Consolidated Financial Statements of

MUSQUEAM INDIAN BAND

Year ended March 31, 2015

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Year ended March 31, 2015

Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by Band management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, Band management has chosen those it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

Chief and Council, on behalf of General Band, is responsible for ensuring that management fulfills its responsibilities for financial reporting 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*, composed of Musqueam Indian Band Members, reviews the Band's consolidated financial statements and recommends their approval to Chief and Council. 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 auditors' 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 *Finance and Administration Standing Committee* also considers, for review by Chief and Council and approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. KPMG LLP has full and free access to the *Finance and Administration Standing Committee*.

Band Manager

KPMG LLP
Chartered Accountants
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Burnaby BC V5H 4N2
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INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Musqueam Indian Band

We have audited the accompanying consolidated financial statements of Musqueam Indian Band, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

KPMG

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Musqueam Indian Band as at March 31, 2015, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

July 20, 2015

Burnaby, Canada

MUSQUEAM INDIAN BAND

Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Financial Assets		
Cash	$ 13,203,364	$ 16,581,954
Restricted short-term investment	1,372,975	570,563
Accounts receivable – Band members (note 3)	459,001	356,348
Ground leases and other receivables	689,982	14,750
Contributions receivable (note 4)	297,182	337,335
Tax receivable	591,136	633,209
Inventory	79,811	78,393
Ottawa Trust Funds (note 5)	4,989,480	5,006,905
2010 Legacies Trust Funds (note 6)	1,679,331	3,231,687
Investment in and advances to government business enterprises (note 7)	68,933,871	34,707,427
	92,296,133	61,518,571
Liabilities		
Bank loans (note 8)	7,359,130	-
Accounts payable and accrued liabilities	2,448,344	3,325,763
Security deposits	60,330	61,155
Accrued interest payable	15,086	15,757
Holdbacks payable	7,893	55,092
C.M.H.C. replacement reserve	599,115	522,205
Deferred revenue (note 9)	1,318,393	1,170,319
C.M.H.C. loans payable (note 10)	8,029,911	8,414,109
Capital lease obligations (note 11(b))	21,511	54,128
Government loans payable (note 12)	2,230,566	2,230,566
	22,090,279	15,849,094
Net financial assets	70,205,854	45,669,477
Non-Financial Assets		
Reconciliation agreement lands	178,092,449	177,277,060
Tangible capital assets (note 13)	82,358,244	83,633,522
Prepaid expenses	140,209	417,015
	260,590,902	261,327,597
Commitments (note 11)		
Contingent liabilities (note 14)		
Guarantees (note 15)		
Accumulated surplus	$ 330,796,756	$ 306,997,074

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, 2015, with comparative information for 2014

	Budget 2015	Actual 2015	Actual 2014
	(note 1(h))		
Revenue:			
Government:			
Aboriginal Affairs and Northern Development Canada	$ 3,983,042	$ 4,599,805	$ 5,328,951
Aboriginal Affairs and Northern Development Canada - Transfer from (to) deferred revenue	-	(45,752)	51,080
Health and Welfare Canada	625,612	593,147	607,708
Canada Mortgage and Housing Corporation ("C.M.H.C.")	278,296	280,168	278,437
Department of Fisheries and Oceans	345,000	476,799	348,000
Government settlement	1,250,401	29,043,136	8,900,000
First Nations Employment Society	35,859	231,103	180,887
Vancouver Coastal Health	-	108,051	79,051
Miscellaneous – government grants	237,172	390,798	715,660
C.M.H.C. Residential rehabilitation assistance program ("RRAP")	-	64,000	32,000
	6,755,382	35,741,255	16,521,774
Self-generated:			
Rent and lease revenue	2,346,844	3,008,642	2,974,033
Taxation Fund revenue	1,656,000	2,518,973	2,516,279
Miscellaneous revenues	2,141,287	3,716,060	3,623,931
Other investment income	-	856,723	984,475
Investment income from Ottawa Trust Fund	120,000	122,575	143,882
Modified equity (loss) from government business enterprises	2,700,000	(1,300,460)	(929,526)
	8,964,131	8,922,513	9,313,074
Total revenue	15,719,513	44,663,768	25,834,848
Expenses:			
Administration Programs	7,705,469	9,413,835	11,921,042
Education Programs	1,726,183	1,856,165	1,803,735
Social Development Programs	1,958,144	1,956,378	2,017,336
Health Programs	668,596	782,452	752,867
Employment and Training Programs	452,142	814,978	1,128,030
Social Housing Programs	1,604,206	1,471,343	1,664,683
Land Claims Programs	469,200	884,154	511,926
Fisheries Programs	385,000	718,915	730,699
Other economic activities	-	1,773,360	1,562,749
Other projects	750,573	1,192,506	1,305,735
	15,719,513	20,864,086	23,398,802
Annual surplus	-	23,799,682	2,436,046
Accumulated surplus, beginning of year	306,997,074	306,997,074	304,561,028
Accumulated surplus, end of year	$ 306,997,074	$ 330,796,756	$ 306,997,074

See accompanying notes to consolidated financial statements.

