial assets for amortization, liability for contaminated sites, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

### (c) Basis of accounting for revenue and expenses:

Contributions are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement. Contributions that are specifically designated to fund expenses of a future period, or that are restricted and unspent at the end of a period, are deferred and recognized in the period the related expenses are incurred.

Restricted transfers from other governments are deferred and recognized as revenue in the period the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rents, leases and interest are recognized as revenue in the period earned, when collection is reasonably assured.

The sales of goods and services are recognized as revenue in the period the goods or services are provided to the recipient, and collection is reasonably assured.

Expenses are recognized as they are incurred and measurable as a result of goods and services being received and/or the creation of a legal obligation to pay.

### (d) Restricted cash and short-term investments:

Restricted cash is held in a separate bank account and is restricted to fund the C.M.H.C. replacement reserve and operating reserve.

Restricted short-term investments are guaranteed investment certificates with maturity dates within one year from the date of issuance that are restricted for the purpose of funding the C.M.H.C. replacement reserve and the C.M.H.C. operating reserve.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

(e) Inventory:

Inventory held for resale is recorded at the lower of cost or net realizable value.

(f) Non-financial assets:

Non-financial assets that are acquired, constructed or developed that do not provide resources to discharge existing liabilities but are employed to deliver Musqueam services, may be consumed in normal operations and are not for resale. Non-financial assets include reconciliation agreement lands, tangible capital assets and prepaid expenses.

(i) Tangible capital assets:

Tangible capital assets are carried at cost less accumulated amortization. Musqueam amortizes its tangible capital assets on a straight-line basis over the estimated useful lives as follows:

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Aboriginal Pavilion	25 years
Automobiles	10 years
Boat equipment	5 years
Buildings	15 years
Community Centre	25 years
Soccer field	25 years
Storage shed	25 years
Computer equipment	2 years
Field equipment	5 years
Furniture and fixtures	10 years
Longhouse	25 years
Playground – Elder Center	25 years
Pump station	25 years
Recreation fitness equipment	5 years
Roads and bridge	25 years
Medical equipment - Health	20 years
Watermain pipe project	25 years
Electric equipment	2 years
Housing trailer	10 years

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Musqueam-owned residential homes are amortized on a 15 to 25 year straight line basis or 4% declining balance basis depending on the nature of the building.

OGO leased tangible assets are amortized on a 20% declining balance basis.

Leasehold improvements are amortized straight-line over the term of the lease.

When a tangible capital asset no longer contributes to Musqueam's ability to provide services, its carrying value is written down to its residual value.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (f) Non-financial assets (continued):

#### (ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

#### (iii) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

#### (iv) Settlement lands:

Settlement lands to which no acquisition cost is attributable are not recognized as assets in the consolidated financial statements.

#### (v) Reconciliation agreement lands:

Reconciliation agreement lands are specific parcels of land acquired in 2008 as part of a reconciliation agreement. Certain costs including property tax, consulting fees and legal fees incurred towards the future development of these properties are capitalized.

### (g) Housing Equalization Program Credits:

Housing Equalization Program Credits earned by participating Members of Musqueam are recorded as an expense when credits are applied against qualifying amounts when approved by Musqueam management.

### (h) Segment disclosures:

A segment is defined as a distinguishable activity of group of activities of Musqueam, for which it is appropriate to separately report financial information to achieve the objectives of the standard. Musqueam has provided definitions of segments used by Musqueam as well as presented financial information in segment format (note 17).

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 1. Significant accounting policies (continued):

### (i) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) Musqueam is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2019 and 2020, no liability for contaminated sites has been recorded.

## 2. Accounts receivable – members of Musqueam:

	2020	2019
Social Housing rents	\$ 878,105	\$ 780,068
Less: Allowance for doubtful accounts	(681,000)	(579,000)
	197,105	201,068
Private Housing	440,501	455,368
Less: Allowance for doubtful amounts	(50,503)	(50,246)
	389,998	405,122
Daycare and others	46,474	52,933
	\$ 633,577	\$ 659,123

## 3. Ground leases and other receivables:

	2020	2019
Parcel A lease	\$ 378,397	\$ 331,492
Ground lease	-	1,589,200
YVR profit sharing	7,111,000	7,055,148
Other receivable	1,341,624	372,094
	\$ 8,831,021	\$ 9,347,934

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 4. Contributions receivable:

	2020	2019
D.F.O.	\$ 699,645	\$ 421,831
I.S.C.	360,690	185,433
C.M.H.C.	32,401	22,405
First Nations Education Steering Committee	4,770	4,626
Health Canada & Youth	134,402	80,181
Other contributions receivable	19,199	225,991
	<b>\$ 1,251,107</b>	<b>\$ 940,467</b>

## 5. Ottawa Trust Funds:

I.S.C. holds funds in trust on behalf of Musqueam. Amounts are comprised of the following:

	2020			2019	
	Revenue	Capital	Total	Total	
Balance, beginning of year	\$ 3,293	\$ 1,012	\$ 4,305	\$ 10,396	
Add:					
Interest received	40	-	40	96	
B.C. Special	3,183	-	3,183	3,197	
	6,516	1,012	7,528	13,689	
Less:					
Withdrawal	(3,293)	-	(3,293)	(9,384)	
Balance, end of year	<b>\$ 3,223</b>	<b>\$ 1,012</b>	<b>\$ 4,235</b>	<b>\$ 4,305</b>	

In addition to these funds, Musqueam has funds related to the Ottawa Trust Funds held as cash.

