

published

Consolidated Financial Statements of

MUSQUEAM INDIAN BAND

Year ended March 31, 2016

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MUSQUEAM INDIAN BAND

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Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgments of management.


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

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

The Finance and Administration Standing Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external 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 external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Musqueam Indian Band and meet when required.

On behalf of Musqueam Indian Band:



Band Manager
JUL 25, 2016

Date



Chief Financial Officer
July 25, 2016

Date



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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, 2016 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.



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, 2016, 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 Professional Accountants

July 25, 2016
Burnaby, Canada

MUSQUEAM INDIAN BAND

Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
Cash and cash equivalents	\$ 14,211,352	\$ 12,947,413
Restricted cash	339,066	255,951
Restricted short-term investment	1,384,399	1,372,975
Accounts receivable – Band members (note 2)	480,759	459,001
Ground leases and other receivables	318,927	689,982
Contributions receivable (note 3)	473,077	297,182
Tax receivable	629,336	591,136
Inventory	104,446	79,811
Ottawa Trust Funds (note 4)	5,095,364	4,989,480
2010 Legacies Trust Funds (note 5)	1,606,430	1,679,331
Investment in and advances to government business enterprises (note 6)	49,658,948	68,933,871
	74,302,104	92,296,133
Liabilities		
Bank loans (note 7)	-	7,359,130
Accounts payable and accrued liabilities	2,396,843	2,448,344
Security deposits	40,000	60,330
Accrued interest payable	8,836	15,086
Holdbacks payable	11,653	7,893
C.M.H.C. replacement reserve	573,804	599,115
Deferred revenue (note 8)	1,703,252	1,318,393
C.M.H.C. loans payable (note 9)	7,623,533	8,029,911
Capital lease obligations (note 10(b))	65,887	21,511
Government loans payable (note 11)	2,230,566	2,230,566
	14,654,374	22,090,279
Net financial assets	\$ 59,647,730	\$ 70,205,854
Non-Financial Assets		
Reconciliation agreement lands	178,952,589	178,092,449
Tangible capital assets (note 12)	82,426,184	82,358,244
Prepaid expenses	419,037	140,209
	261,797,810	260,590,902
Commitments (note 10)		
Contingent liabilities (note 13)		
Guarantees (note 14)		
Subsequent events (note 18)		
Accumulated surplus	\$ 321,445,540	\$ 330,796,756

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, 2016, with comparative information for 2015

	Budget 2016	Actual 2016	Actual 2015
	(note 1(h) and 17)		
Revenue:			
Government:			
Indigenous and Northern Affairs Canada (I.N.A.C.)	\$ 4,011,517	\$ 4,467,598	\$ 4,599,805
I.N.A.C. - Transfer from (to) deferred revenue	-	46,738	(53,665)
First Nations Health Authority (F.N.H.A.)	589,147	1,144,265	593,147
F.N.H.A. - Transfer to deferred revenue	-	(176,841)	(24,000)
Canada Mortgage and Housing Corporation (C.M.H.C.)	278,308	258,704	280,168
Department of Fisheries and Oceans (D.F.O.)	365,000	761,407	572,240
D.F.O. - Transfer from (to) deferred revenue	-	95,441	(95,441)
Government settlement	-	-	29,043,136
Vancouver Coastal Health Authority	79,016	100,022	108,051
Miscellaneous – grants	297,887	891,032	653,814
C.M.H.C. Residential Rehabilitation Assistance Program (R.R.A.P.)	-	14,000	64,000
	5,600,875	7,602,366	35,741,255
Self-generated:			
Rent and lease revenue	2,346,844	2,214,772	2,153,463
Taxation Fund revenue	2,317,000	2,714,703	2,518,973
Miscellaneous revenue	2,965,419	2,646,591	2,445,964
Other economic activities	1,965,802	2,249,562	2,886,390
Other investment income	-	87,451	95,608
Investment income from Ottawa Trust Fund	120,000	105,885	122,575
	9,715,065	10,018,964	10,222,973
Modified equity (loss) from government business enterprises:			
Marine business	(597,000)	(1,312,656)	(65,471)
Real estate business	867,917	504,587	(1,234,989)
	270,917	(808,069)	(1,300,460)
Total revenue	15,586,857	16,813,261	44,663,768
Expenses:			
Administration Programs	11,613,331	11,136,060	9,413,835
Education Programs	1,835,759	1,827,139	1,856,165
Social Development Programs	2,116,638	2,067,972	1,956,378
Health Programs	812,642	995,401	782,452
Employment and Training Programs	794,584	1,413,896	814,978
Social Housing Programs	2,099,792	1,584,295	1,471,343
Land Claims Programs	910,129	1,610,192	884,154
Fisheries Programs	461,975	997,746	718,915
Other economic activities	2,056,393	2,055,818	1,773,360
Loss on acquisition (note 12(f))	-	1,674,417	-
Other projects	525,678	801,541	1,192,506
	23,226,921	26,164,477	20,864,086
Annual surplus (deficit)	(7,640,064)	(9,351,216)	23,799,682
Accumulated surplus, beginning of year	330,796,756	330,796,756	306,997,074
Accumulated surplus, end of year	\$ 323,156,692	\$ 321,445,540	\$ 330,796,756