MUSQUEAM INDIAN BAND

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	Budget 2015	2015	2014
	(note 1(h))		
Annual surplus	$ -	$ 23,799,682	$ 2,436,046
Reconciliation agreement lands:			
Capitalized property taxes and other, net of refund	-	(815,389)	(922,652)
Tangible capital assets:			
Tangible capital asset acquisitions	-	(541,351)	(6,110,873)
Amortization of tangible capital assets	-	1,806,175	1,835,651
Write-down of tangible capital assets	-	10,454	-
	-	1,275,278	(4,275,222)
Other non-financial assets:			
Decrease in prepaid expenses	-	417,015	357,721
Increase in prepaid expenses	-	(140,209)	(417,015)
	-	276,806	(59,294)
Increase (decrease) in net financial assets	-	24,536,377	(2,821,122)
Net financial assets, beginning of year	45,669,477	45,669,477	48,490,599
Net financial assets, end of year	$ 45,669,477	$ 70,205,854	$ 45,669,477

See accompanying notes to consolidated financial statements.

MUSQUEAM INDIAN BAND

Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Annual surplus	$ 23,799,682	$ 2,436,046
Items not involving cash:		
Amortization	1,806,175	1,835,651
Write-down of tangible capital assets	10,454	-
Modified equity loss from government business enterprises	1,300,460	929,526
Changes in non-cash operating working capital:		
Increase in accounts receivables - Band members	(102,653)	(120,083)
Decrease (increase) in ground leases and other receivables	(675,232)	414,922
Decrease in contributions receivable	40,153	11,332,626
Decrease (increase) in tax receivable	42,073	(35,338)
Increase in inventory	(1,418)	(11,258)
Decrease (increase) in prepaid expenses	276,806	(59,294)
Increase (decrease) in accounts payable and accrued liabilities	(877,419)	1,460,851
Decrease in security deposits	(825)	(7,017)
Decrease in accrued interest payable	(671)	(875)
Increase (decrease) in holdbacks payable	(47,199)	55,092
Increase in C.M.H.C. replacement reserve	76,910	89,854
Increase in deferred revenue	148,074	97,581
Net change in cash from operating activities	25,795,370	18,418,284
Capital activities:		
Purchase of tangible capital assets	(541,351)	(6,110,873)
Costs capitalized to reconciliation agreement lands, net of refund	(815,389)	(922,652)
Net change in cash from capital activities	(1,356,740)	(7,033,525)
Financing activities:		
Increase in bank loan	7,359,130	-
Principal payments of capital lease obligations	(32,617)	(73,339)
Repayment of C.M.H.C. loans	(384,198)	(375,248)
Net change in cash from financing activities	6,942,315	(448,587)
Investing activities:		
Increase in restricted short-term investment	(802,412)	(7,151)
Net distributions from 2010 Legacies Trust	1,552,356	49,328
Net advances to government business enterprises	(35,526,904)	(7,468,306)
Net Trust Funds withdrawn from (to) Ottawa Trust Funds	17,425	(57,883)
Net change in cash from investing activities	(34,759,535)	(7,484,012)
Increase (decrease) in cash	(3,378,590)	3,452,160
Cash, beginning of year	16,581,954	13,129,794
Cash, end of year	$ 13,203,364	$ 16,581,954

See accompanying notes to consolidated financial statements.

Musqueam Indian Band is a self-governing 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 the Musqueam Indian Band (the "Band") are the representation of management prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada.

(a) Basis of presentation and consolidation:

The consolidated financial statements reflect activities of the Band, its Taxation Fund, and its wholly-owned subsidiaries and partnerships.

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by the Band. 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 controlled by the Band and are fully consolidated in these financial statements:

656243 B.C. Ltd.	Blocks A & B Land Ltd.
684348 B.C. Ltd.	Blocks A & B Land Limited Partnership
3770 Investments Ltd.	Blocks A & B Land General Partner Ltd.
Celtic Shores Holdings Ltd.	Blocks A & B Land Limited Partner Ltd.
Celtic Shores Properties Ltd.	Block F Land Limited Partner Ltd.
Musqueam Projects Limited Partner Ltd.	Block F Land Ltd.
Musqueam Projects Limited Partnership	Block F Land General Partner Ltd.
0948593 B.C. Ltd.	Bridgepoint Land Ltd.
Musqueam Finance Ltd.	Bridgepoint Land Limited Partnership
Musqueam Capital Corp. ("MCC")	Bridgepoint Land General Partner Ltd.
Musqueam Mortgage Ltd.	Bridgepoint Land Limited Partner Ltd.
0948599 B.C. Ltd.	Garden City Ventures Limited Partnership
0742052 B.C. Ltd.	Garden City Ventures Limited
Musqueam Cultural Association	

