

Musqueam Indian Band
Consolidated Financial Statements
March 31, 2022

NOTICE TO READER

Musqueam Indian Band is hereby refiling these Audited Consolidated Financial Statements for the year ended March 31, 2022. The Independent Auditor's Report includes the Basis for Opinion section previously inadvertently omitted.

Musqueam Indian Band Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Members of Musqueam Indian Band

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Musqueam Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Council is also responsible for recommending the appointment of the Band's external auditors.

MNP LLP is appointed by the Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

e-Signed by Robert Mashohn

2022-12-05 14:45:02:02 PST

Chief Financial
Officer

To the Members of Musqueam Indian Band:

Opinion

We have audited the consolidated financial statements of Musqueam Indian Band (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows and related schedules 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 Band as at March 31, 2022, and the results of its consolidated operations, changes in its net financial assets and its consolidated 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 our report. We are independent of the Band 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.

Other Matter

The consolidated financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on October 18, 2021.

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 Band'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 Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band'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 consolidated 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 Band'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 Band'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 Band 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 Band 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.

Surrey, British Columbia

December 5, 2022

MNP LLP

Chartered Professional Accountants

Musqueam Indian Band
Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	53,240,198	43,736,417
Restricted short-term investments (Note 3)	641,290	55,412
Accounts receivable (Note 4)	8,471,873	7,152,733
Inventory	407,819	307,971
Ottawa Trust Funds (Note 5)	4,229	4,189
2010 Legacies Trust Funds (Note 6)	543,001	961,531
Investments in government business enterprises and partnerships (Note 7)	165,421,358	169,186,602
Total of assets	228,729,768	221,404,855
Liabilities		
Accounts payable and accruals	8,628,484	4,843,032
Deferred revenue (Note 8)	13,586,878	7,881,544
Canada Mortgage Housing Corporation (CMHC) loans payable (Note 9)	6,011,641	6,493,652
Capital lease obligations	483,172	495,224
Total of financial liabilities	28,710,175	19,713,452
Net financial assets	200,019,593	201,691,403
Contingent liabilities (Note 14)		
Guarantees (Note 15)		
Non-financial assets		
Tangible capital assets (Note 10)	81,049,621	82,047,024
Reconciliation agreement lands (Note 11)	65,068,037	65,068,037
Prepaid expenses	416,809	457,773
Total non-financial assets	146,534,467	147,572,834
Accumulated surplus	346,554,060	349,264,237

Approved on behalf of Council

 Chief

 Councillor

Musqueam Indian Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	2022 <i>Budget</i>	2022	2021
Revenue			
Government			
Indigenous Services Canada (ISC)	6,062,300	8,323,599	7,435,085
First Nations Health Authority (FNHA)	1,495,300	1,622,328	1,820,018
CMHC	807,900	264,453	312,600
Department of Fisheries and Oceans (DFO)	780,700	1,375,755	565,464
Province of British Columbia	1,470,000	1,589,227	2,021,590
Vancouver Coastal Health Authority	84,600	252,944	97,879
Miscellaneous government grants	208,000	185,309	1,889,743
BC Housing	8,462,400	-	-
Total government funding	19,371,200	13,613,615	14,142,379
Rental and leases	4,889,200	6,355,383	3,320,693
Taxation fund	2,018,045	1,955,450	2,598,720
Investment income from Ottawa Trust Fund	-	32,657	34,457
Other investment income	3,480,100	282,192	106,262
Non-government agreements	1,344,100	216,878	7,205,384
Miscellaneous	2,715,046	6,624,257	3,182,605
Gain (loss) from investment in government business - Real estate	1,366,861	3,530,729	(649,038)
Gain from investment in government business - Marine	534,495	242,544	951,169
Other economic activities	15,648,255	13,260,412	8,892,969
	51,367,302	46,114,117	39,785,600
Program expenses			
Administration	11,435,000	12,414,400	11,130,766
Education	3,581,800	2,624,968	2,361,282
Employment and training	1,074,900	1,293,038	1,512,119
Social development	2,435,200	2,434,833	2,416,792
Health	1,848,900	2,037,142	1,600,745
Housing	3,417,100	3,637,650	2,816,521
Public Works	2,756,300	3,158,932	3,285,171
Environmental stewardship & fisheries	3,330,200	2,029,392	895,479
Title & rights	3,296,600	3,128,075	2,686,985
Lands & taxation	2,711,091	3,135,525	1,903,280
Business activities	11,641,222	12,930,339	9,528,528
Total expenditures	47,528,313	48,824,294	40,137,668
Surplus (deficit)	3,838,989	(2,710,177)	(352,068)
Accumulated surplus, beginning of year	349,264,237	349,264,237	349,616,305
Accumulated surplus, end of year	353,103,226	346,554,060	349,264,237