See accompanying notes to consolidated financial statements.

MUSQUEAM INDIAN BAND

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2016, with comparative information for 2015

	Budget 2016 (note 1(h) and 17)	2016	2015
Annual surplus (deficit)	\$ (7,640,064)	\$ (9,351,216)	\$ 23,799,682
Reconciliation agreement lands:			
Capitalized property taxes and other	-	(860,140)	(815,389)
Tangible capital assets:			
Tangible capital asset acquisitions	-	(1,984,622)	(541,351)
Amortization of tangible capital assets	1,644,875	1,916,682	1,806,175
Write-down of tangible capital assets	-	-	10,454
	1,644,875	(67,940)	1,275,278
Other non-financial assets:			
Decrease in prepaid expenses	-	140,209	417,015
Increase in prepaid expenses	-	(419,037)	(140,209)
	-	(278,828)	276,806
Increase (decrease) in net financial assets	(5,995,189)	(10,558,124)	24,536,377
Net financial assets, beginning of year	70,205,854	70,205,854	45,669,477
Net financial assets, end of year	\$ 64,210,665	\$ 59,647,730	\$ 70,205,854

See accompanying notes to consolidated financial statements.

MUSQUEAM INDIAN BAND

Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (9,351,216)	\$ 23,799,682
Items not involving cash:		
Amortization	1,916,682	1,806,175
Write-down of tangible capital assets	-	10,454
Modified equity loss from government business enterprises	808,069	1,300,460
Changes in non-cash operating working capital:		
Increase in accounts receivables - Band members	(21,758)	(102,653)
Decrease (increase) in ground leases and other receivables	371,055	(675,232)
Decrease (increase) in contributions receivable	(175,895)	40,153
Decrease (increase) in tax receivable	(38,200)	42,073
Increase in inventory	(24,635)	(1,418)
Decrease (increase) in prepaid expenses	(278,828)	276,806
Decrease in accounts payable and accrued liabilities	(51,501)	(877,419)
Decrease in security deposits	(20,330)	(825)
Decrease in accrued interest payable	(6,250)	(671)
Increase (decrease) in holdbacks payable	3,760	(47,199)
Increase (decrease) in C.M.H.C. replacement reserve	(25,311)	76,910
Increase in deferred revenue	384,859	148,074
Net change in cash and cash equivalents from operating activities	(6,509,499)	25,795,370
Capital activities:		
Purchase of tangible capital assets	(1,921,352)	(541,351)
Costs capitalized to reconciliation agreement lands	(860,140)	(815,389)
Net change in cash and cash equivalents from capital activities	(2,781,492)	(1,356,740)
Financing activities:		
Increase (decrease) in bank loan	(7,359,130)	7,359,130
Principal payments of capital lease obligations	(18,894)	(32,617)
Repayment of C.M.H.C. loans	(406,378)	(384,198)
Net change in cash and cash equivalents from financing activities	(7,784,402)	6,942,315
Investing activities:		
Increase in restricted short-term investment	(11,424)	(802,412)
Net distributions from 2010 Legacies Trust	72,901	1,552,356
Net advances from (to) government business enterprises	2,265,122	(35,526,904)
Net Trust Funds withdrawn from (deposited to) Ottawa Trust Funds	(105,884)	17,425
Net change in cash and cash equivalents from investing activities	2,220,715	(34,759,535)
Decrease in cash and cash equivalents	(14,854,678)	(3,378,590)
Cash from change in classification of business entity (note 1(a)(i))	16,201,732	-
Cash and cash equivalents, beginning of year	13,203,364	16,581,954
Cash and cash equivalents, end of year	\$ 14,550,418	\$ 13,203,364
Represented by:		
Cash and cash equivalents	\$ 14,211,352	\$ 12,947,413
Restricted cash	339,066	255,951
Cash and cash equivalents, end of year	\$ 14,550,418	\$ 13,203,364

