

**Kwantlen First Nation**  
**Consolidated Financial Statements**  
*March 31, 2017*

**Kwantlen First Nation**  
**Table of Contents**  
*For the Year Ended March 31, 2017*

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<b>Management's Responsibility .....</b>	<b>1</b>
<b>Independent Auditors' Report .....</b>	<b>2</b>
<b>Consolidated Statement of Financial Position .....</b>	<b>3</b>
<b>Consolidated Statement of Operations and Accumulated Surplus .....</b>	<b>4</b>
<b>Consolidated Statement of Changes in Net Debt .....</b>	<b>5</b>
<b>Consolidated Statement of Cash Flows .....</b>	<b>6</b>
<b>Consolidated Statement of Remeasurement Losses .....</b>	<b>7</b>
<b>Notes to the Consolidated Financial Statements .....</b>	<b>8</b>
<b>Schedule 1 - Consolidated Statement of Expenses by Object .....</b>	<b>19</b>
<b>Segmented Information</b>	
Administration .....	20
Capital .....	21
Member and Community Services .....	22
Infrastructure .....	23
Housing .....	24
Health Services .....	25
Social Development .....	26
Education .....	27
Economic Development .....	28
Lands and Resources .....	30

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## **Management's Responsibility**

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To the Members of Kwantlen First Nation:

The accompanying consolidated financial statements of Kwantlen First Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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

July 26, 2017

*Original Signed by Carlo Zanuzzi*

\_\_\_\_\_  
Director of Finance  
& Administration

*Original Signed by Leslie Antone*

\_\_\_\_\_  
Councilor

## Independent Auditors' Report

To the Members of Kwantlen First Nation:

We have audited the accompanying consolidated financial statements of Kwantlen First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, remeasurement losses, changes in net debt and cash flows for the year then ended, and 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 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 the auditors' 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, the auditor considers 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 financial position of Kwantlen First Nation as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chilliwack, BC

July 26, 2017

*MNP LLP*

Chartered Professional Accountants

**Kwantlen First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
Cash	6,768,624	1,624,765
Short-term investments (Note 3)	2,623,816	3,664,091
Accounts receivable (Note 4)	2,377,826	729,865
Inventory for resale	72,264	99,514
	<b>11,842,530</b>	<b>6,118,235</b>
<b>Restricted assets</b>		
Trust funds (Note 5)	157,983	2,308,063
Interest reserve	-	369
Operating reserve (Note 6)	10,527	3,264
Replacement reserve (Note 7)	45,973	33,184
	<b>214,483</b>	<b>2,344,880</b>
	<b>12,057,013</b>	<b>8,463,115</b>
<b>Liabilities</b>		
Bank indebtedness (Note 8)	442,693	352,143
Accounts payable and accrued liabilities (Note 9)	5,563,165	1,597,320
Deferred revenue (Note 10)	1,919,582	544,297
Long-term debt (Note 11)	13,623,681	14,131,573
Derivative instruments (Note 12)	641,644	997,549
	<b>22,190,765</b>	<b>17,622,882</b>
<b>Net debt</b>	<b>(10,133,752)</b>	<b>(9,159,767)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	23,740,916	20,243,757
Property under development	3,899,891	4,438,205
Other inventories	191,453	59,007
Prepaid expenses	45,643	141,712
	<b>27,877,903</b>	<b>24,882,681</b>
<b>Accumulated surplus (Note 14)</b>	<b>17,744,151</b>	<b>15,722,914</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	18,385,795	16,720,463
Accumulated remeasurement losses	(641,644)	(997,549)
	<b>17,744,151</b>	<b>15,722,914</b>

