

Musqueam Indian Band
Consolidated Financial Statements
For the year ended March 31, 2024

Musqueam Indian Band

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For the year ended March 31, 2024

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To the Members of Musqueam Indian Band:

Opinion

We have audited the consolidated financial statements of Musqueam Indian Band (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Band as at March 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Surrey, British Columbia

January 27, 2025

MNP LLP

Chartered Professional Accountants

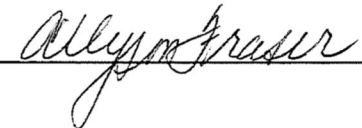
Musqueam Indian Band
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash resources (Note 5)	63,062,162	52,072,655
Accounts receivable (Note 6)	16,515,665	14,624,616
Inventory	2,132,559	610,520
Ottawa Trust Funds (Note 7)	5,776,670	5,493,079
Funds held in trust	-	543,001
Investments in government business enterprises and partnerships (Note 8)	147,346,301	167,955,288
Total of financial assets	234,833,357	241,299,159
Liabilities		
Accounts payable and accruals	7,026,550	7,549,921
Deferred revenue (Note 9)	32,713,465	23,743,520
Long-term debt (Note 10)	5,062,200	5,534,343
Capital lease obligations	362,216	494,315
Total of financial liabilities	45,164,431	37,322,099
Net financial assets	189,668,926	203,977,060
 Guarantees (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12)	81,714,205	81,614,432
Reconciliation agreement lands (Note 13)	65,068,037	65,068,037
Prepaid expenses and deposits	18,601,223	573,714
Total non-financial assets	165,383,465	147,256,183
Accumulated surplus (Note 19)	355,052,391	351,233,243

Approved on behalf of the Council

✕ 

Chief

✕ 

Councillor

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

Musqueam Indian Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue				
Government				
Indigenous Services Canada		8,762,016	8,175,884	9,319,331
Province of British Columbia		4,710,858	3,750,112	4,315,895
Department of Fisheries and Oceans		1,523,575	1,237,862	1,625,924
First Nations Health Authority		1,575,675	1,539,017	1,348,432
Vancouver Coastal Health Authority		339,645	249,074	461,664
Canada Mortgage and Housing Corporation		870,200	1,551,798	320,868
Miscellaneous government grants		240,200	368,118	272,963
BC Housing		600,000	-	25,000
Total government funding		18,622,169	16,871,865	17,690,077
Rental and leases		3,918,643	3,766,497	3,772,776
Non-government agreements		5,561,553	8,245,456	6,443,830
Taxation		2,489,419	2,546,406	2,352,069
Miscellaneous		7,854,025	4,339,678	7,053,604
Interest and investment income		125,000	3,319,443	1,442,374
Earnings from investment in government businesses - real estate		3,444,150	2,157,991	2,973,293
Earnings from investment in government businesses - marine		2,049,432	2,366,553	559,382
Other economic activities		12,727,752	16,037,395	14,375,334
		56,792,143	59,651,284	56,662,739
Expenditures				
Administration	2	10,429,330	10,747,377	11,635,307
Archaeology	3	770,930	637,882	743,266
Archives	4	728,335	616,671	615,961
Business Activities	5	16,755,057	18,762,696	14,161,577
Chief and Council Administration Office	6	1,696,995	1,676,466	2,203,501
Child Care	7	652,250	953,297	696,563
Education	8	2,237,850	1,892,406	1,971,152
Employment & Training	9	948,688	1,291,973	1,071,324
Environmental Stewardships	10	3,501,127	1,216,986	1,662,599
Fisheries	11	926,517	717,458	769,064
Health	12	2,146,269	2,199,754	2,120,259
Housing	13	4,021,447	3,791,292	3,538,663
Intergovernmental Affairs	14	2,273,936	1,356,806	2,214,168
Lands	15	1,366,496	1,647,873	1,304,437
Language	16	202,927	191,486	183,091
Public Works	17	4,571,443	4,076,253	2,917,454
Recreation	18	492,845	488,081	514,880
Security	19	737,286	676,026	697,629
Social Development and Safe Home	20	2,451,744	2,375,459	2,402,082
Taxation	21	466,069	354,166	444,436
UBC Relationship	22	207,518	161,728	116,142
Total expenditures		57,585,059	55,832,136	51,983,555
Surplus (deficit)		(792,916)	3,819,148	4,679,184
Accumulated surplus, beginning of year		351,233,243	351,233,243	346,554,059
Accumulated surplus, end of year		350,440,327	355,052,391	351,233,243

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

Musqueam Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Surplus (deficit)	(792,916)	3,819,148	4,679,184
Purchases of tangible capital assets	(2,547,652)	(2,459,975)	(3,325,176)
Amortization of tangible capital assets	787,701	2,295,392	2,559,830
Proceeds of disposal of tangible capital assets	-	64,810	200,535
Acquisition of prepaid expenses and deposits	-	(18,027,509)	(156,905)
Increase (decrease) in net financial assets	(2,552,867)	(14,308,134)	3,957,468
Net financial assets, beginning of year	203,977,060	203,977,060	200,019,592
Net financial assets, end of year	201,424,193	189,668,926	203,977,060