See accompanying notes to consolidated financial statements.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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.

Effective April 1, 2015, the Band determined that 9220 Glenlyon Limited Partner Ltd., 9220 Glenlyon General Partner Ltd., 9220 Glenlyon Land Ltd. and 9220 Glenlyon Limited Partnership are other government organizations. In the prior year, these entities were accounted for as government business enterprises or government business partnerships. As a result, these entities are fully consolidated in these financial statements for the year ended March 31, 2016.

The following organizations are controlled by the Band and are fully consolidated in these financial statements:

656243 B.C. Ltd.	9220 Glenlyon Limited Partner Ltd.
684348 B.C. Ltd.	9220 Glenlyon Land Ltd.
3770 Investments Ltd.	Blocks A & B Land Ltd.
Celtic Shores Holdings Ltd.	Blocks A & B Land Limited Partnership
Celtic Shores Properties Ltd.	Blocks A & B Land General Partner Ltd.
Musqueam Projects Limited Partner Ltd.	Blocks A & B Land Limited Partner Ltd.
Musqueam Projects Limited Partnership	Block F Land Limited Partner Ltd.
0948593 B.C. Ltd.	Block F Land Ltd.
Musqueam Finance Ltd.	Block F Land General Partner Ltd.
Musqueam Capital Corp. ("MCC")	Block K Land Ltd.
Musqueam Mortgage Ltd.	Bridgepoint Land Ltd.
0948599 B.C. Ltd.	Bridgepoint Land Limited Partner Ltd.
0742052 B.C. Ltd.	Bridgepoint Land Limited Partnership
Musqueam Cultural Association	Bridgepoint Land General Partner Ltd.
9220 Glenlyon General Partner Ltd.	Garden City Ventures Limited Partnership
9220 Glenlyon Limited Partnership	Garden City Ventures Limited

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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.	0996501 B.C. Ltd.
Musqueam (Federal) Limited Partner Ltd.	Musqueam Marina General Partner Ltd.
MIB LDB General Partner Ltd.	Musqueam Marina Limited Partner Ltd.
MIB LDB Limited Partner Ltd..	Musqueam Salish Seas Limited Partner Ltd
MIB Willingdon Limited Partner Ltd.	Salish Seas Fisheries General Partner Ltd.
MIB Willingdon General Partner Ltd.	Musqueam (Jericho) General Partner Ltd.
Musqueam (Fairmont) General Partner Ltd.	1008729 B.C. Ltd.
Musqueam (West Vancouver) General Partner Ltd.	MIB (Jericho 2016) General Partner Ltd
	MIB (Jericho 2016) Limited Partner Ltd.

(iii) Investments in government partnerships:

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

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

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

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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) Inventory:

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

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(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.