Approved on behalf of Council

*Original Signed by Leslie Antone*

*Original Signed by Tumia Knott*

The accompanying notes are an integral part of these financial statements

**Kwantlen First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Government transfers			
Indigenous and Northern Affairs Canada	7,516,398	<b>8,585,896</b>	1,673,745
INAC recovery	-	<b>(18,398)</b>	(3,691)
INAC reimbursement	-	-	8,639
INAC revenue deferred	(1,099,751)	<b>(1,099,751)</b>	-
First Nations Health Authority	391,749	<b>425,749</b>	341,625
FNHA recovery	-	<b>(5,895)</b>	(2,657)
FNHA revenue deferred	(13,000)	<b>(46,053)</b>	-
Province of British Columbia	86,337	<b>86,214</b>	2,551,369
Canada Mortgage and Housing Corporation	61,958	<b>61,958</b>	46,642
Contracting services	3,930,472	<b>3,096,765</b>	3,287,632
Merchandise sales	1,472,604	<b>1,654,926</b>	1,311,439
Commercial lease income	1,522,500	<b>1,517,833</b>	1,641,420
Land development	22,500	<b>1,477,212</b>	989,550
Rental income	163,457	<b>160,815</b>	133,710
BC Hydro	-	<b>131,278</b>	-
Other income	63,143	<b>116,836</b>	36,740
Taxation	117,240	<b>116,829</b>	115,464
Campground revenue	69,300	<b>63,967</b>	61,899
Interest income	37,545	<b>57,454</b>	75,706
New Relationship Trust	27,000	<b>27,000</b>	29,420
Donations	10,500	<b>25,763</b>	1,150
Sto:lo HRD	7,050	<b>7,051</b>	12,757
First Nations Education Steering Committee	-	<b>5,875</b>	-
BC special distribution	600	<b>619</b>	595
Forestry revenue	-	-	1,298,953
Other agencies	-	-	10,641
Gain on disposal of tangible capital assets	-	-	1,208
	<b>14,387,602</b>	<b>16,449,943</b>	<b>13,623,956</b>
<b>Expenses</b>			
Administration	1,317,173	<b>1,275,133</b>	1,312,440
Capital	755,921	<b>781,740</b>	773,177
Member and Community Services	655,650	<b>666,899</b>	663,691
Infrastructure	268,710	<b>288,647</b>	393,396
Housing	86,522	<b>92,870</b>	87,067
Health Services	507,522	<b>455,868</b>	428,930
Social Development	192,207	<b>207,445</b>	178,577
Education	395,851	<b>404,005</b>	472,899
Economic Development	6,196,635	<b>7,586,743</b>	7,685,988
Lands and Resources	2,015,685	<b>3,025,261</b>	653,073
	<b>12,391,876</b>	<b>14,784,611</b>	<b>12,649,238</b>
<b>Annual operating surplus</b>	<b>1,995,726</b>	<b>1,665,332</b>	<b>974,718</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>16,720,463</b>	<b>16,720,463</b>	<b>15,745,745</b>
<b>Accumulated operating surplus, end of year</b>	<b>18,716,189</b>	<b>18,385,795</b>	<b>16,720,463</b>

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

**Kwantlen First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Annual operating surplus</b>	1,995,726	<b>1,665,332</b>	974,718
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	(3,882,363)	<b>(4,284,913)</b>	(661,505)
Disposal of tangible capital assets	-	<b>6,014</b>	1,041
Amortization	755,921	<b>781,740</b>	773,177
	(3,126,442)	<b>(3,497,159)</b>	112,713
<b>Property under development</b>			
Change in property under development	-	<b>538,314</b>	391,488
<b>Other inventories</b>			
Change in other inventories	-	<b>(132,446)</b>	49,821
<b>Prepaid expenses</b>			
Acquisition of prepaid expenses	(15,000)	<b>(45,643)</b>	(141,712)
Use of prepaid expenses	13,800	<b>141,712</b>	13,801
	(1,200)	<b>96,069</b>	(127,911)
<b>Net remeasurement losses</b>			
Change in net remeasurement losses	-	<b>355,905</b>	(50,037)
<b>Change in net debt</b>	(1,131,916)	<b>(973,985)</b>	1,350,792
<b>Net debt, beginning of year</b>	(9,159,767)	<b>(9,159,767)</b>	(10,510,559)
<b>Net debt, end of year</b>	(10,291,683)	<b>(10,133,752)</b>	(9,159,767)

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

**Kwantlen First Nation**  
**Consolidated Statement of Cash Flows**  
*For the Year Ended March 31, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	1,665,332	974,718
Non-cash items		
Amortization	781,740	773,177
Revenue earned in trust funds	(3,568)	(115,029)
	<b>2,443,504</b>	1,632,866
Changes in working capital accounts		
Accounts receivable	(1,647,962)	1,711,226
Accounts payable and accrued liabilities	3,965,845	(785,321)
Deferred revenue	1,375,285	16,016
Inventory for resale	27,250	5,935
Prepaid expenses	96,069	(127,911)
Property under development	538,314	391,488
Other inventories	(132,446)	49,821
	<b>6,665,859</b>	2,894,120
<b>Financing activities</b>		
Advances of long-term debt	340,240	276,110
Repayment of long-term debt	(848,132)	(1,050,675)
Increase in bank indebtedness	90,551	38,368
	<b>(417,341)</b>	(736,197)
<b>Investing activities</b>		
Acquisition of tangible capital assets	(4,284,913)	(661,505)
Disposal of tangible capital assets	6,014	1,041
Investment in short-term investments	(26,438)	(2,803,175)
Redemption of short-term investments	1,066,713	2,007,015
Deposits in reserve accounts	(20,781)	(13,353)
Withdrawal of reserve accounts	1,098	24,894
Deposits in trust funds	(2,450)	-
Withdrawal of trust funds	2,156,098	30,000
	<b>(1,104,659)</b>	(1,415,083)
<b>Increase in cash resources</b>	<b>5,143,859</b>	742,840
<b>Cash resources, beginning of year</b>	<b>1,624,765</b>	881,925
<b>Cash resources, end of year</b>	<b>6,768,624</b>	1,624,765
<b>Supplementary cash flow information:</b>		
Interest received	57,454	75,706
Interest paid	649,865	648,304