1. **Significant accounting policies (continued):**

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

   (ii) Investments in government business enterprises:

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

   The following organizations are government business enterprises and are accounted for by the modified equity method:

   562645 B.C. Ltd.
   9220 Glenlyon Limited Partner Ltd.
   9220 Glenlyon General Partner Ltd.
   9220 Glenlyon Land Ltd.
   MIB Willingdon Limited Partner Ltd.
   MIB Willingdon General Partner Ltd.
   Musqueam (Jericho) General Partner Ltd.
   Musqueam (Fairmont) General Partner Ltd.
   Musqueam (West Vancouver) General Partner Ltd.
   0996501 B.C. Ltd.
   Musqueam Salish Seas Limited Partner Ltd.
   Musqueam Marina Limited Partner Ltd.
   Musqueam Marina General Partner Ltd.
   Salish Seas Fisheries General Partner Ltd.
   MIB LDB General Partner Ltd.
   MIB LDB Limited Partner Ltd.
   1008729 B.C. Ltd.
   Musqueam (Federal) Limited Partner Ltd.

   (iii) Investments in government partnerships:

   Government partnerships that are business partnerships are accounted for by the modified equity method. Government partnerships that are not business partnerships are accounted for under the proportionate consolidation method, where the Band's share of the partnership is accounted for on a line-by-line basis on the financial statements.

   The following organizations are government business partnerships and are accounted for by the modified equity method:

   Salish Seas Fisheries Limited Partnership
   9220 Glenlyon Limited Partnership
   LDB Developments (AQ/MIB/SN/TWN) Limited Partnership
   Willingdon Developments (AQ/MIB/TWN) Limited Partnership
   Musqueam Marina Limited Partnership

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 unspent at the end of a period, are deferred and recognized in the period the related expenses are incurred.

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 good or service is provided to the recipient, when collection is reasonably assured.

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

(d) Restricted short-term investments:

Restricted short-term investments are restricted in part for the purpose of funding the C.M.H.C replacement reserve, and are recorded at the lower of cost and market value and mature within the next fiscal year.

(e) Inventories:

Inventories held for resale are recorded at the lower of cost or net realizable value.

(f) Non-financial assets:

Non-financial assets that are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver Band 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.

1. **Significant accounting policies (continued):**

(f) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are carried at cost less accumulated amortization. The Band amortizes its tangible capital assets over the estimated useful life of each asset on a straight-line basis or declining balance basis as follows:

	Straight line
Aboriginal Pavilion	25 years
Automobile	10 years
Boat equipment	5 years
Building	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
Housing trailer	10 years
Watermain pipe project	25 years
	Declining balance
Band-owned homes	2.5% to 4.0%

Leasehold improvements are amortized over the term of the lease.

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

(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.

1. Significant accounting policies (continued):

(g) Housing Equalization Program Credits:

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

(h) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was approved by the Chief and Council of the Band on March 27, 2014.

(i) Segment disclosures:

A segment is defined as a distinguishable activity of group of activities of the Band, for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Band has provided definitions of segments used by the Band as well as presented financial information in segment format (note 16).

(j) 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:

a) An environmental standard exists;
b) Contamination exceeds the environmental standard;
c) The Band is directly responsible or accepts responsibility
d) It is expected that future economic benefits will be given up; and
e) 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.

2. Adoption of new accounting policy:

On April 1, 2014, the Band adopted the new accounting standard, PS 3260, "Liability for Contaminated Sites"'. As part of the Band's land management process, environmental assessments are currently being performed to determine the existence of contamination on reservation and certain of the reconciliation agreement lands. Findings to date have identified areas of environmental concern, however, the nature and extent of the contamination or work required to remediate, if any, has not yet been quantified. Management is of the opinion that remediation of contamination on these lands, if any, would be the responsibility of the Government of Canada. As such, no liability has been recorded as at March 31, 2015, on the statement of financial position.

PS 3260 was applied on a retrospective basis and did not result in any adjustments to financial assets, non-financial assets or accumulated surplus of the Band.

3. Accounts receivable – Band Members:

	2015	2014
Social Housing rents	$ 500,681	$ 488,647
Less: Allowance for doubtful accounts	(396,000)	(434,000)
	104,681	54,647
Private Housing	392,235	342,694
Less: Allowance for doubtful amounts	(52,797)	(53,155)
	339,438	289,539
Daycare and others	14,882	12,162
	$ 459,001	$ 356,348

4. Contributions receivable:

The following contributions receivable as at March 31, 2015 are expected to be received within the next fiscal year:

	2015	2014
Department of Fisheries and Oceans	$ 175,985	$ 47,388
Other contributions receivable	55,728	44,410
Aboriginal Affairs and Northern Development Canada ("A.A.N.D.C.")	42,122	95,692
Canada Mortgage and Housing Corporation	23,347	23,333
First Nations Education Steering Committee	-	6,412
Ministry of Transportation - Gateway Program	-	120,100
Balance, end of the year	$ 297,182	$ 337,335