The breakdown of funds is as follows:

	2020	2019
Included in Cash	\$ 5,277,124	\$ 5,169,444
Funds held by I.S.C.	4,235	4,305
	<b>\$ 5,281,359</b>	<b>\$ 5,173,749</b>

During the year, total monies related to the Ottawa Trust Funds earned income of \$107,610 (2019 - \$98,924).



# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## **6. 2010 Legacies Trust Funds:**

Pursuant to an agreement dated June 13, 2008 between Musqueam and the Government of Canada, Musqueam received \$17 million to create a 2010 Olympic legacy fund. The money was deposited into a trust known as the Musqueam 2010 Legacies Trust (the "Trust") established for the benefit of Members of Musqueam, present and future, for the purposes of acquiring lands, capacity building, enhancing skills and training, preserving and strengthening Musqueam culture and ceremonies, and economic opportunities for Musqueam and its Members. The Trust is administered by an outside corporate trustee ("Administrative Trustee") that invests the funds in low-risk government guaranteed investments. The Board of Trustees consists of five Members of Musqueam.

During the year, pursuant to Musqueam Council Resolutions, the Trust distributed nil (2019 - nil) to fund approved projects and incurred a net loss of \$417 (2019 - \$1,928).

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 7. Investment in and advances to government business enterprises and partnerships:

Condensed financial information for Musqueam's government business enterprises and government business partnerships is as follows:

	Real estate business	Marine business	2020 Total	2019 Total
Cash	\$ 103,834,777	\$ 32,611	\$ 103,867,388	\$ 39,882,960
Accounts receivable/other receivable	477,613	154,868	632,481	714,695
Due from related parties	2,629,510	33	2,629,543	1,391,397
Investments	-	2,401,743	2,401,743	2,089,607
Other current assets	2,189,927	1,807	2,191,734	1,799,487
Investment properties	376,557,729	355,102	376,912,831	365,995,117
<b>Total Assets</b>	<b>\$ 485,689,556</b>	<b>\$ 2,946,164</b>	<b>\$ 488,635,720</b>	<b>\$ 411,873,263</b>
Accounts payable/accrued liabilities	\$ 4,859,472	\$ 17,969	4,877,441	\$ 4,024,226
Due to related parties	138,697,932	4,080,058	142,777,990	142,939,488
Long-term debt	169,292,951	-	169,292,951	161,504,653
Other liabilities	133,384,706	-	133,384,706	61,352,519
<b>Total Liabilities</b>	<b>446,235,061</b>	<b>4,098,027</b>	<b>450,333,088</b>	<b>369,820,886</b>
Equity (deficit)	39,454,495	(1,151,863)	38,302,632	42,052,377
<b>Total Liabilities and Equity</b>	<b>\$ 485,689,556</b>	<b>\$ 2,946,164</b>	<b>\$ 488,635,720</b>	<b>\$ 411,873,263</b>
Revenues	7,261,138	184,934	7,446,072	6,827,879
Expenses:				
Operating expenses	4,772,855	(165,875)	4,606,980	4,920,767
Change in fair value of long-term debt	4,147,887	-	4,147,887	7,460,785
Debt servicing (to related parties)	1,660,699	-	1,660,699	1,401,494
Debt servicing (to third party financial institutions)	779,153	1,098	780,251	777,579
<b>Total Expenses (income)</b>	<b>11,360,594</b>	<b>(164,777)</b>	<b>11,195,817</b>	<b>14,560,625</b>
<b>Net income (loss)</b>	<b>\$ (4,099,456)</b>	<b>\$ 349,711</b>	<b>\$ (3,749,745)</b>	<b>\$ (7,732,746)</b>
Net loss before consolidation adjustments			\$ (3,749,745)	\$ (7,732,746)
Elimination of Block F interest expense on note receivable (see note 7(h))			1,461,853	1,388,949
Adjustment relating to prior years			14,083	(12,023)
<b>Equity loss</b>			<b>\$ (2,273,809)</b>	<b>\$ (6,355,820)</b>

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 7. Investment in and advances to government business enterprises and partnerships (continued):

The investment in and advances to government business enterprises and partnerships are as follows:

	2020	2019
Shalimar Place (see (a) below)		
Investment	\$ 11	\$ 11
Accumulated net draws	(9,160,975)	(9,160,975)
Advances (non-interest bearing, no specific repayment terms)	(1,379,509)	(1,385,845)
Accumulated modified equity income	18,143,794	16,707,306
	<u>7,603,321</u>	<u>6,160,497</u>
Salish Seas Fisheries (see (b) below)		
Investment	36	36
Accumulated net draws	(143,000)	(143,000)
Advances (non-interest bearing, no specific repayment terms)	(33)	(33)
Accumulated modified equity income	658,684	561,733
	<u>515,687</u>	<u>418,736</u>
Willingdon Developments (see (c) below)		
Investment	8,884,266	8,884,266
Advances (non-interest bearing, no specific repayment terms)	66,467	74,446
Accumulated modified equity loss	(1,579,310)	(1,219,469)
	<u>7,371,423</u>	<u>7,739,243</u>
Musqueam Marina (see (d) below)		
Investment	1,005	1,005
Advances (non-interest bearing, no specific repayment terms)	4,080,058	4,019,341
Accumulated modified equity loss	(1,666,560)	(1,919,725)
	<u>2,414,503</u>	<u>2,100,621</u>
LDB Developments (see (e) below)		
Investment	5,062,633	5,062,633
Advances (non-interest bearing, no specific repayment terms)	61,574	52,846
Accumulated modified equity (loss) income	(47,329)	63,724
	<u>5,076,878</u>	<u>5,179,203</u>
Carried forward	22,981,812	21,598,300

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 7. Investment in and advances to government business enterprises and partnerships (continued):

	2020	2019
Brought forward	\$ 22,981,812	\$ 21,598,300
MST (Jericho/Fairmont/West Vancouver) (see (f) below)		
Investment	29,946,059	29,946,059
Advances (non-interest bearing, no specific repayment terms)	5,580,639	5,276,206
Accumulated modified equity loss	(4,675,546)	(4,230,866)
	30,851,152	30,991,399
MST (Jericho 2016) (see (g) below)		
Investment	3,339	3,339
Notes receivable (interest bearing at prime, due on demand)	28,008,291	27,972,225
Advances (non-interest bearing, no specific repayment terms)	109,300	286,522
Accumulated modified equity loss	(7,083,421)	(2,290,506)
	21,037,509	25,971,580
Musqueam Block F (see (h) below)		
Investment	99,906	99,906
Notes receivable (see (h) below)	96,847,230	102,185,374
Advances (non-interest bearing, no specific repayment terms)	439,456	-
Accumulated modified equity income	2,731,179	1,083,103
	100,117,771	103,368,383
	\$ 174,988,244	\$ 181,929,662

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 7. Investment in and advances to government business enterprises and partnerships (continued):

Total investment in and advances to government business enterprises and partnerships are summarized as follows:

	Real estate business	Marine business	2020 Total	2019 Total
Total investment at proportional interest	\$ 43,996,214	\$ 1,041	\$ 43,997,255	\$ 43,997,255
Total accumulated draws	(9,160,975)	(143,000)	(9,303,975)	(9,303,975)
Total accumulated modified equity income (loss)	7,489,367	(1,007,876)	6,481,491	8,755,300
Total equity (deficit)	42,324,606	(1,149,835)	41,174,771	43,448,580
Advances and notes receivable	129,733,448	4,080,025	133,813,473	138,481,082
Total investment and advances to government business enterprises and partnerships	\$ 172,058,054	\$ 2,930,190	\$ 174,988,244	\$ 181,929,662

(a) In 1998, Musqueam incorporated 562645 B.C. Ltd. to operate a multi-unit residential property known as Shalimar Place.

(b) In April 2012, Musqueam formed Salish Seas Fisheries Limited Partnership with two other First Nations, in order to sell fishing licenses and lease fishing vessels. The Partnership consists of one general partner and three limited partners, which separately represent one of each First Nations' interest.

Musqueam Salish Seas Limited Partner Ltd., a bare trustee, was incorporated in February 2012, to hold Musqueam's interest as a limited partner in the Salish Seas Fisheries Limited Partnership.

(c) In March 2014, Musqueam formed Willingdon Developments (AQ/MIB/TWN) Limited Partnership with the other two parties, which purchased a fee simple property from the Province of British Columbia (the "Province"). This property has been leased back to the Province on a short-term lease. Currently, the property title is held by 0996501 BC Ltd., a nominee for the Partnership.

The Partnership consists of Willingdon (AQ/MIB/TWN) General Partner Ltd., as a general partner, and three limited partners representing each party's interest. The principal business of the Partnership is to acquire and manage residential and commercial properties or to acquire and develop properties to sell as residential or commercial units. Under the partnership agreement, profits and losses of the Partnership are allocated 0.01% to the general partner and 99.99% to the limited partners. Musqueam set up MIB Willingdon General Partner Ltd. and MIB Willingdon Limited Partner Ltd to hold its 1/3 of the interest in Willingdon (AQ/MIB/TWN) General Partner Ltd. and the Partnership, respectively.