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

Musqueam Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Surplus	3,819,148	4,679,184
Non-cash items		
Amortization	2,295,392	2,559,830
Earnings from investments in government business enterprises and partnerships	(4,524,544)	(3,532,675)
	1,589,996	3,706,339
Changes in working capital accounts		
Accounts receivable	(1,891,049)	(6,152,743)
Inventory	(1,522,039)	(202,701)
Funds held in trust	543,001	-
Accounts payable and accruals	(523,371)	117,934
Deferred revenue	8,969,945	8,960,145
Prepaid expenses and deposits	(18,027,509)	(156,905)
	(10,861,026)	6,272,069
Financing activities		
Repayment of long-term debt	(472,143)	(477,298)
Principal repayments of capital lease obligations	(132,099)	(134,202)
Advances of capital lease obligations	-	145,344
	(604,242)	(466,156)
Capital activities		
Purchases of tangible capital assets	(2,459,975)	(3,325,176)
Proceeds of disposal of tangible capital assets	64,810	200,535
	(2,395,165)	(3,124,641)
Investing activities		
Advances from government business enterprises and partnerships	25,133,531	998,745
Decrease in restricted short-term investment	-	641,290
	25,133,531	1,640,035
Increase in cash resources	11,273,098	4,321,307
Cash resources, beginning of year	57,565,734	53,244,427
Cash resources, end of year	68,838,832	57,565,734
Cash resources are composed of:		
Cash	63,062,162	52,072,655
Ottawa Trust Funds	5,776,670	5,493,079
	68,838,832	57,565,734

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

Musqueam Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. Operations

The Musqueam Indian Band ("Musqueam" or "Band") is located in the province of British Columbia. Musqueam works to ensure enhanced quality of life for all generations of its people to develop a sustainable, self-reliant, vibrant community that is built upon the historical and traditional values of its community. Musqueam Indian Band includes the Band's members, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

2. Significant accounting policies

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

Consolidated entities

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

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

- 0742052 BC Ltd.
- 0948593 B.C. Ltd.
- 0948599 B.C. Ltd.
- 1335501 B.C. Ltd.
- 3770 Investments Ltd.
- 656243 B.C. Ltd.
- 684348 B.C. Ltd.
- Block K Land Ltd.
- Blocks A & B Land Ltd.
- Blocks A & B Land General Partner Ltd.
- Blocks A & B Land Limited Partner Ltd.
- Blocks A & B Land Limited Partnership
- Bridgepoint Land General Partner Ltd.
- Bridgepoint Land Limited Partner Ltd.
- Bridgepoint Land Limited Partnership
- Bridgepoint Land Ltd.
- Celtic Shores Properties Ltd.
- Garden City Ventures Limited Partnership
- Garden City Ventures Ltd.
- Lelem Housing Society
- MIB Lot 32 Land General Partner Ltd.
- MIB Lot 32 Land Limited Partnership
- MIB Lot 32 Land Ltd.
- MIB Lot 32 Limited Partner Ltd.
- Musqueam Capital Corp. ("MCC")
- Musqueam Cultural Association
- Musqueam Finance Ltd.
- Musqueam Housing Authority Association
- Musqueam Mortgage Ltd.
- Musqueam Projects Limited Partner Ltd.
- Musqueam Projects Limited Partnership
- MST Development Corporation
- MST Employment & Training Society

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

Musqueam has 1/3 shared control in MST Employment & Training Society which is proportionately consolidated in these financial statements.

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

Musqueam Indian Band

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

Consolidated entities *(Continued from previous page)*

Musqueam Indian Band government business entities, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Government business entities accounted for by the modified equity basis include the entities listed below. Unless otherwise indicated, the Band has 100% interest in each of the entities.