5. Ottawa Trust Funds:

A.A.N.D.C. Ottawa holds funds in trust on behalf of the Band. Amounts are comprised of the following:

	2015				2014
	Revenue	Ministerial Guarantee	Capital	Total	Total
Balance, beginning of year	$ 4,675,893	$ 330,000	$ 1,012	$ 5,006,905	$ 4,949,022
Add:					
Interest received	119,460	-	-	119,460	140,758
B.C. Special	3,115	-	-	3,115	3,124
Property taxation receipts	-	-	-	-	36,550
	4,798,468	330,000	1,012	5,129,480	5,129,454
Less:					
Withdrawal	(140,000)	-	-	(140,000)	(86,000)
Transfer of Operating funds	-	-	-	-	(36,549)
Balance, end of year	$ 4,658,468	$ 330,000	$ 1,012	$ 4,989,480	$ 5,006,905

6. 2010 Legacies Trust Funds:

Pursuant to an agreement dated June 13, 2008 between the Band and the Government of Canada, the Band 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 the Band Members, 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 Band Members.

During the year, pursuant to Band Council Resolutions, the Trust distributed $1,552,356 (2014 - $49,328) to fund approved projects.

7. Investment in and advances to government business enterprises:

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

	Real estate business	Marine business	2015 Total	2014 Total
Cash	$ 18,265,134	$ 215,930	$ 18,481,064	$ 2,196,804
Accounts receivable/other receivable	475,840	3,285	479,125	9,227
Due from related parties	6,951,451	-	6,951,451	3,159,486
Investments	2	2,762,341	2,762,343	3,022,416
Other current assets	20,992	-	20,992	165,120
Investment properties	80,332,209	84,487	80,416,696	43,464,298
Total Assets	**$ 106,045,628**	**$ 3,066,043**	**$ 109,111,671**	**$ 52,017,351**
Accounts payable/accrued liabilities	$ 846,410	$ 54,999	$ 901,409	$ 254,544
Due to related parties	-	3,772,927	3,772,927	22,025,185
Long-term debt	55,674,806	-	55,674,806	13,936,000
Other liabilities	121,646	-	121,646	117,462
Total Liabilities	56,642,862	3,827,926	60,470,788	36,333,191
Equity (deficit)	49,402,766	(761,883)	48,640,883	15,684,160
Total Liabilities and Equity	**$ 106,045,628**	**$ 3,066,043**	**$ 109,111,671**	**$ 52,017,351**
Revenues	**$ 3,776,582**	**$ 83,173**	**$ 3,859,755**	**$ 3,902,046**
Expenses	3,916,782	666,599	4,583,381	3,903,427
Debt servicing (to related parties)	653,433	109,225	762,658	810,111
Debt servicing (to third party financial institution	438,127	100,184	538,311	120,000
Total Expenses	5,008,342	876,008	5,884,350	4,833,538
Net Loss	**$ (1,231,760)**	**$ (792,835)**	**$ (2,024,595)**	**$ (931,492)**

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

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

	2015	2014
562645 B.C. Ltd.:		
Investment -100% interest	$ 11	$ 11
Accumulated modified equity income	12,182,118	11,152,209
Accumulated net draws	(6,948,790)	(6,605,868)
	5,233,339	4,546,352
9220 Glenlyon (see (a) below):		
9220 Glenlyon Limited Partner Ltd.:		
Investment -100% interest	3	3
9220 Glenlyon General Partner Ltd.:		
Investment -100% interest	3	3
Advances	(20,584)	(76,306)
Accumulated modified equity income	48,132	42,621
	27,551	(33,682)
9220 Glenlyon Land Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	-
	-	3
9220 Glenlyon Limited Partnership:		
Investment -100% interest	99,900	99,900
Write-down of investment	(99,900)	-
Notes receivable	22,688,844	22,035,411
Advances due to	(181,781)	(235,351)
Accumulated modified equity loss	(2,878,166)	(970,904)
	19,628,897	20,929,056
Salish Seas Fisheries (see (b) below):		
Musqueam Salish Seas Limited Partner Ltd.:		
Investment -100% interest	3	3
Salish Seas Fisheries Limited Partnership:		
Investment - 33.33% interest	27,000	27,000
Accumulated modified equity income	295,623	234,603
Advances due to	(33)	-
Accumulated net draws	(80,000)	(50,000)
	242,590	211,603
Carried forward	25,132,383	25,653,338