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

Musqueam Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022	2022	2021
	<i>Budget</i>		
Annual surplus (deficit)	3,838,989	(2,710,177)	(352,068)
Purchases of tangible capital assets	-	(2,208,137)	(2,089,289)
Amortization of tangible capital assets	-	2,991,507	2,286,373
Proceeds of disposal of tangible capital assets	-	214,033	-
Use of prepaid expenses	-	40,964	45,686
Increase (decrease) in net financial assets	3,838,989	(1,671,810)	(109,298)
Net financial assets, beginning of year	201,691,403	201,691,403	201,800,701
Net financial assets, end of year	205,530,392	200,019,593	201,691,403

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

Musqueam Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(2,710,177)	(352,068)
Non-cash items		
Amortization	2,991,507	2,286,373
Earnings from investments in government business enterprises and partnerships	(3,773,273)	(302,131)
	(3,491,943)	1,632,174
Changes in working capital accounts		
Accounts receivable	(1,319,139)	4,241,110
Prepaid expenses	40,964	45,686
Accounts payable and accruals	3,785,451	999,832
Inventory	(99,848)	101,981
Deferred revenue	5,705,334	2,648,088
	4,620,819	9,668,871
Financing activities		
Repayment of CMHC loans payable	(482,011)	(473,743)
Proceeds on sale/leaseback of tangible capital assets	-	489,051
Principal repayments of capital lease obligations	(12,052)	(63,865)
	(494,063)	(48,557)
Capital activities		
Purchases of tangible capital assets	(2,208,137)	(2,089,289)
Proceeds of disposal of tangible capital assets	214,033	-
	(1,994,104)	(2,089,289)
Investing activities		
Advances from government business enterprises	7,538,517	6,103,773
Decrease (increase) in Ottawa Trust Funds	(40)	46
Decrease (increase) in restricted short-term investment	(585,878)	538,643
Decrease in 2010 Legacies Trust	418,530	15,920
	7,371,129	6,658,382
Increase in cash resources	9,503,781	14,189,407
Cash resources, beginning of year	43,736,417	29,547,010
Cash resources, end of year	53,240,198	43,736,417

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

Musqueam Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Musqueam Indian Band ("Musqueam" or "Band") is an Indian Band located in the province of British Columbia. Musqueam 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. Musqueam Indian Band includes the Band's members, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as recommended by the Public Accounting Standards Board of CPA Canada and are consistent with the accounting policies set out by the Department of Indigenous Services Canada. Significant accounting policies adopted by Musqueam are as follows:

Consolidated entities

The financial statements consolidate the financial activities of all entities and departments comprising Band's reporting entity, except for government business entities. Trusts administered on behalf of third parties by Musqueam Indian Band are excluded from the government reporting entity.

The Band has consolidated the assets, liabilities, revenue and expenses of the following organizations controlled by Musqueam:

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

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Musqueam Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Consolidated entities (continued from previous page)

Musqueam Indian Band government business entities, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Government business entities accounted for by the modified equity basis include:

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

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver Musqueam services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include reconciliation agreement lands, tangible capital assets, and prepaid expenses.

Net financial assets

The Band's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

2. **Significant accounting policies** (Continued from previous page)

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is also included in cash and cash equivalents.

Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2022, the Band has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the Band can reasonably be expected within one year.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution. All intangibles and items inherited by right of the Band, such as reserve lands, forests, water, and mineral resources, are not recognized as assets in the Band's consolidated financial statements. Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Computer equipment	straight-line	2 years
Furniture, vehicles, and equipment	straight-line	5 to 23 years
Roads and bridges	straight-line	20 to 25 years
Sewer infrastructure	straight-line	25 years
Water infrastructure	straight-line	25 years
Equipment under capital leases	straight-line	2 to 10 years

Buildings and facilities and Musqueam-owned residential homes are amortized on a 10 to 25 year straight line basis or 4% declining balance basis depending on the nature of the building.

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

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.

Reconciliation agreement lands

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

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.

2. **Significant accounting policies** (Continued from previous page)

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Band performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in operations for the year.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2022, no liability for contaminated sites exists.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government Transfers

The Band 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 Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The Band recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Band records externally restricted inflows in deferred revenue.

Ottawa Trust Funds

Musqueam recognizes revenue 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 Revenue

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Tax revenue is recognized when authorized by the Council, the taxable event has occurred, and the definition of an asset is met.

Rents, leases, contributions from non-government agreements, accommodation fees and interest are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

2. Significant accounting policies *(Continued from previous page)*

Other economic activities represent activities of subsidiaries and partnerships controlled by Musqueam. Revenue from economic activities consists of sale of goods and services, government transfers, management fees, accommodation fees, and lease revenue.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on land or other Band tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Measurement uncertainty (Use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Band is responsible for.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future periods could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the period in which they become known.

Segments

The Band conducts its business through eleven reportable segments.

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. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 of the *Significant accounting policies*.

Recent accounting pronouncement

PS 3280 Asset Retirement Obligation (New)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

An ARO represents a legal obligation associated with the retirement of a tangible capital asset.

- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. The Band does not expect application of the new standard to have a material effect on the consolidated financial statements.

3. Restricted short-term investments

Included in restricted short-term investments are Guaranteed Investment Certificates held for replacement reserves under certain CMHC agreements. Under conditions of agreements with CMHC, Musqueam is required to maintain certain reserves related to on-reserve housing projects. The reserve funds may only be used as approved by CMHC.

4. Accounts receivable

	2022	2021
Social Housing Rents	1,100,214	1,019,477
Less: allowance for doubtful accounts	(878,789)	(807,900)
	221,425	211,577
Private Housing	433,349	437,129
Less: allowance for doubtful accounts	(58,356)	(55,214)
	374,993	381,915
Daycare and others	27,968	218,298
DFO	624,007	812,994
ISC	376,326	-
CMHC	23,138	68,393
First Nations Education Steering Committee	-	110,195
Health Canada & Youth	183,063	608
Other contributions receivable	-	5,155
	1,206,534	997,345
Taxation	824,126	778,011
Parcel A lease	710,360	712,689
YVR profit sharing	3,074,540	3,059,053
Other receivable	2,031,927	793,845
	6,640,953	5,343,598
Total accounts receivable	8,471,873	7,152,733

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Ottawa Trust Funds

The Ottawa Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These 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*. Capital and revenue trust moneys are transferred to Musqueam on the authorization of the Minister of Indigenous Services Canada, with the consent of Musqueam's Council.

	2022	2021
Capital Trust		
Balance, beginning and end of year	1,012	1,012
Revenue Trust		
Balance, beginning of year	3,177	3,223
Interest	67	36
BC special	3,151	3,142
	6,395	6,401
Less: withdrawals	3,178	3,224
Balance, end of year	3,217	3,177
	4,229	4,189

In addition to these funds, Musqueam has funds related to Ottawa Trust Funds held as cash. The funds currently held as cash were originally held by ISC and deposited to Musqueam in 2018. Included in cash is \$5,334,523 (2021 - \$5,311,627) related to these funds. During the year, the Fund earned income of \$32,658 (2021 - \$34,457).

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 \$415,128 (2021 - \$NIL) to fund approved projects and incurred a net surplus(deficit) of \$NIL (2021 - (\$15,920)).