As at March 31, 2020, the Partnership has a loan payable of \$36,357,813 (2019 - \$34,810,689) to Addenda Capital Inc. which is secured by the assets of the Partnership.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 7. Investment in and advances to government business enterprises and partnerships (continued):

- (d) In November 2011, Musqueam set up Musqueam Marina Limited Partnership that owns 50% interest in Milltown Marine & Boatyard Joint Venture to develop a marina on Richmond Island.
- (e) In July 2014, Musqueam formed LDB Developments (AQ/MIB/SN/TWN) Limited Partnership with the other three parties, which purchased fee simple property situated on East Broadway, Vancouver from the Province. Currently, the property title is held by 1008729 BC Ltd., a nominee for the Partnership. The principal business of the Partnership is to acquire and manage residential and commercial properties or to acquire and develop properties to be sold as residential or commercial units. The Partnership consists of LDB Land General Partner Ltd., as a general partner, and four limited partners representing each party's interest. Under the partnership agreement, 0.01% of the profits or losses of the Partnership is allocated to the general partner and 99.99% to the limited partners. Musqueam set up MIB LDB General Partner Ltd. and MIB LDB Limited Partner Ltd. to hold its 1/4 of the interest in LDB Land General Partner Ltd. and the Partnership respectively.
- (f) In September 2014, three separate land parcels were purchased by Canada Lands Company Limited ("CLC"), a Canada crown corporation. Soon after the purchase, Musqueam and two other First Nations formed three limited partnerships ("MST limited partnerships") to purchase 50% beneficial interest in the lands from CLC and participate in redevelopment of lands with CLC under joint venture agreements. The MST limited partnerships, representing 50% of interest in the joint ventures, are MST (Jericho) Limited Partnership, MST (Fairmont) Limited Partnership, and MST (West Vancouver) Limited Partnership. In these MST limited partnerships, the three nations are limited partners holding 99.99% of each of the partnership units and MST (Jericho) General Partner Ltd, MST (Fairmont) General Partner Ltd and MST (West Vancouver) General Partner Ltd are the general partners holding 0.01% of each partnership units.

Musqueam set up Musqueam (Jericho) General Partner Ltd, Musqueam (Fairmont) General Partner Ltd, and Musqueam (West Vancouver) General Partner Ltd to hold 1/3 of interest in each of the general partners of the MST limited partnerships and set up Musqueam (Federal) Limited Partner Ltd to hold its 1/3 of the limited partner units in the partnerships.

In December 2018, MST (West Vancouver) Limited Partnership acquired the other 50% of the beneficial interest in the land owned by CLC and the West Vancouver Joint Venture subsequently ceased operations.

During the year ended March 31, 2020, MST (Jericho) Limited Partnership and MST (Fairmont) Limited Partnership each entered in an agreement to purchase the remaining 50% of the beneficial interest in the land owned by CLC. Completion of the transaction is expected to occur in three phases of approximately equal amounts in fiscal years 2025, 2027 and 2030. Payments for the settlement of each phase will ultimately be based on the area included within that phase relative to the area of the total lands. Closing for each phase is to occur immediately following adoption and enactment of acceptable rezoning and subdivision of such phase.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## **7. Investment in and advances to government business enterprises and partnerships (continued):**

- (g) In March 2016, Musqueam formed MST (Jericho 2016) Limited Partnership with two other First Nations to acquire and develop the property known as Provincial Jericho Lands. The three nations are the limited partners holding 99.99% of the partnership units and MST (Jericho 2016) General Partner Ltd. is the general partner holding 0.01% of the partnership units.

Musqueam set up MIB (Jericho 2016) Limited Partner Ltd. and MIB (Jericho 2016) General Partner Ltd. to hold its 1/3 of the interest in MST (Jericho 2016) Limited Partnership and MST (Jericho 2016) General Partner Ltd., respectively.

- (h) In May 2017, Musqueam formed Block F Limited Partnership to develop the property known as Block F. Musqueam is the limited partner holding 99.9% of the partnership units through Block F Land Limited Partner Ltd., and Block F Land General Partner Ltd. is the general partner holding 0.1% of the partnership units. Currently, the property title is held by Musqueam Block F Land Ltd., a nominee for the Partnership.

The Block F lands were transferred from the Band to the Partnership in June 2017 at fair market value. As this was a government business enterprise transaction, the gain from this transaction was eliminated upon consolidation.

The note receivable from Block F Limited Partnership is secured by the property under development and investment property of Block F Limited Partnership, subordinated to the security on the facilities provided to Block F Limited Partnership, bearing interest at prime plus 0.01% per annum and due on demand. No amounts were drawn from these facilities at March 31, 2020.

## **8. Demand loan facilities:**

As at March 31, 2020, Musqueam has two demand loan facilities available with:

- (a) Bank of Montreal (BMO) demand loan for \$15,000,000 bearing interest at prime rate per annum. No amount was drawn on this loan at March 31, 2020 (2019 - nil).
- (b) Royal Bank of Canada (RBC) demand loan for \$2,000,000 bearing interest at RBC's prime rate plus 1.0% per annum. No amount was drawn on this loan at March 31, 2020 (2019 - nil).

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 9. Deferred revenue:

As at March 31, 2020, the following contributions and revenue amounts have been deferred:

	Balance, March 31, 2019	Funds received 2020	Revenue recognized 2020	Balance, March 31, 2020
Government				
I.S.C.	\$ 704,409	\$ 371,919	\$ 704,409	\$ 371,919
Other governments	2,463,258	1,832,739	2,007,725	2,288,272
Total Government	3,167,667	2,204,658	2,712,134	2,660,191
Self-generated and other miscellaneous grants	1,676,772	2,573,265	1,676,772	2,573,265
	\$ 4,844,439	\$ 4,777,923	\$ 4,388,906	\$ 5,233,456

The unspent portion of deferred revenues are held as cash within the Band's operating bank account.



# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 10. C.M.H.C. loans payable:

C.M.H.C. Reference	Maturity	Monthly payment	Interest rate	2020	2019
10-437-697-010	Sept. 1, 2022	\$ 1,818	1.84%	\$ 53,255	\$ 73,882
10-437-697-011	Mar. 1, 2024	2,069	1.86%	95,657	118,475
10-437-697-012	Mar. 1, 2024	651	1.86%	30,079	37,254
19-362-037-001	Mar. 1, 2026	2,083	1.14%	144,934	168,139
19-362-037-002	Jan. 1, 2027	1,963	1.31%	153,914	175,303
19-362-037-003	Oct. 1, 2027	1,943	1.97%	164,138	184,011
19-362-037-004	Mar. 1, 2034	11,383	2.14%	1,652,278	1,752,419
19-362-037-007	Sept. 1, 2035	20,970	0.94%	3,628,769	3,845,184
19-362-037-008	Mar. 1, 2044	4,635	2.14%	1,044,371	1,077,305
				<b>\$ 6,967,395</b>	<b>\$ 7,431,972</b>

The aggregate amount of C.M.H.C. loans required to be repaid by Musqueam in each of the next five years and thereafter is as follows:

2021	\$ 471,428
2022	478,284
2023	474,374
2024	470,226
2025	444,153
Thereafter	4,628,930
<b>\$ 6,967,395</b>	

The C.M.H.C. loans are secured by a Ministerial Guarantee and are guaranteed by Musqueam (note 16).

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 11. Commitments:

### (a) Operating leases:

Musqueam leases various office equipment and a vehicle under operating leases which expire on various dates between 2021 and 2025.

Musqueam is obligated to make the following minimum lease payments under its operating leases during the years ending March 31:

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2021	\$	68,720
2022		43,969
2023		30,645
2024		15,708
2025		8,447
	\$	167,489

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### (b) Capital lease obligations:

Musqueam leases field equipment and other equipment under capital leases which expire on various dates between 2021 and 2025.

Musqueam is obligated to make the following minimum lease payments under its capital leases during the years ending March 31:

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2021	\$	31,540
2022		25,920
2023		12,464
2024		4,936
2025		996
Total minimum lease payments		75,856
Less imputed interest at rates of 2.64% to 8.42%		5,818
Balance of capital lease obligation	\$	70,038

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# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 11. Commitments (continued):

### (c) Housing Equalization Program:

During the year ended March 31, 2008, Musqueam implemented the Housing Equalization Program whereby each Musqueam member is eligible to earn credits to fund future repairs and maintenance and other qualifying amounts on their housing unit. Each participating Musqueam member can earn the following credits:

- up to \$ 49,500 basic benefits;
- \$10,000 land credit for in-fill lots; and
- \$20,000 land credit if the land used was previously privately held by their family.

As at March 31, 2020, Musqueam had contracted with 151 (2019 – 149 members) of Musqueam to participate in the Housing Equalization Program. The total credits that can be earned by these individuals total approximately \$8,384,500 (2019 - \$8,255,500). Musqueam has the discretion to administer the disbursement of these credits as they deem appropriate, based on funding levels and the priority of the work required on the homes.

Under the Housing Equalization Program, each participating Musqueam member accrues equalization benefits on a monthly basis over a period of 15 years from the original mortgage interest adjustment date or the actual loan amortization period if less than 25 years. Musqueam is obligated to fund eligible repairs and maintenance and other qualifying amounts up to the amounts earned by Musqueam members.

As at March 31, 2020, Musqueam is obligated to fund up to \$969,469 (2019 - \$881,860) of repairs and maintenance cost and other qualifying amounts. Based on contracts entered into by March 31, 2020, additional commitments are expected to accrue over the next five years ending March 31 as follows:

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2021	\$ 255,623
2022	249,378
2023	238,213
2024	225,568
2025	206,491
Thereafter	1,615,875
	<hr/> \$ 2,791,148 <hr/>

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 12. Government loans payable:

The following loans relate to the Land Claims Programs:

	2020	2019
I.S.C.	\$ -	\$ 225,000
B.C. Treaty Commission	-	2,005,566
	\$ -	\$ 2,230,566

During 2020, all outstanding loans under the Land Claims Programs were forgiven by the Government of Canada and recorded as government revenue.

## 13. Reconciliation agreement lands:

In 2008, specific parcels of land in Pacific Spirit Park, referred to as Block F and Block K, were acquired by Musqueam from the Province. In 2018, the beneficial interest of Block F was transferred to Block F Limited Partnership, a government business enterprise.