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

	2015	2014
Brought forward	$ 25,132,383	$ 25,653,338
Willingdon Developments (see (c) below):		
MIB Willingdon Limited Partner Ltd.:		
Investment -100% interest	3	3
Advances	(300)	(300)
	(297)	(297)
MIB Willingdon General Partner Ltd.:		
Investment -100% interest	3	3
Advances	155,533	153,433
Accumulated modified equity loss	(2,646)	-
	152,890	153,436
Willingdon Developments (AQ/MIB/TWN) Limited Partnership:		
Investment -33% interest	8,884,260	8,884,260
Accumulated modified equity income (loss)	(112,408)	16,787
	8,771,852	8,901,047
Musqueam Marina (see (d) below):		
Musqueam Marina Limited Partner Ltd.:		
Investment -100% interest	3	3
Advances due to	-	(1,099)
	3	(1,096)
Musqueam Marina General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	-
Advances due from	3,488	-
Accumulated modified equity loss	(3,488)	-
	-	3
Musqueam Marina Limited Partnership:		
Investment -100% interest	999	999
Write-down of investment	(999)	-
Advances due from	224,369	102,401
Accumulated modified equity loss	(224,369)	(102,404)
	-	996
Carried forward	34,056,831	34,707,427

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

	2015	2014
Brought forward	$ 34,056,831	$ 34,707,427
LDB Developments (see (e) below):		
MIB LDB Limited Partner Ltd.:		
Investment -100% interest	3	-
MIB LDB General Partner Ltd.:		
Investment -100% interest	3	-
Write-down of investment	(3)	-
	-	-
LDB Developments (AQ/MIB/SN/TWN) Limited Partnership:		
Investment – 25% interest	5,062,627	-
Advances	(250)	-
Accumulated modified equity income	36,609	-
	5,098,986	-
MST (Jericho/Fairmont/West Vancouver) (see (f) below):		
Musqueam (Federal) Limited Partner Ltd.:		
Investment -100% interest	3	-
Musqueam (Jericho) General Partner Ltd.:		
Investment -100% interest	3	-
Write-down of investment	(3)	-
	-	-
Musqueam (Fairmont) General Partner Ltd.:		
Investment -100% interest	3	-
Write-down of investment	(3)	-
	-	-
Musqueam (West Vancouver) General Partner Ltd.:		
Investment -100% interest	3	-
Write-down of investment	(3)	-
	-	-
MST (Jericho) Limited Partnership:		
Investment – 33.3% interest	22,629,559	-
Accumulated modified equity income	16,167	-
	22,645,726	-
MST (Fairmont) Limited Partnership:		
Investment – 33.3% interest	6,034,892	-
Accumulated modified equity loss	(177,667)	-
	5,857,225	-
MST (West Vancouver) Limited Partnership:		
Investment – 33.3% interest	1,281,597	-
Accumulated modified equity loss	(6,500)	-
	1,275,097	-
	$ 68,933,871	$ 34,707,427

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

(a) In 2011, the proceeds from the sale of land in Richmond, B.C. were used to purchase the property at 9200 Glenlyon Parkway in Burnaby, B.C. which had been leased to a single tenant until the lease expired in August 2013. In March 2015, 9220 Glenlyon sold the property to a third party company.

(b) In April 2012, the Band 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 the Band's interest as a limited partner in the Salish Seas Fisheries Limited Partnership.

(c) In March 2014, the Band 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 Block K Land 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. The Band set up MIB Willingdon General Partner Ltd. and MIB Willingdon Limited Partner Ltd to hold 1/3 of the interest in Block K Land General Partner Ltd. and the Partnership, respectively.

As at March 31, 2015, the Partnership has a loan payable of $32,830,800 (2014 - 32,808,000) to Addenda Capital Inc. which is secured by the assets of the Partnership.

(d) As at March 31, 2015, Musqueam Marina Limited Partnership has a bank loan of nil (2014 - $3,000,000) which is guaranteed by 9220 Glenlyon Limited Partnership. During the year, Musqueam Marine Limited Partnership incurred guarantee fees of $109,225 (2014 - $120,000) to 9220 Glenlyon Limited Partnership.

(e) In July 2014, the Band 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. The Band set up MIB LDB General Partner Ltd. and MIB LDB Limited Partner Ltd. to hold 1/4 of the interest in LDB Land General Partner Ltd. and the Partnership respectively.

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

(f) In September 2014, three separate land parcels were purchased by Canada Lands Company Limited ("CLC"), a Canada crown corporation. Soon after the purchase, the Band 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 the each 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.

The Band 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 1/3 of the limited partner units in the partnerships.

All related party transactions are considered to be in normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

8. **Bank loans:**

As at March 31, 2015, the Band has two demand loan facilities available with BMO and RBC as follows:

(a) BMO demand loan for $15,000,000 bearing interest at prime rate plus 0.125% per annum of which $7,359,130 was drawn on this loan at March 31, 2015 (2014 – nil).

Subsequent to March 31, 2015, the Band repaid $7,000,000 of the BMO demand loan.

(b) RBC demand loan bearing interest at RBC's prime rate plus 1.0% per annum. No amount was drawn on this loan at March 31, 2015 (2014 – nil).