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in government business enterprises and partnerships

The Band has investments in the following entities, accounted for under the modified equity method:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2022 Total investment</i>
Shalimar Place	11	(11,910,715)	21,058,106	9,147,402
Salish Seas Fisheries	36	(175,086)	832,598	657,548
Willingdon Developments	8,884,266	94,680	(2,245,760)	6,733,186
Musqueam Marina	1,005	1,500,594	(825,798)	675,801
LDB Developments	5,062,633	65,980	499,910	5,628,523
MST (Jericho/Fairmont/ West Van)	29,946,059	5,711,527	(8,705,569)	26,952,017
MST (Jericho 2016)	3,339	28,079,342	(7,041,694)	21,040,987
Block F Limited Partnership	99,906	87,590,530	6,895,458	94,585,894
	43,997,255	110,956,852	10,467,251	165,421,358

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2021 Total investment</i>
Shalimar Place	11	(11,476,681)	19,613,605	8,136,935
Salish Seas Fisheries	36	(159,809)	720,013	560,240
Willingdon Developments	8,884,266	88,472	(1,856,607)	7,116,131
Musqueam Marina	1,005	1,199,956	(776,720)	424,241
LDB Developments	5,062,633	65,729	122,285	5,250,647
MST (Jericho/Fairmont/West Van)	29,946,059	5,791,710	(6,077,607)	29,660,162
MST (Jericho 2016)	3,339	27,984,422	(9,771,523)	18,216,238
Block F Limited Partnership	99,906	94,911,926	4,810,176	99,822,008
	43,997,255	118,405,725	6,783,622	169,186,602

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Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in government business enterprises and partnerships *(Continued from previous page)*

Summary financial information for the Band's business enterprises and government business partnerships, accounted for using the modified equity method, is as follows:

	<i>Real Estate business As at March 31, 2022</i>	<i>Marine Business As at March 31, 2022</i>	<i>Total As at March 31, 2022</i>	<i>Total As at March 31, 2021</i>
Assets				
Cash	81,201,922	521,012	81,722,934	97,062,084
Accounts receivable	881,835	369,721	1,251,556	1,457,282
Due from related parties	572,848	33	572,881	1,653,115
Other current assets	169,027	28,328	197,356	193,915
Investment properties	479,136,936	26,323,981	505,460,917	422,960,522
Total assets	561,962,568	27,243,075	589,205,644	523,326,918
Liabilities				
Accounts payable and accruals	16,198,589	431,186	16,629,776	11,977,128
Due to related parties	124,144,239	11,617,685	135,761,923	144,595,982
Long term debt	255,164,235	15,116,050	270,280,285	201,158,464
Other liabilities	130,813,733	354,468	131,168,201	132,062,271
Total liabilities	526,320,796	27,519,389	553,840,185	489,793,845
Equity (deficit)	35,641,772	(276,314)	35,365,459	33,533,073
Total revenue	8,178,163	1,054,532	9,232,695	7,804,981
Total expenses	6,679,554	705,483	7,385,036	9,980,867
Net income (loss)	1,498,609	349,049	1,847,659	(2,175,886)

Unless otherwise noted below, loans and advances to the government business enterprises and government business partnerships are non-interest bearing, with no specific repayment terms.

- 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.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in government business enterprises and partnerships *(Continued from previous page)*

- 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, 2022, the Partnership has a loan payable of \$40,583,454 (2021 - \$37,285,595) to Addenda Capital Inc. which is secured by the assets of the Partnership with a net book value of \$40,771,413 (2021 - \$40,870,304).

- 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. During the year, Musqueam purchased the remaining 50% interest for \$10,365,266.
- 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 the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in government business enterprises and partnerships *(Continued from previous page)*

- 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.

Included in loans/advances are notes receivable of \$28,035,220 (2021 - \$28,011,733) bearing interest at prime, due on demand.

- 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.

Included in loans/advances from the band is a note receivable from Block F Limited Partnership of \$86,469,235 (2021 - \$92,294,309), 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 an interest rate calculated semi-annually not to exceed the yield on the ten-year Government of Canada benchmark bond on the day the rate is fixed, plus an adjustment of up to 0.50%. During the year, the interest rate was 0.87% (2021 – 0.87%) and due on demand. An amount of \$73,685,067 (2021 – \$25,330,107) was drawn from these facilities provided to Block F Limited Partnership at March 31, 2022.