	2020	2019
Block F		
Original acquisition cost	\$ 110,000,000	\$ 110,000,000
Capitalized professional services	3,378,762	3,378,762
Transfer of beneficial interest	(113,382,905)	(113,382,905)
Capitalized property taxes, net of refund	4,143	4,143
	-	-
Block K		
Original acquisition cost	65,000,000	65,000,000
Capitalized professional services	68,036	68,036
	65,068,036	65,068,036
	\$ 65,068,036	\$ 65,068,036

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 14. Tangible capital assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amortization	Disposals	Closing	March 31, 2020	March 31, 2019
<b>Tangible Capital Assets</b>										
Aboriginal Pavilion	\$ 2,855,534	\$ 13,753	\$ -	\$ 2,869,287	\$ 900,525	\$ 114,267	\$ -	\$ 1,014,792	\$ 1,854,495	\$ 1,955,009
Automobiles	457,879	99,559	(61,279)	496,159	289,483	33,776	(41,363)	281,896	214,263	168,396
Band owned homes	18,145,571	-	-	18,145,571	8,438,238	407,213	-	8,845,451	9,300,120	9,707,333
Boat equipment	383,022	9,350	-	392,372	207,651	49,230	-	256,881	135,491	175,371
Buildings	8,208,584	190,921	-	8,399,505	4,721,304	233,804	-	4,955,108	3,444,397	3,487,280
OGO Lands	51,606,634	-	-	51,606,634	-	-	-	-	51,606,634	51,606,634
OGO leasehold improvement	4,270,776	50,543	(13,316)	4,308,003	1,452,273	153,043	(13,316)	1,592,000	2,716,003	2,818,503
Community centre	9,284,341	-	-	9,284,341	2,595,586	371,374	-	2,966,960	6,317,381	6,688,755
Soccer field	2,642,003	-	-	2,642,003	739,760	105,680	-	845,440	1,796,563	1,902,243
Housing trailer	195,641	-	-	195,641	189,118	6,523	-	195,641	-	6,523
Storage shed	267,526	10,000	-	277,526	41,323	10,768	-	52,091	225,435	226,203
Computer equipment	1,956,603	293,004	-	2,249,607	1,773,918	177,621	-	1,951,539	298,068	182,685
Field equipment	336,963	6,705	-	343,668	268,452	28,531	-	296,983	46,685	68,511
Furniture and fixtures	1,982,311	929,744	-	2,912,055	1,230,245	173,676	-	1,403,921	1,508,134	752,066
Longhouse	317,972	5,400	-	323,372	102,916	12,755	-	115,671	207,701	215,056
Play ground - Elder Center	82,113	-	-	82,113	32,849	3,285	-	36,134	45,979	49,264
Pump Station	1,697,372	-	-	1,697,372	979,651	67,895	-	1,047,546	649,826	717,721
Recreation fitness equipment	148,820	-	-	148,820	148,820	-	-	148,820	-	-
Road and Bridge	1,208,672	39,289	-	1,247,961	745,509	52,729	-	798,238	449,723	463,163
Medical Equipment - Health	24,149	-	-	24,149	6,572	1,207	-	7,779	16,370	17,577
Club house - soccer field	598,870	-	-	598,870	95,820	23,955	-	119,775	479,095	503,050
Charging station	-	32,152	-	32,152	-	268	-	268	31,884	-
Trailer for primary care clinic	28,000	196,441	-	224,441	-	13,092	-	13,092	211,349	28,000
Watermain pipe project	779,050	-	-	779,050	155,810	31,162	-	186,972	592,078	623,240
	107,478,406	1,876,861	(74,595)	109,280,672	25,115,823	2,071,854	(54,679)	27,132,998	82,147,674	82,362,583
<b>Leased Tangible Assets</b>										
Electronic equipment	63,270	-	-	63,270	63,270	-	-	63,270	-	-
Automobile	-	23,900	-	23,900	-	1,992	-	1,992	21,908	-
OGO leased tangible assets	295,056	12,107	-	307,163	214,494	18,144	-	232,638	74,525	80,562
	358,326	36,007	-	394,333	277,764	20,136	-	297,900	96,433	80,562
<b>Total</b>	\$ 107,836,732	\$ 1,912,868	\$ (74,595)	\$ 109,675,005	\$ 25,393,587	\$ 2,091,990	\$ (54,679)	\$ 27,430,898	\$ 82,244,107	\$ 82,443,145

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 14. Tangible capital assets (continued):

- (a) Tangible capital assets recorded at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

- (b) Works of Art and Historical Treasures:

Musqueam manages and controls various works of art and non-operational historical cultural assets, including building, artifacts, paintings, and sculptures located at Musqueam sites and public display areas. The assets are not recorded as tangible capital assets and are not amortized.

- (c) Write-down of tangible capital assets:

There were nil write-downs of tangible capital assets during the year (2019 - nil).

## 15. Contingent liabilities:

- (a) Unexpended I.S.C. contributions:

Surpluses in I.S.C. funded programs may be refundable to I.S.C. and may be recorded as liabilities in the period I.S.C. requires repayment.