9. **Deferred revenue:**

As at March 31, 2015, the following contributions and revenue amounts have been deferred:

	Balance, March 31, 2014	Funding received 2015	Revenue recognized 2015	Balance, March 31, 2015
Government				
A.A.N.D.C.	$ 33,620	$ 87,285	$ 33,620	$ 87,285
Other federal government	236,505	307,594	236,505	307,594
Total Government	270,125	394,879	270,125	394,879
Self-generated and transfers	900,194	923,514	900,194	923,514
	$ 1,170,319	$ 1,318,393	$ 1,170,319	$ 1,318,393

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

C.M.H.C. Reference	Maturity	Monthly payment	Interest rate	2015	2014
10-437-697-009	Aug. 1, 2016	$ 1,185	1.80%	$ 19,881	$ 33,613
10-437-697-010	Sept. 1, 2022	1,812	1.71%	152,961	171,920
10-437-697-011	Mar. 1, 2024	2,072	1.92%	205,429	226,159
10-437-697-012	Mar. 1, 2024	652	1.92%	64,597	71,116
19-362-037-001	Mar. 1, 2026	2,235	2.63%	256,145	275,984
19-362-037-002	Jan. 1, 2027	1,995	1.64%	257,436	276,997
19-362-037-003	Oct. 1, 2027	1,902	1.53%	261,209	279,898
19-362-037-004	Mar. 1, 2034	11,302	2.04%	2,136,354	2,227,566
19-362-037-007	Sept. 1, 2035	24,037	2.39%	4,675,899	4,850,856
				$8,029,911	$ 8,414,109

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

2016	$ 391,738
2017	391,911
2018	394,449
2019	403,074
2020	411,760
Thereafter	6,036,979
	$ 8,029,911

The C.M.H.C. loans are secured by a Ministerial Guarantee and are guaranteed by the Band (note 15).

11. Commitments:

(a) Operating leases:

The Band leases various office equipment and a vehicle under operating leases which expire on various dates between 2016 and 2020.

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

2016	$	45,932
2017		35,488
2018		22,291
2019		15,691
2020		7,846
	$	127,248

(b) Capital leases:

The Band leases various fitness equipment, a lawn mower, and an office trailer under capital leases which expire on various dates between 2016 and 2018.

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

2016	$	12,385
2017		9,155
2018		763
Total minimum lease payments		22,303
Less imputed interest		792
Balance of capital lease obligation	$	21,511

(c) Housing Equalization Program:

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

11. Commitments (continued):

(c) Housing Equalization Program (continued):

As at March 31, 2015, the Band had contracted with 142 (2014 - 142) Band Members to participate in the Housing Equalization Program. The credits that can be earned by these individuals total approximately $7,829,000 (2014 - $7,829,000). The Band 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 Band 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. The Band is obligated to fund eligible repairs and maintenance and other qualifying amounts up to the amounts earned by the Members.

As at March 31, 2015, the Band is obligated to fund up to $672,740 (2014 - $616,471) of repairs and maintenance cost and other qualifying amounts. Based on contracts entered into by March 31, 2015, additional commitments are expected to accrue over the next five years ending March 31 as follows:

2016	$ 246,035
2017	240,625
2018	237,920
2019	232,511
2020	231,479
Thereafter	2,327,531
	$ 3,516,101

12. Government loans payable:

The following loans relate to the Land Claims Programs:

	2015	2014
Aboriginal Affairs and Northern Development Canada - loan is non-interest bearing and is repayable on the date the comprehensive Land Claims dispute is settled. During the years ended March 31, 1992, 1993, and 1994, loan amounts of $75,000, $100,000, and $50,000, respectively, were received. The loan is secured by a promissory note	$ 225,000	$ 225,000
B.C. Treaty Commission - loan is non-interest bearing, commenced on February 8,1995 and is repayable on the earlier of the extended due date of February 8, 2017, the date a treaty is signed, or the date the Federal Minister demands repayment	2,005,566	2,005,566
	$ 2,230,566	$ 2,230,566