- | | |
|---|--|
| • 0996501 B.C. Ltd. | • Musqueam (Fairmont) General Partner Ltd. |
| • 1008729 B.C. Ltd. | • Musqueam (Federal) Limited Partner Ltd. |
| • 1335509 B.C. Ltd. | • Musqueam (Jericho) General Partner Ltd. |
| • 562645 B.C. Ltd. | • Musqueam (West Vancouver) General Partner Ltd. |
| • Block F Land Ltd. | • Musqueam Fairmont Project General Partner Ltd. |
| • Block F Land General Partner Ltd. | • Musqueam Fairmont Project Limited Partner Ltd. |
| • Block F Land Limited Partner Ltd. | • Musqueam Fairmont Project Limited Partnership |
| • Block F Limited Partnership | • Musqueam Fairmont Project Limited Partnership |
| • LDB Developments (AQ/MIB/SN/TWN) Limited Partnership – 25% interest | • Musqueam J&K Land Limited Partnership |
| • LDB Land General Partner Ltd. – 25% interest | • Musqueam J&K Land Limited Partner Ltd. |
| • MIB (Jericho 2016) General Partner Ltd. | • Musqueam J&K Land General Partner Ltd. |
| • MIB (Jericho 2016) Limited Partner Ltd. | • Musqueam Jericho Project Limited Partnership |
| • MIB LDB General Partner Ltd. | • Musqueam Jericho Project Limited Partner Ltd. |
| • MIB LDB Limited Partner Ltd. | • Musqueam Jericho Project General Partner Ltd. |
| • MIB Willingdon General Partner Ltd. | • Musqueam Marina General Partner Ltd. |
| • MIB Willingdon Limited Partner Ltd. | • Musqueam Marina Limited Partner Ltd. |
| • MST (Fairmont) General Partner Ltd. - 33.33% interest | • Musqueam Marina Limited Partnership |
| • MST (Fairmont) Limited Partnership - 33.33% interest | • Musqueam Salish Seas Limited Partner Ltd. |
| • MST (Jericho 2016) General Partner Ltd. – 33.33% interest | • Salish Seas Fisheries General Partner Ltd. – 33.33% interest |
| • MST (Jericho 2016) Limited Partnership– 33.33% interest | • Salish Seas Fisheries Limited Partnership – 33.33% interest |
| • MST (Jericho) General Partner Ltd. – 33.33% interest | • Stautlo Land General Partner Ltd. |
| • MST (Jericho) Limited Partnership - 33.33% interest | • Stautlo Land Limited Partner Ltd. |
| • MST (West Van) General Partner Ltd. – 33.33% interest | • Stautlo Land Limited Partnership |
| • MST (West Van) Limited Partnership- 33.33% interest | • Willingdon (AQ/MIB/TWN) General Partner Ltd. – 33.33% interest |
| | • Willingdon Developments (AQ/MIB/TWN) Limited Partnership – 33.33% interest |
| | • Musqueam 4855 VIC Drive General Partner Ltd. |
| | • Musqueam 4855 VIC Drive Limited Partnership |
| | • Musqueam 4855 VIC Drive Limited Partner Ltd. |

Basis of presentation

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

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

Asset classification

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

Net financial assets

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

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is also included in cash and disclosed in Note 5.

Inventory

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

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

- Prior to March 31, 2024, the Band has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the Band can reasonably be expected within one year.

Tangible capital assets

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

Amortization

Assets under construction are not amortized until the asset becomes available for use. Amortization for other tangible capital assets is provided using the straight-line methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Computer equipment	2 years
Furniture, vehicles, and equipment	5 to 23 years
Roads and bridges	20 to 25 years
Sewer infrastructure	25 years
Water infrastructure	25 years
Equipment under capital leases	2 to 10 years

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

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

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

Leased tangible capital assets

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

Reconciliation agreement lands

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

Housing Equalization Program Credits

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

Long-lived assets

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

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the Band to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Band reviews the carrying amount of the liability. The Band recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2024, no liability for asset retirement obligations exists.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2024.

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

Liability for contaminated sites *(Continued from previous page)*

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2024, no liability for contaminated sites exists.

Loan guarantees

The Band records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on the current circumstances of the individual borrowers and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the Band's consolidated statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Revenue recognition

Funding

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

Government transfers

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

Externally restricted revenue

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

Ottawa Trust Funds

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

Other revenue

Non-exchange transactions have no performance obligations and are recognized at their realizable value when the Band has the authority to claim or retain economic inflow based on a past transaction or event giving rise to an assets.

Revenue from transactions with performance obligations is recognized when the Band satisfies a performance obligation by providing the promised goods or services. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

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

Taxation revenue is recognized in the month to which the amounts relate and collection is reasonably assured.

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

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

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

Revenue recognition *(Continued from previous page)*

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

Funds held in Ottawa Trust Fund

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

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

Measurement uncertainty (Use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

Liability for contaminated site

Expenditures that relate to on-going environmental and remediation programs are charged against surplus as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

Asset retirement obligation

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

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

Segments

The Band conducts its business through twenty-one reportable segments.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

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

Financial instruments

The Band recognizes its financial instruments when the Band becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Band may irrevocably elect to subsequently measure any financial instrument at fair value. The Band has made no such election during the year.

The Band subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Band's net assets (liabilities) in the period. At March 31, 2024, the First Nation had no accumulated remeasurement gains (losses) and therefore no consolidated statement of remeasurement gains (losses) has been included in the consolidated financial statements.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations.

3. Change in accounting policy

Effective April 1, 2023, the Band adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 2. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

4. Financial instruments

The Band as part of its operations carries a number of financial instruments. It is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Market risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices. The Band does not use derivative instruments to reduce its exposure to market risk.