(i) Tangible capital assets:

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

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

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

Leasehold improvements are amortized straight-line 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.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(iii) Leased tangible capital assets:

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

(iv) Settlement lands:

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

(v) Reconciliation agreement lands:

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

(g) Housing Equalization Program Credits:

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

(h) Budget information:

An annual budget was presented by the Chief and Council of the Band and approved by Band members on March 19, 2015. Budget information presented on a basis consistent with that used for actual results is derived from the budget approved by Band members (note 17).

(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 15).

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Significant accounting policies (continued):

(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:

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

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

2. Accounts receivable – Band Members:

	2016	2015
Social Housing rents	\$ 522,156	\$ 500,681
Less: Allowance for doubtful accounts	(436,000)	(396,000)
	86,156	104,681
Private Housing	431,965	392,235
Less: Allowance for doubtful amounts	(52,797)	(52,797)
	379,168	339,438
Daycare and others	15,435	14,882
	\$ 480,759	\$ 459,001

3. Contributions receivable:

	2016	2015
D.F.O.	\$ 352,731	\$ 175,985
Other contributions receivable	94,749	55,728
I.N.A.C.	-	42,122
C.M.H.C.	20,281	23,347
First Nations Education Steering Committee	5,316	-
Balance, end of the year	\$ 473,077	\$ 297,182

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

4. Ottawa Trust Funds:

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

	2016				2015
	Revenue	Ministerial Guarantee	Capital	Total	Total
Balance, beginning of year	\$ 4,658,468	\$ 330,000	\$ 1,012	\$ 4,989,480	\$ 5,006,905
Add:					
Interest received	102,721	-	-	102,721	119,460
B.C. Special	3,163	-	-	3,163	3,115
	4,764,352	330,000	1,012	5,095,364	5,129,480
Less:					
Withdrawal	-	-	-	-	(140,000)
Balance, end of year	\$ 4,764,352	\$ 330,000	\$ 1,012	\$ 5,095,364	\$ 4,989,480

5. 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 \$72,901 (2015 - \$1,552,356) to fund approved projects.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

6. 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	2016 Total	2015 Total
Cash	\$ 943,402	\$ 200,910	\$ 1,144,312	\$ 18,481,064
Accounts receivable/other receivable	380,902	32,907	413,809	479,125
Due from related parties	5,646,327	-	5,646,327	6,951,451
Investments	-	2,018,508	2,018,508	2,762,343
Other current assets	29,549	1,200	30,749	20,992
Investment properties	78,876,353	355,607	79,231,960	80,416,896
Total Assets	\$ 85,876,533	\$ 2,609,132	\$ 88,485,665	\$ 109,111,671
Accounts payable/accrued liabilities	\$ 380,134	\$ 57,640	\$ 437,774	\$ 901,409
Due to related parties	35,119	3,779,070	3,814,189	3,772,927
Long-term debt	32,582,780	100,000	32,682,780	55,674,806
Other liabilities	131,496	-	131,496	121,646
Total Liabilities	33,129,529	3,936,710	37,066,239	60,470,788
Equity (deficit)	52,747,004	(1,327,578)	51,419,426	48,640,883
Total Liabilities and Equity	\$ 85,876,533	\$ 2,609,132	\$ 88,485,665	\$ 109,111,671
Revenues	\$ 3,959,635	\$ 234,064	\$ 4,193,699	\$ 3,859,755
Expenses:	2,896,630	801,361	3,697,991	4,583,381
Debt servicing (to related parties)	-	-	-	762,658
Debt servicing (to third party financial institutions)	560,009	-	560,009	538,311
Total Expenses	3,456,639	801,361	4,258,000	5,884,350
Net income (loss)	\$ 502,996	\$ (567,297)	\$ (64,301)	\$ (2,024,595)