13. Tangible capital assets:

	Cost					Accumulated Amortization				Net Book Value	
	Opening	Additions	Write-down	Transfer	Closing	Opening	Amortization	Disposal	Closing	March 31, 2015	March 31, 2014
Tangible Capital Assets											
Aboriginal Pavilion	$ 2,803,555	$ -	$ -	$ -	$ 2,803,555	$ 336,332	$ 112,142	$ -	$ 448,474	$ 2,355,081	$ 2,467,223
Automobiles	332,601	-	-	-	332,601	160,605	26,361	-	186,966	145,635	171,996
Band owned homes	16,965,910	-	-	-	16,965,910	6,355,415	447,463	-	6,802,878	10,163,032	10,610,495
Boat equipment	136,871	-	-	-	136,871	110,434	13,219	-	123,653	13,218	26,437
Buildings	8,208,584	-	-	-	8,208,584	3,489,843	256,679	-	3,746,522	4,462,062	4,718,741
Company Lands	49,232,622	-	(10,454)	-	49,222,168	-	-	-	-	49,222,168	49,232,622
Company leasehold improvement	2,484,277	-	-	-	2,484,277	790,234	81,773	-	872,007	1,612,270	1,694,043
Community centre	9,267,552	-	-	-	9,267,552	741,404	370,702	-	1,112,106	8,155,446	8,526,148
Soccer field	2,642,003	-	-	-	2,642,003	211,360	105,680	-	317,040	2,324,963	2,430,643
Storage shed	59,136	-	-	-	59,136	4,730	2,365	-	7,095	52,041	54,406
Computer equipment	1,042,118	59,561	-	-	1,101,679	955,903	75,840	-	1,031,743	69,936	86,215
Field equipment	122,608	29,583	-	-	152,191	62,484	24,522	-	87,006	65,185	60,124
Furniture and fixtures	1,196,221	105,201	-	-	1,301,422	854,748	70,062	-	924,810	376,612	341,473
Longhouse	293,767	-	-	-	293,767	42,225	11,751	-	53,976	239,791	251,542
Play ground - Elder Center	82,113	-	-	-	82,113	16,424	3,285	-	19,709	62,404	65,689
Pump Station	1,658,683	-	-	-	1,658,683	645,893	66,347	-	712,240	946,443	1,012,790
Recreation fitness equipment	105,438	-	-	-	105,438	53,191	21,088	-	74,279	31,159	43,570
Road and Bridge	1,132,896	-	-	-	1,132,896	493,318	49,568	-	542,886	590,010	639,578
Medical Equipment - Health	21,455	-	-	-	21,455	1,073	1,073	-	2,146	19,309	20,382
Watermain pipe project	-	-	-	779,050	779,050	-	31,162	-	31,162	747,888	-
	97,788,410	194,345	(10,454)	779,050	98,751,351	15,325,616	1,771,082	-	17,096,698	81,654,653	82,454,117
Assets Under Construction											
Club house - soccer field	334,438	257,604	-	-	592,042	-	-	-	-	592,042	334,438
Watermain pipe project	689,648	89,402	-	(779,050)	-	-	-	-	-	-	689,648
	1,024,086	347,006	-	(779,050)	592,042	-	-	-	-	592,042	1,024,086
Leased Tangible Assets											
Computer - server on lease	115,098	-	-	-	115,098	115,098	-	-	115,098	-	-
Computer - time clock on lease	40,846	-	-	-	40,846	40,846	-	-	40,846	-	-
Housing trailer - on lease	195,641	-	-	-	195,641	91,299	19,563	-	110,862	84,779	104,342
Field equipment - on lease	77,650	-	-	-	77,650	38,240	15,530	-	53,770	23,880	39,410
Recreation fitness equipment - on leas	43,382	-	-	-	43,382	40,492	-	-	40,492	2,890	11,567
	472,617	-	-	-	472,617	325,975	35,093	-	361,068	111,549	155,319
Total	$ 99,285,113	$ 541,351	$ (10,454)	$ -	$ 99,816,010	$ 15,651,591	$ 1,806,175	$ -	$ 17,457,766	$ 82,358,244	$ 83,633,522

13. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of $592,042 (2014 - $1,024,086) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is nil (2014 - nil).

(c) 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.

(d) Works of Art and Historical Treasures:

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

(e) Write-down of tangible capital assets:

There were $10,454 writedowns of tangible capital assets during the year (2014 - nil).

14. Contingent liabilities:

(a) Unexpended A.A.N.D.C. contributions:

Surpluses in A.A.N.D.C. funded programs are potentially refundable to A.A.N.D.C. and will be recorded as liabilities if A.A.N.D.C. requires repayment.

(b) Forgivable C.M.H.C. RRAP loans:

During the year, the Band received from C.M.H.C. $64,000 (2014 - $32,000) for renovations to Band member homes. The loans will be earned over 5 years by the Band Members as long as the Band Members continue to own and occupy the homes during this earning period. As at March 31, 2015, the potential contingency is $102,887 (2014 - $78,598).

15. Guarantees:

(a) Native individual loan:

The Band is contingently liable as a guarantor of a loan provided by a Native individual to 669142 B.C. Ltd., a corporation owned 50% by 656243 B.C. Ltd., a wholly-owned subsidiary of the Band. The Band's maximum potential liability under the guarantee is $2.5 million (2014 - $2.5 million).

(b) Ministerial guarantees:

The Band is contingently liable as a guarantor of 40 (2014 - 40) housing mortgages for social housing and privately-owned units. The Band's maximum potential liability under the guarantee is $8,868,491 (2014 - $9,131,710). The outstanding principal and interest at March 31, 2015 is $8,868,491 (2014 - $9,131,710), of which $5,904,956 (2014 - $6,198,456) is included in C.M.H.C. loans payable (see also note 10). The total contingent liability for individual band members is $2,963,535 (2014 - $2,933,254).

The Band received nominal consideration for providing the guarantees.