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



**Kwantlen First Nation**  
**Consolidated Statement of Remeasurement Losses**  
*For the Year Ended March 31, 2017*

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	<b>2017</b>	<b>2016</b>
<b>Accumulated remeasurement losses, beginning of year</b>	<b>(997,549)</b>	(947,513)
<b>Unrealized gains (losses) attributable to:</b>		
Derivative instruments	<b>355,905</b>	(50,036)
<b>Accumulated remeasurement losses, end of year</b>	<b>(641,644)</b>	(997,549)

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

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

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**1. Operations**

Kwantlen First Nation (the "Nation") is a First Nation band located in the province of British Columbia that provides various services to its members. Kwantlen First Nation includes the Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

**2. Significant accounting policies**

These consolidated financial statements of Kwantlen First Nation are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Principles of consolidation***

All controlled entities are fully consolidated on a line-by-line basis. Inter-entity balances and transactions have been eliminated on consolidation.

Organizations consolidated in Kwantlen First Nation's financial statements include:

- Seyem' Qwantlen Business Management Ltd.
- Seyem' Qwantlen Construction Ltd.
- Seyem' Qwantlen Construction Limited Partnership
- Seyem' Qwantlen Development Ltd.
- Seyem' Qwantlen Development Limited Partnership
- Seyem' Qwantlen Land Development Ltd.
- Seyem' Qwantlen Land Development Limited Partnership
- Seyem' Qwantlen Resources Ltd.
- Seyem' Qwantlen Resources Limited Partnership
- Seyem' Qwantlen Harbour Authority
- Qwantlen Support Services Ltd.

In addition, the Nation has made investments in government partnerships, which are accounted for using the proportionate consolidation method:

- Seyem' Qwantlen Construction / Milestone Joint Venture owned 51% by the Nation
- The Jackson Ridge Project (A Joint Venture) owned 50% by the Nation
- Seyem' QD / B&D Joint Venture owned 50% by the Nation

***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 government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets.

***Net financial assets (debt)***

Kwantlen First Nation's financial statements are presented so as to highlight net financial assets (debt) as the measurement of financial position. The net financial assets (debt) of the Nation is determined by its financial assets less its liabilities. Net financial assets (debt) is comprised of two components, non-financial assets and accumulated surplus.

***Inventories***

Inventories are stated at the lower of average cost and net realizable value.

***Short-term investments***

Short-term investments consists of term deposits or guaranteed investment certificates and are recorded at cost. Accrued interest is recorded when earned.

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

***Liability for contaminated sites***

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Nation is directly responsible; or accepts responsibility; and
- iv) a reasonable estimate of the amount can be made.

Management has determined that no such liability exists at March 31, 2017.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

***Amortization***

Tangible capital assets are amortized annually on a straight-line or declining balance basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Basis</b>	<b>Useful life</b>
Land improvements	Straight-line	15 - 20 years
Buildings	Declining balance / straight-line	4% / 40 years
Infrastructure	straight-line	50 years
Equipment	Declining balance / straight-line	20 - 55% / 5 - 20 years
Automotive	Declining balance / straight-line	30% / 5 - 10 years
Art collection	Straight-line	25 years
Leasehold improvements	Straight-line	6 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Assets under construction are not amortized until the asset is available to be put into service.

***Funds held in Ottawa Trust fund***

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

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

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

**Revenue recognition**

*Government transfers*

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

*Contracting revenue*

Contracting revenue is recognized on the accrual basis according to the terms of the contractual agreements.

*Housing rental income*

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

*First Nation capital and revenue trust funds*

Kwantlen First Nation recognizes revenues at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

*Other revenue*

Other revenue is recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

**Measurement uncertainty (use of estimates)**

The preparation of 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable and amounts due from related entities are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

**Long-lived assets and discontinued operations**

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. When the Nation determines that a long-lived asset no longer has any long-term service potential to the Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**Segments**

Kwantlen First Nation conducts its operations through various segments as described in Note 20. These operating segments are established by management to facilitate the achievement of the Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

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.

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

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

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

***Financial instruments***

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Nation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Nation determines if there is a significant adverse change in the expected amount of timing of future cash flows, the carrying value of the financial asset is reduced to the highest present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Nation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Derivative instruments are financial contracts whose value changes in response to a change in a specified interest rate, exchange rate or other variable, provided in the case of a non-financial variable, the variable is not specific to a party to the contract. Derivative contracts usually have no initial net investment, or a net investment which would be smaller than a non-derivative contract, and are settled at a future date.

Derivatives are initially recognized at fair value on the date which a derivative contract is entered into. They are subsequently re-measured at their fair value and reported as assets where they have a positive fair value or as liabilities where they have a negative fair value.

**3. Short-term investments**

Included in short-term investments are term deposits of \$186,728 (2016 - \$160,291) which secure letters of credit for the Jackson Ridge Project (A Joint Venture) development project. The bank can draw on these term deposits in the event they are required to pay out on the letters of credit.