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

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

	2016	2015
562645 B.C. Ltd.:		
Investment -100% interest	\$ 11	\$ 11
Accumulated modified equity income	13,189,931	12,182,118
Accumulated net draws	(3,589,552)	(3,589,552)
Advances	(5,571,423)	(3,359,238)
	4,028,967	5,233,339
9220 Glenlyon (see (a) below):		
9220 Glenlyon Limited Partner Ltd.:		
Investment -100% interest	-	3
	-	3
9220 Glenlyon General Partner Ltd.:		
Investment -100% interest	-	3
Advances	-	(20,584)
Accumulated modified equity income	-	48,132
	-	27,551
9220 Glenlyon Land Ltd.:		
Investment -100% interest	-	3
Write-down of investment	-	(3)
	-	-
9220 Glenlyon Limited Partnership:		
Investment -100% interest	-	99,900
Write-down of investment	-	(99,900)
Notes receivable	-	22,688,844
Advances due to	-	(181,781)
Accumulated modified equity loss	-	(2,878,166)
	-	19,628,897
Salish Seas Fisheries (see (b) below):		
Musqueam Salish Seas Limited Partner Ltd.:		
Investment -100% interest	3	3
	3	3
Salish Seas Fisheries Limited Partnership:		
Investment - 33.33% interest	27,000	27,000
Accumulated modified equity income	493,396	295,623
Advances due to	(33)	(33)
Accumulated net draws	(110,000)	(80,000)
	410,363	242,590
Carried forward	4,439,333	25,132,383

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

	2016	2015
Brought forward	\$ 4,439,333	\$ 25,132,383
<i>Willingdon Developments (see (c) below):</i>		
MIB Willingdon Limited Partner Ltd.:		
Investment -100% interest	3	3
	3	3
MIB Willingdon General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	-
Advances	3,145	155,533
Accumulated modified equity loss	(3,145)	(2,646)
	-	152,890
Willingdon Developments (AQ/MIB/TWN) Limited Partnership:		
Investment -33% interest	8,884,260	8,884,260
Advances	(300)	(300)
Accumulated modified equity loss	(321,438)	(112,408)
	8,562,522	8,771,552
<i>Musqueam Marina (see (d) below):</i>		
Musqueam Marina Limited Partner Ltd.:		
Investment -100% interest	3	3
	3	3
Musqueam Marina General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	(3)
Advances due from	5,115	3,488
Accumulated modified equity loss	(5,115)	(3,488)
	-	-
Musqueam Marina Limited Partnership:		
Investment -100% interest	999	999
Write-down of investment	(999)	(999)
Advances due from	3,771,558	224,369
Accumulated modified equity loss	(1,732,865)	(224,369)
	2,038,693	-
Carried forward	15,040,554	34,056,831

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

	2016	2015
Brought forward	\$ 15,040,554	\$ 34,056,831
<i>LDB Developments (see (e) below):</i>		
MIB LDB Limited Partner Ltd.:		
Investment -100% interest	3	3
	3	3
MIB LDB General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	(3)
Advances due from	3,239	-
Accumulated modified equity loss	(3,239)	-
	-	-
LDB Developments (AQ/MIB/SN/TWN) Limited Partnership:		
Investment – 25% interest	5,062,627	5,062,627
Advances	(250)	(250)
Accumulated modified equity income	59,321	36,609
	5,121,698	5,098,986
<i>MST (Jericho/Fairmont/West Vancouver) (see (f) below):</i>		
Musqueam (Federal) Limited Partner Ltd.:		
Investment -100% interest	3	3
	3	3
Musqueam (Jericho) General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	(3)
Advances due from	3,602	-
Accumulated modified equity loss	(3,602)	-
	-	-
Musqueam (Fairmont) General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	(3)
Advances due from	3,602	-
Accumulated modified equity loss	(3,602)	-
	-	-
Musqueam (West Vancouver) General Partner Ltd.:		
Investment -100% interest	3	3
Write-down of investment	(3)	(3)
Advances due from	3,602	-
Accumulated modified equity loss	(3,602)	-
	-	-
Carried forward	20,162,258	39,155,823