16. Segment disclosure:

The Band provides a wide variety of services to its members. For segment disclosure, these services are grouped and reported under services areas/departments that are responsible for providing such services. They are 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, Band 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 Community owned Buildings) as well as large scale capital projects.

Education - The 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 community's youth population.

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

16. Segment disclosure (continued):

Health - The 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 assistant recipients 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 - The 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, lands and resources - In close collaboration with Council, Community and Administration, the department works towards a stronger, healthier, self-governing and self-sustaining Musqueam Nation. Further collaboration is carried out with various governmental and non-governmental agencies to advance Musqueam's Title, Rights and Interests.

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

Other economic activities (OGO) - Musqueam established a business company (MCC) to manage the Band's business activities, including golf courses, hotel, office building, real properties and other commercial developments.

Other projects - includes capital projects on private housing units, community centre, and soccer field; and special projects for services delivered on programs like Safe Home, language and culture and community wellness.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

16. Segment disclosure (continued):

	Administration	Education	Social Development	Health	Employment & Training	Social Housing	Lands claim	Fisheries	Other Economic activities	Other projects	Totals before adjustment	Consolidation adjustments	2015 Consolidated Total	2014 Consolidated Total
Revenue														
Federal Government funding	$ 30,054,218	$ 1,434,522	$ 1,500,262	$ 593,147	$ -	$ 50,000	$ 170,000	$ 494,936	$ -	$ 26,712	$ 34,323,797	$ -	$ 34,323,797	$ 6,693,954
Province Government funding	371,136	137,218	100,961	11,379	285,683	295,168	144,000	-	-	64,000	1,409,545	-	1,409,545	9,696,670
Other revenues	4,711,598	29,372	39,546	14,628	382,289	572,157	611,407	44,662	-	360,289	6,765,948	-	6,765,948	7,279,830
Taxation income	2,518,973	-	-	-	-	-	-	-	-	-	2,518,973	-	2,518,973	2,516,279
Investment from GBE	(1,132,460)	-	-	-	-	-	-	-	-	-	-1,132,460	-	-1,132,460	(929,526)
Other economic activities	-	-	-	-	-	-	-	-	945,965	-	945,965	-	945,965	577,641
Total before transfer from other	36,523,465	1,601,112	1,640,769	619,154	667,972	917,325	925,407	539,598	945,965	451,001	44,831,768	-	44,831,768	25,834,848
Transfer from other programs	7,603,980	313,700	492,816	188,298	150,000	1,430,363	365,000	170,873	-	608,350	11,323,380	(11,323,380)	-	-
Total revenue	44,127,445	1,914,812	2,133,585	807,452	817,972	2,347,688	1,290,407	710,471	945,965	1,059,351	56,155,148	(11,323,380)	44,831,768	25,834,848
Expenses:														
Salary and benefits	2,731,413	358,251	498,727	510,176	304,771	133,185	576,539	360,312	-	403,326	5,876,700	-	5,876,700	5,847,391
Amortization	1,125,647	-	-	-	-	447,463	-	-	233,066	-	1,806,176	-	1,806,176	1,835,652
Other expenses	5,556,775	1,497,914	1,457,651	272,276	510,207	890,695	307,615	358,603	1,540,294	789,180	13,181,210	-	13,181,210	15,715,759
Total before transfer to other programs	9,413,835	1,856,165	1,956,378	782,452	814,978	1,471,343	884,154	718,915	1,773,360	1,192,506	20,864,086	-	20,864,086	23,398,802
Transfer to other programs	13,040,160	75,295	23,452	25,000	8,788	1,253,331	73,293	73,942	-	468,029	15,041,290	(15,041,290)	-	-
Total expenses	22,453,995	1,931,460	1,979,830	807,452	823,766	2,724,674	957,447	792,857	1,773,360	1,660,535	35,905,376	(15,041,290)	20,864,086	23,398,802
Annual Surplus (Deficit)	**$ 21,673,450**	**$ (16,648)**	**$ 153,755**	**$ -**	**$ (5,794)**	**$ (376,986)**	**$ 332,960**	**$ (82,386)**	**$ (827,395)**	**$ (601,184)**	**$ 20,249,772**	**$ 3,717,910**	**$ 23,967,682**	**$ 2,436,046**

17. Trust funds administered by the Band:

In prior years, the Band separately approved by referendum $1,000 and $5,000 cash distributions to be paid to each Band member. All Band members who are minors (under the age of 19 years) had their funds deposited in a separate bank account, in trust. Subsequent to the referendum, distributions made by the Band to Band members, who are minors, are deposited to these separate bank accounts, in trust, at the request of the parent or guardian of the minor. As these Band members reach the age of 19 years, these funds are to be released. As at March 31, 2015, the aggregate balance of these trust accounts amounted to $1,633,070 (2014 - $1,753,220). The value of the trust accounts are not reflected in these consolidated financial statements.

18. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.