Fair value

Due to their short-term nature, the carrying values of cash resources, accounts receivable, accounts payable and accruals approximate their fair values. The terms and interest rates of the Band's long-term debt are similar to those currently offered for similar loans, therefore the carrying values of these loans are also considered to approximate their fair values.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount to the Band's financial instruments best represents the maximum exposure to credit risk.

Risk management

The Band manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

The Band does not generally require collateral or other security relating to its accounts receivables.

A credit concentration exists related to accounts receivable because substantially all of its accounts receivable are from government agencies. However, the Band believes that there is minimal risk associated with the collection of these amounts.

Interest rate risk

Interest rate risk is the risk to the Band's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The Band does not use derivative instruments to reduce its exposure to interest rate risk. Management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

5. Cash resources

Restricted Cash

Under conditions of agreements with Canada Mortgage Housing Corporation, (CMHC), Musqueam is required to maintain certain reserves related to on-reserve housing projects. The reserve funds may only be used as approved by CMHC. The band currently reserves the restricted fund under cash resources in the amount of \$965,431 (2023 - \$957,825).

Credit Facilities

As at March 31, 2024, Musqueam has two demand loan facilities available:

- a) Bank of Montreal (BMO) demand loan for \$15,000,000 (2023 - \$15,000,000) bearing interest at prime rate per annum. No amount was drawn on this loan at March 31, 2024 (2023 - \$NIL).
- b) Royal Bank of Canada (RBC) demand loan for \$2,000,000 (2023 - \$2,000,000) bearing interest at RBC's prime rate plus 1.0% per annum. No amount was drawn on this loan at March 31, 2024 (2023 - \$NIL).

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

6. Accounts receivable

	2024	2023
Social Housing Rents	1,025,836	1,211,654
Less: allowance for doubtful accounts	(878,789)	(878,789)
	147,047	332,865
Private Housing	407,866	432,735
Less: allowance for doubtful accounts	(40,600)	(62,827)
	367,266	369,908
Daycare and others	24,604	22,779
Department of Fisheries and Oceans	391,007	798,395
Indigenous Services Canada	1,569,894	-
Canada Mortgage and Housing Corporation	58,607	27,104
Health Canada & Youth	196,993	272,366
Province of British Columbia	32,070	1,677,191
Other contributions receivable	342,560	685,429
	2,591,131	3,460,485
Taxation	917,327	818,644
Parcel A lease	165,278	525,323
YVR profit sharing	7,886,871	6,145,133
Other receivable	4,416,141	2,949,479
	13,385,617	10,438,579
Total accounts receivable	16,515,665	14,624,616

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Ottawa Trust Funds

The Ottawa Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*. Capital and revenue trust moneys are transferred to Musqueam on the authorization of the Minister of Indigenous Services Canada, with the consent of Musqueam's Council.

	2024	2023
Capital Trust		
Balance, beginning and end of year	1,012	1,012
Revenue Trust		
Balance, beginning of year	3,255	3,217
Interest	87	89
BC special	3,162	3,189
	6,504	6,495
Less: withdrawals	6,487	3,240
Balance, end of year	17	3,255
	1,029	4,267

In addition to these funds, Musqueam has internally restricted funds referred to as Ottawa Trust Funds held as cash. The funds were originally held by Indigenous Services Canada and deposited to Musqueam in 2018. Included in the Ottawa Trust Funds is \$5,775,641 (2023 - \$5,488,812) related to these funds. During the year, the fund earned interest income of \$286,829 (2023 - \$154,289).

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in government business enterprises and partnerships

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

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2024 Total investment</i>
Shalimar Place (100%)	11	(14,200,996)	24,279,866	10,078,881
Salish Seas Fisheries (33.33%)	36	(206,336)	1,033,884	827,584
Willingdon Developments (33.33%)	8,884,266	(300)	(2,804,584)	6,079,382
Musqueam Marina (100%)	1,005	1,680,426	1,822,481	3,503,912
LDB Developments (25%)	5,062,633	-	(322,183)	4,740,450
MST (Jericho/Fairmont/ West Van) (33.33%)	29,946,059	5,692,063	(10,318,784)	25,319,338
MST (Jericho 2016) (33.33%)	3,339	28,065,303	(11,098,495)	16,970,147
Block F Limited Partnership (100%)	99,906	44,569,900	16,933,143	61,602,949
Musqueam Fairmont Project (100%)	1,005	2,802,869	41,097	2,844,971
Musqueam J&K Land (100%)	1,001	12,897,619	(131,346)	12,767,274
Stautlo Land (100%)	1,002	677,118	(394,454)	283,666
Musqueam Jericho Project (100%)	1,001	2,100	(3,100)	1
Musqueam 4588 Vic Drive (100%)	100,001	2,100,761	(1,300)	2,199,462
MIB Willingdon (100%)	6	154,386	(95,393)	58,999
MIB LDB (100%)	6	133,793	(71,117)	62,682
Musqueam (Federal/Jericho/Fairmont/West Van) (100%)	12	245,444	(238,856)	6,600
MIB (Jericho 2016) (100%)	6	107,386	(107,389)	3
	44,101,295	84,721,536	18,523,470	147,346,301