- (b) Litigation:

Musqueam is, from time to time, engaged in or party to certain legal proceedings and other existing conditions involving uncertainty which may result in material losses. The outcome and amounts that may be payable, if any, under some of these claims, cannot be determined and accordingly only those claims in which a payment is considered likely and the amounts can be reasonably estimated have been recorded in these consolidated financial statements as a liability.

There are no claims currently outstanding that have not been recorded and for which management believes there is a potential for material loss.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 16. Guarantees:

Musqueam is a guarantor of 40 (2019 - 39) housing mortgages for social housing and privately-owned units. Musqueam's maximum potential liability under the guarantee is \$10,146,423 (2019 - \$7,663,192). The outstanding principal and interest at March 31, 2020 is \$10,146,423 (2019 - \$7,663,192), of which \$6,967,395 (2019 - \$7,431,972) is included in C.M.H.C. loans payable (see also note 10). The net amount guaranteed by Musqueam for mortgages of individual Members of Musqueam is \$3,179,028 (2019 - \$2,006,118). Management does not expect any liabilities to Musqueam as a result of these guarantees and therefore, no amount is recorded in these consolidated financial statements.

Musqueam received no consideration for providing the guarantees.

Additionally, Musqueam acts as a guarantor for Block F Land Limited Partnership in the maximum amount of \$8,269,565 or 30% of the remaining bank facility provided by Bank of Montreal to the partnership. As at March 31, 2020 there were no borrowings against the facility.

## 17. Segment disclosure:

Musqueam provides a wide variety of services to its members. For the purposes of segment disclosure, these services are grouped and reported under services areas/departments that are responsible for providing such services, as follows:

**Administration** - This comprises of Corporate Administration, Taxation and Public Works. Administration is responsible for the support and coordination of all Musqueam departments, including Chief and Council, Musqueam Operations, Finance, Communications, Human Resources and Information Technology. Taxation collects revenue from property taxation to sustain and enhance essential programs and services that are vital for a stable community. Public Works services include maintenance of day-to-day services (water, sewer, roads and Musqueam owned buildings) as well as large scale capital projects.

**Education** - This department provides support and services for Musqueam youth enrolled in pre-school/Children's House, elementary, secondary and post-secondary institutions. Services provided ensure the academic success as well as the personal development of the Musqueam's youth population.

**Social development** - The objectives of the department are to assist Musqueam Members in maintaining a basic standard of living, developing family strengths and providing financial support to enhance their ability towards a more independent lifestyle.

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 17. Segment disclosure (continued):

**Health** - This department works to provide all community members access to basic health, mental health, home and community care programs to assist them in living healthier, longer lives.

**Employment and training** - Key mandates of the department include preparing unemployed and/or income assistance for entry into the labour force through a variety of training and support programs and delivering high-quality training that support the long-term labour market success of the Musqueam people by matching labour market demand, employer needs and participant interests.

**Social housing** - This department manages activities related to housing for the Musqueam community. Key activities include managing the housing priority list and social housing stock, administration of renovations and new builds, assisting Elders and people with disabilities maintain their homes and providing emergency repair and maintenance support.

**Treaty, land and resources** – This department works towards a stronger, healthier, self-governing and self-sustaining Musqueam Nation. Collaboration is carried out with various government and non-government agencies to advance Musqueam’s title, rights and interests.

**Fisheries** - This department is mainly responsible for aquatic resource protection through consultation and negotiation with Department of Fisheries and adjacent First Nation communities. The department ensures compliance with regulations through regular monitoring and reporting.

**Other economic activities** – This represents Musqueam’s business activities, less the direct costs of administration, including golf courses, real properties and other commercial developments.

**Other projects** - includes capital projects on private housing units and special projects for services delivered on programs related to safety, language and culture and community wellness.



# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

## 17. Segment disclosure (continued):

	Administration	Education	Social development	Health	Employment and training	Social housing	Treaty, land and resources	Fisheries	Other economic activities	Other projects	2020 Consolidated Total	2019 Consolidated Total
<b>Revenue</b>												
Federal Government funding	\$ 2,042,502	\$1,915,759	\$ 1,375,395	\$1,664,357	\$1,519,691	\$ 285,294	\$2,474,971	\$ 664,216	\$ -	\$ 35,183	\$ 11,977,368	\$ 7,830,864
Province Government funding	580,990	82,286	42,500	-	1,273,700	-	1,169,997	-	-	-	3,149,473	2,081,134
Other revenue	11,324,549	187,041	17,988	5,633	172,167	584,529	818,392	43,131	-	-	13,153,430	15,665,520
Taxation income	2,660,379	-	-	-	-	-	-	-	-	-	2,660,379	2,726,677
Investment from government business enterprises and partnerships	-	-	-	-	-	-	-	-	(2,273,809)	-	(2,273,809)	(6,355,820)
Other economic activities	-	-	-	-	-	-	-	-	4,240,543	-	4,240,543	5,868,319
<b>Total revenue</b>	<b>16,608,420</b>	<b>2,185,086</b>	<b>1,435,883</b>	<b>1,669,990</b>	<b>2,965,558</b>	<b>869,823</b>	<b>4,463,360</b>	<b>707,347</b>	<b>1,966,734</b>	<b>35,183</b>	<b>32,907,384</b>	<b>27,816,694</b>
<b>Expenses:</b>												
Salary and benefits	3,308,048	741,074	918,637	1,011,901	341,042	354,670	1,406,902	374,558	-	-	8,456,832	7,884,022
Amortization	1,331,891	-	-	-	-	407,214	-	-	352,885	-	2,091,990	2,094,303
Other expenses	11,191,976	1,995,989	1,459,551	508,935	2,002,488	1,124,932	1,000,052	363,837	5,624,644	504,315	25,776,719	21,066,401
<b>Total expenses</b>	<b>15,831,915</b>	<b>2,737,063</b>	<b>2,378,188</b>	<b>1,520,836</b>	<b>2,343,530</b>	<b>1,886,816</b>	<b>2,406,954</b>	<b>738,395</b>	<b>5,977,529</b>	<b>504,315</b>	<b>36,325,541</b>	<b>31,044,726</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 776,505</b>	<b>\$ (551,977)</b>	<b>\$ (942,305)</b>	<b>\$ 149,154</b>	<b>\$ 622,028</b>	<b>\$ (1,016,993)</b>	<b>\$2,056,406</b>	<b>\$ (31,048)</b>	<b>\$ (4,010,795)</b>	<b>\$ (469,132)</b>	<b>\$ (3,418,157)</b>	<b>\$ (3,228,032)</b>

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 18. Trust funds administered by Musqueam:

In prior years, Musqueam approved by separate referendums \$1,000 and \$5,000 cash distributions to be paid to each Musqueam Member. All Members of Musqueam who were minors (under the age of 19 years) had their funds deposited in a separate bank account, in trust, at the request of the parent or guardian of the minor. As these Members reach the age of 19 years, these funds are released. As at March 31, 2020, the aggregate balance of these trust accounts amounted to \$1,232,526 (2019 - \$1,337,549). The value of the trust accounts are not reflected in these consolidated financial statements.

## 19. Budget:

An annual budget was presented by the Chief and Council of Musqueam and approved by the members of Musqueam on April 8, 2019. The budget information presented in these consolidated financial statements is based upon this approved budget. The consolidated budget includes activities related to operations, capital and all business entities managed by MCC. Adjustments to the budgeted amounts are required to comply with PSAS for inclusion in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets.

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Approved budgeted revenue	\$	32,266,100
Add: OGOs budgeted revenue		3,099,346
Add: Taxation Fund budgeted revenue		2,507,720
Add: MST Development Corporation budgeted revenue		510,000
Add: budgeted equity loss from GBEs		(2,764,779)
Less: budgeted Taxation Fund cash receipts		(1,815,000)
Less: budgeted prior year transfers		(971,000)
Less: budgeted revenue previously accrued		(1,415,000)
Less: budgeted cash receipt from GBEs		(3,726,600)
<hr/>		
Budgeted revenue presented on consolidated financial statements	\$	27,690,787
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Approved budgeted expenditures	\$	30,114,600
Add: OGOs budgeted expenditures		5,236,064
Add: Taxation Fund budgeted expenditures		2,185,539
Add: amortization expense		1,739,104
Add: mortgage interest expense		104,998
Add: MST Development Corporation budgeted expenses		520,000
Less: budgeted Taxation Fund cash payments		(1,815,000)
Less: TCA additions		(449,386)
Less: Budgeted mortgage payments		(665,100)
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Budgeted expenses presented on consolidated financial statements	\$	36,970,819

# MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020, with comparative information for 2019

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## 20. Contractual rights:

Musqueam is party to several agreements that are anticipated to provide it with future revenues. These agreements are with the Province, Crown Corporations, and private sector entities and are for terms that vary from 3 years to 30 years. Some of these agreements are fixed receipt amounts while others are tied to third-party revenue amounts. Amounts anticipated to be received over future years are as follows:

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2021	\$ 13,130,000
2022	8,280,000
2023	7,550,000
2024	6,483,000
2025	6,483,000
2026 – 2047	138,294,000
	<hr/> \$ 180,220,000

Amounts above include estimates tied to third-party revenue amounts based on prior year results. Refer to note 23 for significant event.

## 21. Comparative figures:

Certain comparative figures have been reclassified to conform with the current year presentation.

## 22. Subsequent event:

On September 30, 2020, Musqueam received \$5,707,331 from Vancouver Airport Authority representing the ground lease revenue for the year ended March 31, 2020. This amount was included in ground leases and other receivables as at March 31, 2020 (note 3).

## 23. Significant event:

In March 2020, the World Health Organization declared a global pandemic related to the disease known as COVID-19 for which the financial and economic impacts are expected to be far reaching. As the impacts of COVID-19 continue, there could be further impact on Musqueam, its members, employees, suppliers and other third party business associates that could impact the timing and amounts realized on Musqueam's assets and future ability to deliver services and projects.

Musqueam understands this health and economic crisis presents uncertainty over future cash flows and expects a material decrease in the YVR revenue sharing agreement (note 22). An estimate of the amount cannot be determined at this time.