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

	2016	2015
Brought forward	\$ 20,162,258	\$ 39,155,823
MST (Jericho) Limited Partnership:		
Investment – 33.3% interest	22,629,559	22,629,559
Advances due from	7,000	-
Accumulated modified equity income	4,318	16,167
	22,640,877	22,645,726
MST (Fairmont) Limited Partnership:		
Investment – 33.3% interest	6,034,892	6,034,892
Advances due from	7,000	-
Accumulated modified equity loss	(445,680)	(177,667)
	5,596,212	5,857,225
MST (West Vancouver) Limited Partnership:		
Investment – 33.3% interest	1,281,597	1,281,597
Advances due from	7,000	-
Accumulated modified equity loss	(29,002)	(6,500)
	1,259,595	1,275,097
MST (Jericho 2016) (see (g) below):		
MST (Jericho 2016) Limited Partnership:		
Investment – 25% interest	3,333	-
Advances	(3,333)	-
	-	-
MIB (Jericho 2016) Limited Partner Ltd.:		
Investment -100% interest	3	-
	3	-
MIB (Jericho 2016) General Partner Ltd.:		
Investment -100% interest	3	-
	3	-
	\$ 49,658,948	\$ 68,933,871

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

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

	Real estate business	Marine business	2016 Total	2015 Total
Total investment at proportional interest	\$ 43,896,294	\$ 27,006	\$ 43,923,300	\$ 43,919,982
Total accumulated draws	(3,589,552)	(110,000)	(3,699,552)	(3,669,552)
Total accumulated modified equity income (loss)	12,440,262	(1,244,584)	11,195,677	9,173,405
Total equity (deficit)	52,747,004	(1,327,578)	51,419,426	49,423,835
Advances due from (to)	(5,537,117)	3,776,640	(1,760,478)	19,510,035
Total investment and advances to government business enterprises	\$ 47,209,886	\$ 2,449,062	\$ 49,658,948	\$ 68,933,871

(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. In the current year, 9220 Glenlyon was accounted for as an other government organization.

(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 its 1/3 of the interest in Block K Land General Partner Ltd. and the Partnership, respectively.

As at March 31, 2016, the Partnership has a loan payable of \$32,906,000 (2015 - \$32,830,800) to Addenda Capital Inc. which is secured by the assets of the Partnership.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

- (d) In November 2011, the Band set up Musqueam Marina Limited Partnership that owns 50% interest in Milltown Marine & Boatyard Joint Venture to develop a marina on Richmond Island. The project was completed in the 2016 fiscal year.
- (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 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, 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 its 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.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

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

- (g) In March 2016, the Band 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.

The Band 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.

On March 31, 2016, the MST (Jericho 2016) Limited Partnership entered into an agreement with the Province to purchase the Provincial Jericho lands with expected completion date on the first parcel of land in November 2016.

7. Bank loans:

As at March 31, 2016, the Band has two demand loan facilities available with:

- (a) Bank of Montreal (BMO) demand loan for \$15,000,000 bearing interest at prime rate plus 0.125% per annum. No amount was drawn on this loan at March 31, 2016 (2015 - \$7,359,130).
- (b) Royal Bank of Canada (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, 2016 (2015 - nil).

8. Deferred revenue:

As at March 31, 2016, the following contributions and revenue amounts have been deferred:

	Balance, March 31, 2015	Funds received 2016	Revenue recognized 2016	Balance, March 31, 2016
Government				
I.N.A.C.	\$ 87,285	\$ 40,547	\$ 87,285	\$ 40,547
Other federal government	307,594	580,236	307,594	580,236
Total Government	394,879	620,783	394,879	620,783
Self-generated and transfers	923,514	1,082,469	923,514	1,082,469
	\$ 1,318,393	\$ 1,703,252	\$ 1,318,393	\$ 1,703,252