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2023 Total investment</i>
Shalimar Place (100%)	11	(12,086,404)	22,495,037	10,408,644
Salish Seas Fisheries (33.33%)	36	(175,087)	930,307	755,256
Willingdon Developments (33.33%)	8,884,266	101,008	(2,750,291)	6,234,983
Musqueam Marina (100%)	1,005	1,566,001	(472,221)	1,094,785
LDB Developments (25%)	5,062,633	67,544	126,577	5,256,754
MST (Jericho/Fairmont/ West Van) (33.33%)	29,946,059	5,836,040	(9,497,322)	26,284,777
MST (Jericho 2016) (33.33%)	3,339	27,831,515	(6,980,824)	20,854,030
Block F Limited Partnership (100%)	99,906	74,199,998	10,488,597	84,788,501
Musqueam Fairmont Project (100%)	1,005	2,799,769	(729)	2,800,045
Musqueam J&K Land (100%)	1,001	9,426,194	(313,611)	9,113,584
Stautlo Land (100%)	1,002	389,520	(26,594)	363,928
Musqueam Jericho Project (100%)	1,001	(1,000)	-	1
	44,001,264	109,955,098	13,998,926	167,955,288

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

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

	<i>Real Estate business As at March 31, 2024</i>	<i>Marine Business As at March 31, 2024</i>	<i>Total As at March 31, 2024</i>	<i>Total As at March 31, 2023</i>
Assets				
Cash	85,082,875	310,522	85,393,397	122,037,246
Accounts receivable	5,849,136	298,187	6,147,323	2,617,273
Due from related parties	21,235,515	(10,168,232)	11,067,283	17,322,158
Investments	48,888	-	48,888	1,500
Other current assets	941,771	105,189	1,046,960	975,969
Investment properties	557,032,147	43,006,329	600,038,476	534,996,441
Total assets	670,190,332	33,551,995	703,742,327	677,950,587
Liabilities				
Accounts payable and accruals	7,090,938	884,375	7,975,313	11,164,326
Due to related parties	52,296,688	-	52,296,688	165,933,976
Long term debt	410,346,091	29,690,234	440,036,325	314,306,113
Other liabilities	179,985,289	331,219	180,316,508	156,568,966
Total liabilities	649,719,006	30,905,828	680,624,834	647,973,381
Equity	20,471,326	2,646,167	23,117,493	29,977,206
Total revenue	14,360,980	6,766,888	21,127,868	22,636,868
Total expenses	25,814,103	4,368,853	30,182,956	25,562,486
Net income (loss)	(11,453,123)	2,398,035	(9,055,088)	(2,925,618)

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

- a) In 1998, Musqueam incorporated 562645 B.C. Ltd. to operate a multi-unit residential property known as Shalimar Place.
- b) In April 2012, Musqueam formed Salish Seas Fisheries Limited Partnership with two other First Nations, in order to sell fishing licenses and lease fishing vessels. The Partnership consists of one general partner and three limited partners, which separately represent one of each First Nations' interest.

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

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

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

As at March 31, 2024, the Partnership has a loan payable of \$82,335,589 (2023 - \$48,999,600 to CWB) to TD which is secured by an assignment of rents and the property with \$90,000,000 of loan balance guaranteed by Aquilini Development Limited Partnership. During the year, Willingdon (AQ/MIB/TWN) closed CWB loan and transferred over to TD.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

- d) In November 2011, Musqueam set up Musqueam Marina Limited Partnership that owns 50% interest in Milltown Marine & Boatyard Joint Venture to develop a marina on Richmond Island. In the prior year, Musqueam purchased the remaining 50% interest for \$10,365,266.
- e) In July 2014, Musqueam formed LDB Developments (AQ/MIB/SN/TWN) Limited Partnership with the other three parties, which purchased fee simple property situated on East Broadway, Vancouver from the Province. Currently, the property title is held by 1008729 BC Ltd., a nominee for the Partnership. The principal business of the Partnership is to acquire and manage residential and commercial properties or to acquire and develop properties to be sold as residential or commercial units. The Partnership consists of LDB Land General Partner Ltd., as a general partner, and four limited partners representing each party's interest. Under the partnership agreement, 0.01% of the profits or losses of the Partnership is allocated to the general partner and 99.99% to the limited partners. Musqueam set up MIB LDB General Partner Ltd. and MIB LDB Limited Partner Ltd. to hold its 1/4 of the interest in LDB Land General Partner Ltd. and the Partnership respectively.

As at March 31, 2024, the Partnership has a loan payable of \$23,094,845 (2023 - \$21,607,646) to RBC, which is secured by a general security agreement, the land and building with a net book value of \$41,441,874 (2023 - \$40,810,592), and a maximum guarantee of \$30,000,000 by Aquilini Development Limited Partnership.