**4. Accounts receivable**

	<b>2017</b>	<b>2016</b>
Trade receivables	<b>2,093,395</b>	530,415
Member loans	<b>187,647</b>	184,797
Other receivables	<b>90,983</b>	10,766
CMHC subsidy receivable	<b>5,801</b>	3,887
	<b>2,377,826</b>	729,865

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**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

**5. Trust funds**

Trust funds consist of Ottawa Trust accounts that arise from funds derived from capital or revenue sources as outlined in Section 62 of the Indian Act. The management of these funds are governed by Sections 63 to 69 of the Indian Act.

	2017	2016
<b>Capital fund</b>		
Balance, beginning of year	153,893	183,893
Housing loan repayments	2,450	-
Withdrawals	-	(30,000)
<hr/>		
Balance, end of year	156,343	153,893
<hr/>		
<b>Revenue Fund</b>		
Balance, beginning of year	2,154,170	2,039,141
Rental income	-	67,500
Interest income	2,947	46,934
BC special distribution	619	595
Withdrawals	(2,156,096)	-
<hr/>		
Balance, end of year	1,640	2,154,170
<hr/>		
	<b>157,983</b>	<b>2,308,063</b>
<hr/>		

**6. Operating reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, any annual operating surplus may be retained in an operating reserve, to be drawn against in the event of any future deficits. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. As at March 31, 2017, \$10,527 (2016 - \$3,264) has been set aside to fund this reserve.

**7. Replacement reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$13,507 annually as stated in Schedule "B" of the Operating Agreement. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. As at March 31, 2017, \$45,973 (2016 - \$33,184) has been set aside to fund this reserve.

**8. Bank indebtedness**

The Nation carries operating lines of credit with Royal Bank of Canada and BMO Bank of Montreal that are secured by general security agreements. The operating lines entitle the Nation to borrow a maximum amount of \$760,000 with Royal Bank of Canada that bears interest at variable rates ranging from 1.2% to 1.6% (2016 - 1.2% to 1.6%) above the bank's prime lending rate and \$2,615,000 with BMO Bank of Montreal that bears interest at a variable rate of bank prime plus 0.5% (2016 - 0.5%). As of March 31, 2017, \$442,693 (2016 - \$352,143) of the operating lines of credit were utilized.

**9. Accounts payable and accrued liabilities**

Included in accounts payable are government remittances totaling \$105,543 (2016 - \$50,275).

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

**10. Deferred revenue**

	<i>Opening balance</i>	<i>Funds received</i>	<i>Revenue recognized</i>	<i>2017 Closing balance</i>	<i>2016</i>
Indigenous and Northern Affairs Canada	-	1,099,751	-	1,099,751	-
Commercial rent	309,375	309,375	(309,375)	309,375	309,375
Resource projects	118,382	163,928	(118,382)	163,928	118,382
Construction projects	-	142,688	-	142,688	-
The Jackson Ridge Project (A Joint Venture)	75,000	-	-	75,000	75,000
Customer deposits	-	47,000	-	47,000	-
First Nations Health Authority	-	46,053	-	46,053	-
Parklane Homes	25,000	-	-	25,000	25,000
Gift certificates	6,540	10,787	(6,540)	10,787	6,540
Fraser Health	10,000	-	(10,000)	-	10,000
	<b>544,297</b>	<b>1,819,582</b>	<b>(444,297)</b>	<b>1,919,582</b>	<b>544,297</b>

**11. Long-term debt**

	<i>2017</i>	<i>2016</i>
BMO Bank of Montreal loan, payments of \$34,643 per month including interest at 4.97% per annum, matures December 1, 2023 (secured - see below)	4,704,833	4,881,916
BMO Bank of Montreal loan, payments of \$33,151 per month including interest at 4.45% per annum, matures December 1, 2020 (secured - see below)	4,675,691	4,860,943
BMO Bank of Montreal loan, payments of \$9,254 per month including variable interest at bank prime plus 0.75% per annum, matures November 1, 2038, secured by a general security agreement	1,631,070	1,684,966
BMO Bank of Montreal loan, payments of \$5,893 per month including interest at 3.97% per annum, matures December 1, 2018 (secured - see below)	861,130	896,883
CMHC Phase 1 - All Nations Trust Company mortgage, payments of \$2,873 per month including interest at 1.52% per annum, renewal May 1, 2018, matures May 1, 2038	623,125	647,974
CMHC Phase 2 - All Nations Trust Company mortgage, payments of \$2,464 per month including interest at 2.04% per annum, renewal March 1, 2019, matures March 1, 2039	524,265	543,002
CMHC Phase 3 - All Nations Trust Company mortgage, payments of \$2,336 per month including interest at 1.05% per annum, renewal August 1, 2021, matures August 1, 2041	603,567	276,110
Canadian Western Bank demand loan	-	312,282
Tale'awtxw Aboriginal Capital Corporation loan	-	27,497
	<b>13,623,681</b>	<b>14,131,573</b>

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

**11. Long-term debt** *(continued from previous page)*

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2018	538,636
2019	561,356
2020	585,104
2021	609,924
2022	635,868
	2,930,888

Three of the BMO Bank of Montreal loans totaling \$10,241,654 are secured by a mortgage of \$14,000,000 over specific land and buildings and an assignment of rents.