8. Deferred revenue

As at March 31, 2022, the following contributions and revenue amounts have been deferred:

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Government				
ISC	1,608,062	10,580,951	8,340,780	3,848,233
Other governments	2,655,457	8,594,484	5,290,015	5,959,926
Total government	4,263,519	19,175,435	13,630,795	9,808,159
Self-generated and other miscellaneous grants	3,618,025	3,778,719	3,618,025	3,778,719
	7,881,544	22,954,154	17,248,820	13,586,878

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. CMHC loans payable

	2022	2021
CMHC 10-437-697-010 - repayable in monthly instalments of \$1,818 including interest at 1.84% per annum; matures on September 1, 2022.	10,844	32,243
CMHC 10-437-697-011 - repayable in monthly instalments of \$2,069 including interest at 1.86% per annum; matures on March 1, 2024.	48,713	72,400
CMHC 10-437-697-012 - repayable in monthly instalments of \$651 including interest at 1.86% per annum; matures on March 1, 2024.	15,318	22,766
CMHC 19-362-037-001 - repayable in monthly instalments of \$2,083 including interest at 1.14% per annum; matures on March 1, 2026.	97,711	121,456
CMHC 19-362-037-002 - repayable in monthly instalments of \$1,976 including interest at 1.57% per annum; matures on January 1, 2027.	110,309	132,235
CMHC 19-362-037-003 - repayable in monthly instalments of \$1,943 including interest at 1.97% per annum; matures on October 1, 2027.	123,184	143,859
CMHC 19-362-037-004 - repayable in monthly instalments of \$11,383 including interest at 2.14% per annum; matures on March 1, 2034.	1,445,240	1,549,821
CMHC 19-362-037-007 - repayable in monthly instalments of \$20,603 including interest at 0.70% per annum; matures on September 1, 2034.	3,184,115	3,408,245
CMHC 19-362-037-008 - repayable in monthly instalments of \$4,635 including interest at 2.14% per annum; matures on March 1, 2044.	976,207	1,010,627
	6,011,641	6,493,652

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2023	554,839
2024	542,751
2025	511,357
2026	509,083
2027	478,690
Thereafter	3,414,921
	6,011,641

The CMHC loans are secured by assets with a combined net book value of \$6,130,885 (2021 - \$6,612,896) and are guaranteed by Indigenous Services Canada.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

10. Tangible capital assets

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>
Band owned homes	18,145,571	-	-	9,784,591	8,360,980
Buildings and facilities	24,937,815	59,966	-	12,124,115	12,873,666
Computer equipment	2,980,184	533,360	-	2,926,277	587,267
Construction-in-progress	618,067	413,870	-	-	1,031,937
Furniture, vehicles and equipment	4,509,922	1,148,125	5,989	3,167,416	2,484,642
Lands	51,606,634	-	-	-	51,606,634
Leasehold improvements	4,308,003	23,145	-	1,882,296	2,448,852
Roads and bridges	1,247,961	18,086	-	907,258	358,789
Sewer infrastructure	1,723,843	10,309	-	1,184,532	549,620
Water infrastructure	779,050	-	-	249,296	529,754
	110,857,050	2,206,861	5,989	32,225,781	80,832,141
Equipment under capital lease	907,244	1,276	208,044	482,996	217,480
	111,764,294	2,208,137	214,033	32,708,777	81,049,621

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>
Band owned homes	18,145,571	-	-	9,237,914	8,907,657
Buildings and facilities	24,929,250	8,565	-	11,218,747	13,719,068
Computer equipment	2,249,607	730,577	-	2,318,904	661,280
Construction-in-progress	-	618,067	-	-	618,067
Furniture, vehicles and equipment	4,313,028	196,894	-	2,658,488	1,851,434
Lands	51,606,634	-	-	-	51,606,634
Leasehold improvements	4,308,003	-	-	1,738,254	2,569,749
Roads and bridges	1,247,961	-	-	852,408	395,553
Sewer infrastructure	1,697,372	26,471	-	1,115,542	608,301
Water infrastructure	779,050	-	-	218,134	560,916
	109,276,476	1,580,574	-	29,358,391	81,498,659
Equipment under capital lease	398,529	508,715	-	358,879	548,365
	109,675,005	2,089,289	-	29,717,270	82,047,024

Construction-in-progress includes buildings and housing under construction with a carrying value of \$1,031,937 (2021 - \$618,067). No amortization of this asset has been recorded during the year because as at March 31, 2022 it was still in progress.