- f) In September 2014, three separate land parcels were purchased by Canada Lands Company Limited ("CLC"), a Canada crown corporation. Soon after the purchase, Musqueam and two other First Nations formed three limited partnerships ("MST limited partnerships") to purchase 50% beneficial interest in the lands from CLC and participate in redevelopment of lands with CLC under joint venture agreements. The MST limited partnerships, representing 50% of interest in the joint ventures, are MST (Jericho) Limited Partnership, MST (Fairmont) Limited Partnership, and MST (West Vancouver) Limited Partnership. In these MST limited partnerships, the three nations are limited partners holding 99.99% of each of the partnership units and MST (Jericho) General Partner Ltd, MST (Fairmont) General Partner Ltd and MST (West Vancouver) General Partner Ltd are the general partners holding 0.01% of each partnership units.

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

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

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

- g) In March 2016, Musqueam formed MST (Jericho 2016) Limited Partnership with two other First Nations to acquire and develop the property known as Provincial Jericho Lands. The three nations are the limited partners holding 99.99% of the partnership units and MST (Jericho 2016) General Partner Ltd. is the general partner holding 0.01% of the partnership units. Musqueam set up MIB (Jericho 2016) Limited Partner Ltd. and MIB (Jericho 2016) General Partner Ltd. to hold its 1/3 of the interest in MST (Jericho 2016) Limited Partnership and MST (Jericho 2016) General Partner Ltd., respectively.

Included in loans/advances are notes receivable of \$28,124,834 (2023 - \$27,785,829) bearing interest at prime, due on demand.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

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

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

The note receivable from Block F Limited Partnership is secured by the property under development and investment property of Block F Limited Partnership, subordinated to the security on the facilities provided to Block F Limited Partnership, bearing interest at prime plus 0.01% per annum and due on demand.

In 2021, Block F Limited Partnership entered into a loan agreement with Canada Mortgage Housing Corporation for a construction loan of up to \$88,000,000, with maturity on December 1, 2030. The principal sum is subject to an interest rate calculated semi-annually, not exceeding the yield on the ten-year Government of Canada benchmark bond on the day the rate is fixed, plus an adjustment of up to 0.50%. During the year, the interest rate was 0.87% (2023 – 0.87%). As of March 31, 2024, an amount of \$87,061,311 (2023 – \$88,000,000) had been drawn from this facility.

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	Funding received	Revenue recognized	Balance, end of year
Government				
Indigenous Services Canada	9,089,118	10,819,497	8,175,884	11,732,731
Other governments	7,578,890	9,572,624	8,695,981	8,455,533
Total government	16,668,008	20,392,121	16,871,865	20,188,264
Self-generated and other miscellaneous grants	7,075,512	7,974,012	2,524,323	12,525,201
	23,743,520	28,366,133	19,396,188	32,713,465

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

10. Long-term debt

	2024	2023
CMHC 19-362-037-007 - repayable in monthly instalments of \$20,603 including interest at 0.70% per annum; matures on September 1, 2035.	2,731,172	2,958,413
CMHC 19-362-037-004 - repayable in monthly instalments of \$11,383 including interest at 2.14% per annum; matures on March 1, 2034.	1,229,340	1,338,409
CMHC 19-362-037-008 - repayable in monthly instalments of \$4,635 including interest at 2.14% per annum; matures on March 1, 2044.	905,175	941,047
CMHC 19-362-037-003 - repayable in monthly instalments of \$2,024 including interest at 3.70% per annum; matures on October 1, 2027.	81,431	102,302
CMHC 19-362-037-002 - repayable in monthly instalments of \$1,976 including interest at 1.57% per annum; matures on January 1, 2027.	65,674	88,165
CMHC 19-362-037-001 - repayable in monthly instalments of \$2,083 including interest at 1.13% per annum; matures on March 1, 2026.	49,408	73,694
CMHC 10-437-697-011 - repaid during the year.	-	24,583
CMHC 10-437-697-012 - repaid during the year.	-	7,730
	5,062,200	5,534,343

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

	Principal
2025	430,105
2026	438,753
2027	418,260
2028	396,772
2029	390,341
Thereafter	2,987,969
	5,062,200

The CMHC loans are secured by assets with a combined net book value of \$5,062,200 (2023 - \$5,653,588) and are guaranteed by Indigenous Services Canada.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

11. Guarantees

Musqueam is a guarantor of 21 (2023 - 23) housing mortgages for social housing and privately-owned units. Musqueam's maximum potential liability under the guarantee is \$3,259,628 (2023 - \$3,570,669). The outstanding principal and interest at March 31, 2024 is \$3,259,628 (2023 - \$3,570,669), excluding CMHC loans payable for social housing (Note 10). Management does not expect any liabilities to Musqueam as a result of these individual guarantees and therefore, no amount is recorded in these consolidated financial statements. Musqueam received no consideration for providing the guarantees.