Long-term debt for CMHC housing projects are secured by Ministerial guarantees of the Ministry of Indigenous and Northern Affairs Canada.

**12. Derivative instruments**

In the ordinary course of business, the Nation enters into derivative contracts, specifically interest rate swaps. Derivative financial instruments may be undertaken to manage price risk from the Nation's exposure to fixed interest rates related to its long-term debt.

***Notional amounts of derivatives used to manage interest rate risk***

	<i>Maturity of derivatives in 1 to 5 Years</i>	<i>Maturity of derivatives in 5 to 10 Years</i>	<i>Total 2017</i>	<i>Total 2016</i>
Receive fixed/pay floating swaps	5,536,819	4,704,833	10,241,652	10,639,741

***Fair values of derivatives used to manage interest rate risk***

	<i>2017</i>	<i>2016</i>
Receive fixed/pay floating swaps	(641,644)	(997,549)

The above interest rate swaps are amortized swaps that reduce over time as the associated debt is repaid.



**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

**13. Tangible capital assets**

<b>Cost</b>	<b>Beginning of year</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>End of year</b>
Land	4,010,000	330,001	-	4,340,001
Land improvements	752,065	-	-	752,065
Buildings	13,828,982	389,844	-	14,218,826
Infrastructure	3,982,899	3,395,888	-	7,378,787
Equipment	760,847	153,979	(6,014)	908,812
Automotive	145,120	-	-	145,120
Art collection	136,389	2,255	-	138,644
Leasehold improvements	521,299	12,946	-	534,245
	24,137,601	4,284,913	(6,014)	28,416,500

<b>Accumulated amortization</b>	<b>Beginning of year</b>	<b>Amortization</b>	<b>Disposals</b>	<b>End of year</b>
Land improvements	172,858	49,713	-	222,571
Buildings	1,607,993	456,211	-	2,064,204
Infrastructure	1,305,901	79,658	-	1,385,559
Equipment	385,112	87,982	-	473,094
Automotive	95,126	13,679	-	108,805
Art collection	69,797	5,456	-	75,253
Leasehold improvements	257,057	89,041	-	346,098
	3,893,844	781,740	-	4,675,584

<b>Net book value</b>	<b>2017</b>	<b>2016</b>
Land	4,340,001	4,010,000
Land improvements	529,494	579,207
Buildings	12,154,622	12,220,989
Buildings under construction	-	-
Infrastructure	5,993,228	2,676,998
Equipment	435,718	375,735
Automotive	36,315	49,994
Art collection	63,391	66,592
Leasehold improvements	188,147	264,242
	23,740,916	20,243,757

Amortization expense of \$781,740 (2016 - \$773,177) was recorded in the Capital Fund.

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

**14. Accumulated surplus**

	2017	2016
Unrestricted surplus	1,644,374	602,551
Equity in operating reserve	10,529	3,265
Equity in replacement reserve	45,973	33,184
Equity in tangible capital assets	11,748,305	8,136,928
Equity in other non-financial assets	4,136,987	4,638,923
Equity in trust funds	157,983	2,308,063
	17,744,151	15,722,914

**15. Investment in joint ventures**

***The Jackson Ridge Project (A Joint Venture)***

The Nation's 50% investment in The Jackson Ridge Project (A Joint Venture) was established to rezone, subdivide and develop land on Jackson Road in Maple Ridge for single family residences.

A summary of the financial position of The Jackson Ridge Project (A Joint Venture) as at March 31, 2017 and for the period ended March 31, 2017, with comparative information for 2016 is as follows:

	2017	2016
Assets	4,583,035	4,556,334
Liabilities	519,292	1,132,440
	4,063,743	3,423,894

	2017	2016
Revenues	2,200,000	1,979,100
Expenses	1,538,135	1,732,954
	661,865	246,146

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2017*

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**15. Investment in joint ventures** *(continued from previous page)*

***Seyem' Qwantlen Construction / Milestone Joint Venture***

The Nation's 51% investment in Seyem' Qwantlen Construction / Milestone Joint Venture was established on February 1, 2017 to pursue and carry out construction and remediation projects on Kwantlen First Nation reserve lands.

A summary of the financial position and operations of Seyem' Qwantlen Construction / Milestone Joint Venture as at March 31, 2017 and for the period ended March 31, 2017 is as follows:

	<b>2017</b>
Assets	1,559,829
Liabilities	1,370,489
	189,340

	<b>2017</b>
Revenues	1,154,299
Expenses	964,959
	189,340

***Seyem' QD / B&D Joint Venture***

The Seyem' QD / B&D Joint Venture terminated during the year resulting in a gain on termination of \$1,649.

**16. Budget figures**

The budget figures presented in these financial statements are based upon the operating and capital budgets prepared by management.

**17. Contingent liability**

Kwantlen First Nation may be contingently liable for seven guaranteed housing mortgages. As at March 31, 2017, there are three outstanding housing mortgages under the Ministerial Loan Guarantees program totaling \$251,675 and four outstanding housing mortgages with Royal Bank of Canada totaling \$464,413, for which the Nation is guarantor.