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

9. C.M.H.C. loans payable:

C.M.H.C. Reference	Maturity	Monthly payment	Interest rate	2016	2015
10-437-697-009	Aug. 1, 2016	\$ 1,185	1.80%	\$ 5,900	\$ 19,881
10-437-697-010	Sept. 1, 2022	1,812	1.71%	133,681	152,961
10-437-697-011	Mar. 1, 2024	2,072	1.92%	184,317	205,429
10-437-697-012	Mar. 1, 2024	652	1.92%	57,959	64,597
19-362-037-001	Mar. 1, 2026	2,235	2.63%	235,796	256,145
19-362-037-002	Jan. 1, 2027	1,995	1.64%	237,562	257,436
19-362-037-003	Oct. 1, 2027	1,902	1.53%	242,242	261,209
19-362-037-004	Mar. 1, 2034	11,302	2.04%	2,043,367	2,136,354
19-362-037-007	Sept. 1, 2035	20,970	0.94%	4,482,709	4,675,899
				\$7,623,533	\$ 8,029,911

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

2017	\$ 419,393
2018	419,493
2019	425,597
2020	431,671
2021	437,978
Thereafter	5,489,401
	\$ 7,623,533

The C.M.H.C. loans are secured by a Ministerial Guarantee and are guaranteed by the Band (note 14).

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

10. Commitments:

(a) Operating leases:

The Band leases various office equipment and a vehicle under operating leases which expire on various dates between 2017 and 2020.

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

2017	\$	37,406
2018		22,291
2019		15,691
2020		7,846
	\$	83,234

(b) Capital lease obligations:

The Band leases a trailer, field equipment and various electronic equipment under capital leases which expire on various dates between 2018 and 2021.

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

2017	\$	22,643
2018		14,251
2019		13,488
2020		13,488
2021		5,620
Total minimum lease payments		69,490
Less imputed interest		3,603
Balance of capital lease obligation	\$	65,887

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

10. Commitments (continued):

(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.

As at March 31, 2016, the Band had contracted with 144 (2015 - 142) Band Members to participate in the Housing Equalization Program. The total credits that can be earned by these individuals total approximately \$7,968,000 (2015 - \$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, 2016, the Band is obligated to fund up to \$629,344 (2015 - \$672,740) of repairs and maintenance cost and other qualifying amounts. Based on contracts entered into by March 31, 2016, additional commitments are expected to accrue over the next five years ending March 31 as follows:

2017	\$ 246,349
2018	243,644
2019	238,235
2020	237,203
2021	237,203
Thereafter	2,197,128
	<hr/>
	\$ 3,399,762

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

11. Government loans payable:

The following loans relate to the Land Claims Programs:

	2016	2015
I.N.A.C. - 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

Notes to Consolidated Financial Statements (continued)

12. Tangible capital assets:

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MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

12. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of nil (2015 - \$592,042) 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 (2015 - 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 nil writedowns of tangible capital assets during the year (2015 - \$10,454).

(f) Musqueam Golf and Learning Academy (MGLA)

In August 2015, with the approval of the Band membership, the Band acquired the remaining 50% of 669142 BC Ltd. (dba MGLA) resulting in the Band wholly owning the entity. As a result of the acquisition, \$1,095,628 of tangible capital assets were acquired and \$1,674,417 was recorded as an expense on the statement of operations.

13. Contingent liabilities:

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

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

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

During the year, the Band received from C.M.H.C. \$14,000 (2015 - \$64,000) for renovations to Band member homes under the Residential Rehabilitation Assistance Program (R.R.A.P). 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, 2016, the potential contingency is \$78,643 (2015 - \$102,887).

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

14. Guarantees:

Ministerial guarantees:

The Band is contingently liable as a guarantor of 40 (2015 - 40) housing mortgages for social housing and privately-owned units. The Band's maximum potential liability under the guarantee is \$8,187,103 (2015 - \$8,868,491). The outstanding principal and interest at March 31, 2016 is \$8,187,103 (2015 - \$8,868,491), of which \$5,580,164 (2015 - \$5,904,956) is included in C.M.H.C. loans payable (see also note 9). The total contingent liability for individual band members is \$2,606,939 (2015 - \$2,963,535).

The Band received nominal consideration for providing the guarantees.

15. 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.