Additionally, Musqueam acts as a guarantor for Block F Land Limited Partnership in the maximum amount of \$6,814,306 (2023 - \$6,814,306) or 30% (2023 - 30%) of the remaining bank facility provided by Bank of Montreal to the partnership. As at March 31, 2024 there were no borrowings against the facility.

12. Tangible capital assets

					2024
	Cost	Additions	Disposals	Accumulated amortization	Net book value
Lands	51,606,633	-	-	-	51,606,633
Band owned homes	18,145,571	826,624	-	10,548,471	8,423,724
Buildings and facilities	26,079,618	4,221	-	13,680,365	12,403,474
Computer equipment	3,749,094	150,088	-	3,409,580	489,602
Construction-in-progress	2,008,619	92,214	-	-	2,100,833
Furniture, vehicles and equipment	6,281,191	1,343,017	64,810	4,231,744	3,327,654
Leasehold improvements	4,387,237	43,811	-	2,184,922	2,246,126
Roads and bridges	1,266,047	-	-	1,206,590	59,457
Sewer infrastructure	1,734,152	-	-	1,322,476	411,676
Water infrastructure	779,050	-	-	311,620	467,430
Equipment under capital lease	845,820	-	-	668,224	177,596
	116,883,032	2,459,975	64,810	37,563,992	81,714,205

				2023	
	Cost	Additions	Disposals	Accumulated amortization	Net book value
Lands	51,606,634	-	-	-	51,606,634
Band owned homes	18,145,571	-	-	10,173,875	7,971,696
Buildings and facilities	24,997,781	1,081,837	-	13,029,483	13,050,135
Computer equipment	3,513,544	421,611	40,714	3,240,173	654,268
Construction-in-progress	1,031,937	976,684	-	-	2,008,621
Furniture, vehicles and equipment	5,652,058	643,611	159,821	3,729,221	2,406,627
Leasehold improvements	4,331,148	56,089	-	2,032,097	2,355,140
Roads and bridges	1,266,047	-	-	961,157	304,890
Sewer infrastructure	1,734,152	-	-	1,253,522	480,630
Water infrastructure	779,050	-	-	280,458	498,592
Equipment under capital lease	700,476	145,344	-	568,621	277,199
	113,758,398	3,325,176	200,535	35,268,607	81,614,432

Construction-in-progress includes buildings and housing under construction with a carrying value of \$2,100,833 (2023 - \$2,008,621). No amortization of these assets has been recorded during the year because as at March 31, 2024 they were still in progress.

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

13. Reconciliation agreement lands

In 2008, specific parcels of land in Pacific Spirit Park, referred to as Block F and Block K, were acquired by Musqueam from the Province. In 2018, the beneficial interest of Block F was transferred to Block F Limited Partnership, a government business enterprise at a cost of \$113,382,905. The balance remaining related to Block K includes the original acquisition cost of \$65,000,000 plus capitalized costs of \$68,037.

14. Trust funds administered by Musqueam

In prior years, Musqueam approved by separate referendums \$1,000 and \$5,000 cash distributions to be paid to each Musqueam member. All members of Musqueam who were minors (under the age of 19 years) had their funds deposited in a separate bank account, in trust, at the request of the parent or guardian of the minor. As these members reach the age of 19 years, these funds are released. As at March 31, 2024, the aggregate balance of these trust accounts amounted to \$848,762 (2023 - \$1,001,719). The balance of the trust accounts is not reflected in these consolidated financial statements.

15. Budget

An annual budget was presented by the Chief and Council of Musqueam and approved by the members of Musqueam on May 30, 2023. The budget information presented in these consolidated financial statements is based upon this approved budget. The consolidated budget includes activities related to operations, capital and all business entities managed by MCC. Adjustments to the budgeted amounts are required to comply with PSAS for inclusion in the consolidated statement of operations and consolidated statement of changes in net financial assets.

Approved budgeted revenue	41,379,238
Add: OGOs budgeted revenue	16,830,569
Add: budgeted gain from government businesses	5,493,582
Less: budgeted internal transfers from surplus funds	(1,349,693)
Less: budgeted cash receipts from government businesses	(4,992,000)
Less: budgeted revenue from MST Employment and Training Society	(569,553)
Budgeted revenue presented on the consolidated financial statements	56,792,143
Approved budgeted expenditures	44,002,454
Add: OGOs budgeted expenditures	16,755,057
Less: purchases of tangible capital assets	(2,547,652)
Less: budgeted loan repayments	(624,800)
Budgeted expenditures presented on the consolidated financial statements	57,585,059

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

16. Commitments

Housing Equalization Program:

During the year ended March 31, 2009, Musqueam implemented the Housing Equalization Program whereby each Musqueam member is eligible to earn credits to fund future repairs and maintenance and other qualifying amounts on their housing unit. Each participating Musqueam member can earn the following credits:

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

As at March 31, 2024, Musqueam had contracted with 154 (2023 – 154 members) of Musqueam to participate in the Housing Equalization Program. The total credits that can be earned by these individuals total approximately \$8,583,000 (2023 - \$8,583,000). Musqueam has the discretion to administer the disbursement of these credits as they deem appropriate, based on funding levels and the priority of the work required on the homes.