**18. Comparative figures**

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

**19. Financial instruments**

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

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities.

Kwantlen First Nation is exposed to interest rate cash flow risk with respect to its operating lines of credit, long-term debt held with BMO Bank of Montreal and derivative instruments, which are subject to variable interest rates. Changes in the bank prime variable lending rates can cause fluctuations in interest payments and cash flows.

Kwantlen First Nation is exposed to interest rate price risk on its long-term debt with All Nations Trust Company as they are at fixed interest rates. The Nation carries three loans with All Nations Trust Company that are at fixed rates.

**20. Segmented information**

Kwantlen First Nation operates a number of programs and receives funding from various sources. For the management of and for reporting purposes, the Nation groups revenues, expenses, and accumulated surplus or deficit by segment based on major functional classification of activities as outlined below:

1. Administration includes general operation, support, and financial management of the Nation, property taxation, and Ottawa Trust Fund.
2. Capital includes activities related to the Nation's tangible capital assets.
3. Member and Community Services includes support programs and cultural activities for Nation members.
4. Infrastructure includes the repairs, maintenance, and replacement of infrastructure assets such as roads, grounds, buildings, and utilities systems.
5. Housing includes repairs and maintenance of homes and provision of housing to Nation members.
6. Health includes the provision of Health services and programs to Nation members
7. Social Development includes the provision of social assistance and programs to low-income Nation members
8. Education includes provision of support and programs to Nation students registered in pre-school, elementary, secondary, and post-secondary education programs.
9. Economic Development includes activities related to generating additional revenues for the Nation and employment opportunities for Nation members.
10. Lands and Resources includes activities related to the development of Indian Reserve lands and natural resources.

**Kwantlen First Nation**  
**Schedule 1 - Consolidated Statement of Expenses by Object**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Expenses by Object</b>			
Administration	34,211	<b>22,379</b>	35,072
Advertising	48,080	<b>43,937</b>	76,520
Amortization	755,921	<b>781,740</b>	773,177
Bad debts	-	<b>7,045</b>	-
Community activities and programs	2,000	<b>1,300</b>	1,430
Contracted services	534,858	<b>387,307</b>	572,032
Cost of sales	-	<b>1,257,537</b>	861,084
Education programs and supplies	276,676	<b>287,164</b>	338,269
Forestry expenses	-	<b>272</b>	427,431
Health programs and supplies	87,638	<b>40,906</b>	54,769
Home owner grants	34,000	<b>31,929</b>	33,117
Honoraria	71,850	<b>86,075</b>	92,734
Housing programs and supplies	2,150	<b>4,925</b>	73,138
Insurance	67,066	<b>69,895</b>	69,094
Interest and bank charges	60,924	<b>77,263</b>	70,748
Interest on long-term debt	564,507	<b>572,602</b>	577,556
Licenses, dues and fees	2,000	<b>1,715</b>	690
Management expenses	459,252	<b>199,166</b>	100,547
Materials and supplies	657,074	<b>939,015</b>	842,229
Meetings and events	263,430	<b>273,878</b>	277,441
Member support	125,200	<b>122,863</b>	130,200
Office and other	241,082	<b>291,042</b>	277,737
Operational costs	42,015	<b>46,232</b>	68,842
Professional fees	2,741,588	<b>3,380,910</b>	953,498
Project expenses	1,064,189	<b>623,778</b>	1,688,965
Property taxes	19,515	<b>10,585</b>	20,753
Rent	75,436	<b>96,259</b>	90,104
Repairs and maintenance	107,768	<b>134,831</b>	87,237
Salaries, wages, and benefits	3,560,242	<b>4,449,974</b>	3,593,483
Service contracts	52,174	<b>47,882</b>	41,044
Social development programs and supplies	143,927	<b>152,469</b>	144,066
Telephone and communications	47,765	<b>55,658</b>	54,270
Training	4,799	<b>17,295</b>	5,391
Travel	151,729	<b>164,067</b>	114,217
Utilities	54,558	<b>55,763</b>	62,472
Vehicle Lease	3,992	<b>17,606</b>	3,992
Workshops	34,260	<b>31,347</b>	35,889
	<b>12,391,876</b>	<b>14,784,611</b>	<b>12,649,238</b>