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

15. 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, 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, 2016

15. Segment disclosure (continued):

	Administration	Education	Social Development	Health	Employment and Training	Housing	Land Claims	Fisheries	Other economic activities	Other projects	Totals before adjustment	Consolidation adjustments	2016 Consolidated Total	2015 Consolidated Total
Revenue														
Federal Government funding	\$ 1,384,721	\$ 1,420,959	\$ 1,258,884	\$ 987,424	\$ -	\$ 258,704	\$ 145,258	\$ 989,458	\$ -	\$ 314,000	\$ 6,737,408	\$ -	\$ 6,737,408	\$ 34,323,787
Province Government funding	-	82,284	186,441	9,172	456,248	-	52,000	-	-	-	826,125	-	826,125	1,409,545
Other revenues	3,287,444	26,399	105,709	19,420	707,891	564,486	357,317	8,391	-	16,874	5,093,531	-	5,093,531	8,765,948
Taxation income	2,714,703	-	-	-	-	-	-	-	-	-	2,714,703	-	2,714,703	2,518,973
Investment from government business enterprises	(808,069)	-	-	-	-	-	-	-	-	-	(808,069)	-	(808,069)	(1,300,460)
Other economic activities	-	-	-	-	-	-	-	-	2,249,563	-	2,249,563	-	2,249,563	945,985
Total before transfer from other programs	6,578,799	1,529,622	1,549,034	996,016	1,163,939	823,180	594,575	997,849	2,249,563	330,674	16,813,261	-	16,813,261	44,663,768
Transfer from other programs	11,724,213	436,047	619,997	201,553	363,851	1,565,497	579,213	127,008	-	725,696	18,343,075	(16,343,075)	-	-
Total revenue	18,303,012	1,965,669	2,169,031	1,197,569	1,527,790	2,388,687	1,173,788	1,124,857	2,249,563	1,056,370	33,156,336	(16,343,075)	16,813,261	44,663,768
Expenses:														
Salary and benefits	3,091,628	303,611	542,597	520,045	871,834	185,913	610,612	422,381	-	421,163	6,949,784	-	6,949,784	5,876,700
Amortization	1,225,584	-	-	-	-	419,291	-	-	271,807	-	1,916,682	-	1,916,682	1,806,176
Other expenses	6,818,848	1,523,528	1,525,375	475,356	542,062	999,091	999,580	575,385	3,456,428	380,378	17,298,011	-	17,298,011	13,181,210
Total before transfer to other programs	11,136,060	1,827,139	2,067,972	995,401	1,413,896	1,584,295	1,610,192	997,766	3,730,235	801,541	26,164,477	-	26,164,477	20,864,086
Transfer to other programs	9,772,475	132,192	154,686	202,168	52,262	1,166,090	224,944	119,946	-	85,317	11,909,890	(11,909,890)	-	-
Total expenses	20,908,535	1,959,331	2,222,658	1,197,569	1,466,158	2,750,385	1,835,136	1,117,692	3,730,235	886,858	38,074,367	(11,909,890)	26,164,477	20,864,086
Annual Surplus (Deficit)	\$ (2,605,523)	\$ 6,338	\$ (63,437)	\$ -	\$ 61,632	\$ (361,694)	\$ (661,349)	\$ 7,166	\$ (1,480,672)	\$ 189,812	\$ (4,916,031)	\$ (4,433,189)	\$ (9,351,216)	\$ 23,799,682

MUSQUEAM INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

16. 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, 2016, the aggregate balance of these trust accounts amounted to \$1,529,503 (2015 - \$1,633,070). The value of the trust accounts are not reflected in these consolidated financial statements.

17. Budget:

The budget information presented in these consolidated financial statements is based upon the 2016 budgets as approved by Chief and Council and the Musqueam Community. 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 PSAB standards for inclusion in the consolidated statement of operations and consolidated statement of changes in net financial assets.

18. Subsequent events:

On March 31, 2016, the Band entered into two accommodation agreements with the Province. The accommodation funds were received in April 2016 and will be recognized into income once the purchase of the two parcels of Provincial Jericho lands is completed (note 6(g)) and stipulations of the funding are met.

19. Comparative figures:

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