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

As at March 31, 2024, Musqueam is obligated to fund up to \$1,013,382 (2023 - \$1,281,684) of repairs and maintenance cost and other qualifying amounts. Based on contracts entered into by March 31, 2024, additional commitments are expected to accrue over the next five years ending March 31 as follows:

2025	225,685
2026	219,748
2027	186,787
2028	167,022
2029	155,625
Thereafter	<u>1,163,982</u>
	<u>2,118,849</u>

17. Compliance with laws and regulations

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

18. Comparative figures

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

Musqueam Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

19. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Restricted cash	965,431	957,825
Ottawa Trust Funds	5,776,670	5,493,079
Trust funds held	-	543,001
Investments in government business enterprises and partnership	147,346,301	167,955,288
Investment in tangible capital assets	76,289,789	75,585,774
Reconciliation agreement lands	65,068,037	65,068,037
	295,446,228	315,603,004
Surplus available for operations	59,606,163	35,630,239
Accumulated surplus	355,052,391	351,233,243

20. Segments

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

Administration - This segment includes Corporate Administration. The department oversees support and coordination of all Musqueam departments, such as Musqueam Operations, Finance, Communications, Human Resources, and Information Technology.

Archaeology – This department is dedicated to ensuring respectful management of Musqueam heritage through:

- participation in archaeological projects in Musqueam territory;
- operating a successful archaeological consultancy; and
- establishing Musqueam sovereignty over heritage resources.

Archives – This department maintains band governance and administration records. Archives does this by acquiring and facilitating access to:

- the records of Musqueam Council and Administration, its boards, and entities;
- private-sector archives (non-governmental records);
- research materials relating to Musqueam

Business Activities – This represents Musqueam's business ventures, excluding direct administrative costs. This includes operations like golf courses, real estate, and other commercial developments.

Chief and Council Administration Office - This represents initiatives taken on behalf of Chief and Council and the associated administration costs related to the function of Chief and Council.

Child Care – (The Children's House) is a licensed child care facility, under the Provincial Child Care Regulation, providing top quality child care to Musqueam families for children between 9 months and 5 years old.

Education - This department provides services for Musqueam youth from pre-school to post-secondary education. It ensures academic success and personal development for Musqueam's young generation.

Employment and Training - this department prepares those unemployed or on income assistance for the labour market through various programs. It also provides quality training that aligns with labour market demand, employer requirements, and participant interests.

Environmental Stewardship - This department takes responsibility for the stewardship of lands and waters for current and future generations. This department ensures that environmental regulations are adhered to through consistent monitoring and reporting.

20. Segments *(Continued from previous page)*

Fisheries - This department manages aquatic resource protection through consultation and negotiation with the Department of Fisheries and adjacent First Nation communities.

Health - This department offers access to basic health, mental health, home, and community care programs to promote healthier, longer lives among community members.

Housing - This department handles housing-related activities for Musqueam community members. This includes management of housing lists, social housing, renovations, and assistance for Elders and people with disabilities, as well as emergency repair and maintenance.

Intergovernmental Affairs – The Musqueam Intergovernmental Affairs (IGA) Department seeks to advance better governance of Musqueam, take pride in our culture, protect our environment, and conserve natural resources.

Lands - This department aims to optimize Musqueam land governance, management, and administration by incorporating core principles like accountability, capacity-building, collaboration, communication, and recognition.

Language – The Musqueam Language & Culture department strives to support Musqueam learners of hən̓q̓m̓in̓əm̓ and encourage our people to live x̱m̓k̓y̓m̓ culture every day. We also share Musqueam's culture and history throughout our territory.

Public Works - This department focuses on the development, operation, and maintenance of infrastructure in the main Musqueam Reserve. This encompasses water, sewer, drainage systems, community buildings, parks, and sports fields.

Recreation - Musqueam recreation delivers passive and active recreation opportunities to community members of all ages.

Security – The Musqueam Safety and Security Department is a team of dedicated individuals tasked with building a responsive, reliable and valuable emergency management service for the community.

Social Development - This department aims to help Musqueam Members maintain a basic standard of living, strengthen family units, and offer financial support for a more independent lifestyle.

Taxation - This department focuses specifically on improving the taxation system, ensuring accountability and efficiency in revenue collection from property taxation to sustain and enhance essential programs and services.

UBC Relationship – The UBC Relationship Program at Musqueam aims to foster meaningful dialogue and collaboration between the Musqueam Indian Band and the University of British Columbia. It creates opportunities for mutual learning, cultural exchange, and the development of initiatives that reflect shared goals and values.