11. 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 at a cost of \$113,382,905. The balance remaining related to Block K includes the original acquisition cost of \$65,000,000 plus capitalized costs of \$68,037.

12. Segments

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 is comprised 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.

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.

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.

Public Works - This department builds, operates and maintains the physical infrastructure that supports the main Musqueam Reserve, including the water, sewer, storm drainage, and road systems, community buildings, and community grounds, including our parks and sports fields.

Environmental Stewardship & Fisheries - This department is responsible for aquatic resource protection through consultation and negotiation with Department of Fisheries and adjacent First Nation communities, and also for the for stewardship of lands and waters for present and future generations. The department ensures compliance with regulations through regular monitoring and reporting.

Title & Rights - 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.

Lands & Taxation - This departments objective is to improve the effectiveness and efficiency of Musqueam land governance; management and administration by integrating the guiding principles of accountability, capacity-building, collaboration, communications, and recognition into our day-to-day activities.

Business Activities – This represents Musqueam's business activities, less the direct costs of administration, including golf courses, real properties and other commercial developments.

Musqueam Indian Band
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

12. Segments (Continued from previous page)

	Administration	Education	Employment and Training	Social Development	Health	Housing	Public Works	Environmental Stewardship & Fisheries	Title & Rights	Lands & Taxation	Business Activities	2022 Consolidated Total	2021 Consolidated Total
Revenue													
Federal Government funding	1,579,478	1,775,903		1,868,968	1,617,267	428,992	705,713	1,333,980	1,395,443	909,664		11,615,408	12,651,673
Province Government funding	409,150	182,148	5,142	8,021	268,949	2,500	87,926	549,532	100,196	25,000		1,638,564	1,490,706
Other revenue	2,279,378	936,981	1,492,357	575,181	195,069	2,463,244	2,809,319	125,432	2,577,002	1,404,253		14,858,216	13,849,401
Taxation income										1,955,450		1,955,450	2,598,720
Interest and investment income	178,553									132,800		311,353	187,154
Gain from government business and partnerships											3,773,273	3,773,273	302,131
Other economic activities											11,961,853	11,961,853	8,705,815
Total revenue	4,448,559	2,895,032	1,497,499	2,452,170	2,081,285	2,894,736	3,602,958	2,008,944	4,072,641	4,427,167	15,735,126	46,114,117	39,785,600
Expenses:													
Amortization	1,660,286					378,302				145,401	575,358	2,759,347	2,286,373
Cost of sales	249,762										2,327,725	2,577,487	986,995
Legal fees	3,473,628					61,875			191,217	4,934		3,731,654	3,735,750
Member distributions	2,687,331				108,400							2,795,731	1,806,826
Professional fees	604,732	57,669	463,268	74,837	132,202	302,439	85,934	165,270	803,828	536,886	478,213	3,705,278	3,435,483
Salary and benefits	2,628,264	777,523	312,937	983,344	1,378,255	459,251	1,722,073	1,447,177	1,852,543	279,465	7,102,378	18,943,210	15,348,040
Other expenses	1,110,397	1,789,776	516,833	1,376,652	418,285	2,435,783	1,350,925	416,945	280,487	2,168,839	2,446,665	14,311,587	12,538,201
Total expenses	12,414,400	2,624,968	1,293,038	2,434,833	2,037,142	3,637,650	3,158,932	2,029,392	3,128,075	3,135,525	12,930,339	48,824,294	40,137,668
Annual Surplus (Deficit)	(7,967,841)	270,064	204,461	17,337	44,143	(742,914)	444,026	(20,448)	944,566	1,291,642	2,804,788	(2,710,177)	(352,068)

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. Credit facilities

As at March 31, 2022, Musqueam has two demand loan facilities available with:

- a) Bank of Montreal (BMO) demand loan for \$15,000,000 (2021 - \$15,000,000) bearing interest at prime rate per annum. No amount was drawn on this loan at March 31, 2022 (2021 - \$NIL).
- b) Royal Bank of Canada (RBC) demand loan for \$2,000,000 (2021 - \$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, 2022 (2021 - \$NIL).