**Kwantlen First Nation**  
**Segmented Information - Administration**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	284,847	<b>284,847</b>	222,665
Commercial lease income	196,000	<b>196,000</b>	314,920
Taxation	117,240	<b>116,829</b>	115,464
Interest income	36,700	<b>56,841</b>	74,381
New Relationship Trust	25,000	<b>25,000</b>	13,420
Province of British Columbia	16,652	<b>16,529</b>	2,481,684
BC special distribution	600	<b>619</b>	595
First Nations Tax Commission	-	-	5,000
	677,039	<b>696,665</b>	3,228,129
<b>Expenses</b>			
Administration	33,386	<b>22,085</b>	35,022
Bad debts	-	<b>7,045</b>	-
Contracted services	140,000	<b>136,544</b>	216,167
Home owner grants	34,000	<b>31,929</b>	33,117
Honoraria	62,150	<b>64,775</b>	76,150
Insurance	5,750	<b>5,405</b>	5,350
Interest and bank charges	7,500	<b>7,647</b>	11,704
Interest on long-term debt	60,000	<b>57,156</b>	59,963
Licenses, dues and fees	1,500	<b>1,453</b>	690
Materials and supplies	41,945	<b>41,810</b>	35,492
Meetings and events	7,250	<b>9,892</b>	14,577
Office and other	47,900	<b>24,404</b>	32,191
Professional fees	117,145	<b>111,915</b>	97,868
Salaries, wages and benefits	596,473	<b>597,033</b>	574,063
Service contracts	52,174	<b>47,882</b>	41,044
Telephone and communications	15,000	<b>14,525</b>	18,249
Travel	95,000	<b>93,633</b>	60,793
	1,317,173	<b>1,275,133</b>	1,312,440
<b>Operating surplus (deficit) before transfers</b>	(640,134)	<b>(578,468)</b>	1,915,689
<b>Transfers</b>			
Transfer to Capital	-	<b>(335,823)</b>	(6,000)
Transfer to Member and Community Services	(619,150)	<b>(615,619)</b>	(637,456)
Transfer to Infrastructure	(21,140)	<b>(28,258)</b>	(64,481)
Transfer from Economic Development	-	<b>150</b>	9,193
Transfer from Lands and Resources	-	-	(2,212)
	(640,290)	<b>(979,550)</b>	(700,956)
<b>Operating surplus (deficit)</b>	(1,280,424)	<b>(1,558,018)</b>	1,214,733
<b>Accumulated operating surplus, beginning of year</b>	3,651,626	<b>3,651,623</b>	2,436,890
<b>Accumulated operating surplus, end of year</b>	2,371,202	<b>2,093,605</b>	3,651,623

**Kwantlen First Nation**  
**Segmented Information - Capital**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Gain on disposal of tangible capital assets	-	-	1,208
<b>Expenses</b>			
Amortization	755,921	<b>781,740</b>	773,177
<b>Deficit before transfers</b>	(755,921)	<b>(781,740)</b>	(771,969)
<b>Transfers</b>			
Transfer from Administration	-	<b>335,823</b>	6,000
Transfer from Infrastructure	3,542,123	<b>3,504,649</b>	263,566
Transfer from Cultural	-	<b>2,255</b>	1,500
Transfer from Housing	56,000	<b>56,368</b>	42,741
Transfer from Economic Development	398,000	<b>494,022</b>	492,161
	3,996,123	<b>4,393,117</b>	805,968
<b>Operating surplus</b>	3,240,202	<b>3,611,377</b>	33,999
<b>Accumulated operating surplus, beginning of year</b>	10,581,742	<b>10,581,741</b>	10,547,742
<b>Accumulated operating surplus, end of year</b>	13,821,944	<b>14,193,118</b>	10,581,741