14. Contingent liabilities

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.

15. Guarantees

Musqueam is a guarantor of 38 (2021 - 38) housing mortgages for social housing and privately-owned units. Musqueam's maximum potential liability under the guarantee is \$9,380,011 (2021 - \$9,656,324). The outstanding principal and interest at March 31, 2021 is \$9,380,011 (2021 - \$9,656,324), of which \$6,011,641 (2021 - \$6,493,652) is included in CMHC loans payable for social housing (Note 9). The net amount guaranteed by Musqueam for mortgages of individual Members of Musqueam is \$3,368,370 (2021 - \$3,162,672). Management does not expect any liabilities to Musqueam as a result of these individual 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, 2022 there were no borrowings against the facility.

16. 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, 2022, the aggregate balance of these trust accounts amounted to \$1,071,926 (2021 - \$1,088,817). The balance of the trust accounts is not reflected in these consolidated financial statements.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

17. Budget

An annual budget was presented by the Chief and Council of Musqueam and approved by the members of Musqueam on April 6, 2021. 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.

Approved budgeted revenue	40,454,092
Add: OGOs budgeted revenue	13,443,255
Add: budgeted equity income from GBEs	1,901,355
Less: budgeted cash receipt from GBEs	(3,788,400)
Less: budgeted revenue from MST Employment and Training Society	(643,000)
<hr/>	
Budgeted revenue presented on the consolidated financial statements	51,367,302
<hr/>	
Approved budgeted expenditures	49,022,392
Add: OGOs budgeted expenditures	11,592,221
Less: TCA additions	(12,515,900)
Less: budgeted mortgage payments	(570,400)
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Budgeted expenditures presented on the consolidated financial statements	47,528,313

18. 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:

2023	7,550,000
2024	6,483,000
2025	6,483,000
2026	6,483,000
2027	6,483,000
2028-2047	125,328,000
<hr/>	
Total Contractual Rights	158,810,000

Amounts above include estimates tied to third-party revenue amounts based on prior year results.

19. Impact of COVID-19

In early March 2020, the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

Musqueam's operations were impacted by COVID-19 due to closure of offices and other service delivery buildings, added cleaning and supply costs, cancellation of events, lay-off of staff, and other operational disruptions. The operational impact of COVID-19 has been partially offset by available government programs for which Musqueam was eligible and additional government transfers for program support.

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19. Impact of COVID-19 *(Continued from previous page)*

In the prior year, Musqueam had experienced a material decrease in the YVR revenue sharing agreement from \$5.7 million to \$2.7 million which has been reflected in the consolidated statement of operations. As the impacts of COVID-19 continue, it is unknown the extent of any further impact the COVID-19 outbreak may have on Musqueam as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

20. Commitments

Housing Equalization Program:

During the year ended March 31, 2009, 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, 2022, Musqueam had contracted with 154 (2021 – 153 members) of Musqueam to participate in the Housing Equalization Program. The total credits that can be earned by these individuals total approximately \$8,583,000 (2021 - \$8,523,500). 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, 2022, Musqueam is obligated to fund up to \$1,183,459 (2021 - \$1,106,720) of repairs and maintenance cost and other qualifying amounts. Based on contracts entered into by March 31, 2022, additional commitments are expected to accrue over the next five years ending March 31 as follows:

2023	247,971
2024	235,326
2025	216,250
2026	210,859
2027	183,414
Thereafter	<u>1,331,268</u>
	<u>2,425,088</u>

21. Compliance with laws and regulations

Musqueam is required by the First Nation's Financial Transparency Act to submit its consolidated financial statements to Indigenous Services Canada, and post its consolidated financial statements on a website, within 120 days of year-end. As Musqueam had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

22. Comparative figures

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