**Kwantlen First Nation**  
**Segmented Information - Member and Community Services**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Donations	10,500	<b>25,763</b>	1,150
Rental income	15,000	<b>18,300</b>	4,160
Sto:lo HRD	7,050	<b>7,051</b>	12,757
New Relationship Trust	-	-	2,000
	32,550	<b>51,114</b>	20,067
<b>Expenses</b>			
Community activities and programs	2,000	<b>1,300</b>	1,430
Honoraria	-	-	900
Licenses, dues and fees	500	<b>262</b>	-
Materials and supplies	8,500	<b>16,430</b>	8,429
Meetings and events	185,750	<b>187,524</b>	203,710
Member support	125,200	<b>122,863</b>	130,200
Repairs and maintenance	10,000	<b>14,335</b>	-
Salaries, wages and benefits	307,000	<b>308,234</b>	290,720
Summer student - SNHRD	9,000	<b>7,012</b>	20,128
Telephone and communications	2,000	<b>2,321</b>	2,060
Travel	1,700	<b>2,395</b>	1,117
Workshops	4,000	<b>4,223</b>	4,997
	655,650	<b>666,899</b>	663,691
<b>Operating deficit before transfers</b>	<b>(623,100)</b>	<b>(615,785)</b>	<b>(643,624)</b>
<b>Transfers</b>			
Transfer from Administration	619,150	<b>615,619</b>	637,456
Transfer to Capital	-	<b>(2,255)</b>	(1,500)
Transfer from Economic Development	3,950	<b>2,421</b>	7,668
	623,100	<b>615,785</b>	643,624
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Kwantlen First Nation**  
**Segmented Information - Infrastructure**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	4,658,655	<b>4,658,655</b>	376,649
INAC revenue deferred	(1,099,751)	<b>(1,099,751)</b>	-
First Nations Health Authority	-	<b>34,000</b>	-
FNHA revenue deferred	-	<b>(33,068)</b>	-
Rental income	53,000	<b>50,123</b>	57,309
Other income	-	<b>16,132</b>	-
Naut'sa mawt Tribal Council	-	-	2,864
	3,611,904	<b>3,626,091</b>	436,822
<b>Expenses</b>			
Contracted services	50,246	<b>50,247</b>	69,323
Materials and supplies	2,760	<b>3,052</b>	2,237
Meetings and events	30,000	<b>29,252</b>	28,844
Member housing capital costs	2,150	<b>4,925</b>	73,138
Operational costs			
Administration Building	9,330	<b>11,989</b>	9,626
Church Building	1,375	<b>1,213</b>	789
Health Building	4,940	<b>5,419</b>	5,479
Boat House	1,420	<b>1,327</b>	7,904
Workshop Building	4,200	<b>3,721</b>	3,748
Cultural Center	20,750	<b>22,565</b>	41,295
Professional fees	-	<b>932</b>	-
Repairs and maintenance			
Equipment	6,780	<b>5,350</b>	8,309
Grounds	29,954	<b>35,299</b>	26,541
Salaries, wages and benefits	60,650	<b>69,155</b>	69,759
Telephone and communications	1,000	<b>1,097</b>	720
Travel	1,000	<b>1,829</b>	(305)
Utilities	40,055	<b>38,592</b>	44,365
Workshops	2,100	<b>2,683</b>	1,624
	268,710	<b>288,647</b>	393,396
<b>Operating surplus before transfers</b>	3,343,194	<b>3,337,444</b>	43,426
<b>Transfers</b>			
Transfer from Administration	21,239	<b>28,258</b>	64,481
Transfer to Capital	(3,542,123)	<b>(3,504,649)</b>	(263,566)
Transfer from Economic Development	177,690	<b>138,947</b>	155,659
	(3,343,194)	<b>(3,337,444)</b>	(43,426)
<b>Operating surplus (deficit)</b>	-	-	-

**Kwantlen First Nation**  
**Segmented Information - Housing**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Rental income	69,870	<b>69,870</b>	52,320
Canada Mortgage and Housing Corporation	61,958	<b>61,958</b>	46,642
Interest income	20	<b>11</b>	9
Other income	-	<b>380</b>	-
	131,848	<b>132,219</b>	98,971
<b>Expenses</b>			
Administration	825	<b>295</b>	51
Insurance	36,133	<b>32,070</b>	35,716
Interest on long-term debt	24,507	<b>24,507</b>	21,234
Professional fees	2,200	<b>2,200</b>	2,020
Repairs and maintenance	14,190	<b>15,362</b>	8,611
Salaries, wages and benefits	5,280	<b>13,820</b>	10,539
Utilities	3,387	<b>4,616</b>	8,896
	86,522	<b>92,870</b>	87,067
<b>Operating surplus before transfers</b>	45,326	<b>39,349</b>	11,904
<b>Transfers</b>			
Transfer to Capital	(56,000)	<b>(56,368)</b>	(42,741)
Transfer from Economic Development	38,000	<b>37,071</b>	42,543
	(18,000)	<b>(19,297)</b>	(198)
<b>Operating surplus</b>	27,326	<b>20,052</b>	11,706
<b>Accumulated operating surplus, beginning of year</b>	36,448	<b>36,448</b>	24,742
<b>Accumulated operating surplus, end of year</b>	63,774	<b>56,500</b>	36,448

**Kwantlen First Nation**  
**Segmented Information - Health Services**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
First Nations Health Authority	391,749	<b>391,749</b>	341,625
FNHA recovery	-	<b>(5,895)</b>	(2,657)
FNHA revenue deferred	(13,000)	<b>(12,985)</b>	-
New Relationship Trust	2,000	<b>2,000</b>	2,000
BC Association of Aboriginal Friendship Centres	-	-	2,777
	<b>380,749</b>	<b>374,869</b>	343,745
<b>Expenses</b>			
Client support	1,000	<b>179</b>	685
Counselling	9,397	<b>1,550</b>	8,000
Health services	34,727	<b>8,503</b>	9,499
Honoraria	1,200	<b>100</b>	4,300
Insurance	3,000	<b>2,706</b>	3,088
Materials and supplies	3,500	<b>4,557</b>	8,209
Medical care supplies	2,549	<b>2,942</b>	2,796
Medical transportation	20,835	<b>19,346</b>	20,662
Meetings and events	3,000	<b>2,115</b>	1,970
Member health activities	9,000	<b>4,016</b>	6,443
Prenatal, babies and toddlers	2,997	<b>2,750</b>	5,809
Repairs and maintenance	16,530	<b>16,530</b>	-
Salaries, wages and benefits	349,724	<b>348,947</b>	311,472
Telephone and communications	1,920	<b>3,822</b>	3,842
Travel	12,850	<b>11,745</b>	12,012
Treatment centre assistance	7,133	<b>1,619</b>	875
Workshops	28,160	<b>24,441</b>	29,268
	<b>507,522</b>	<b>455,868</b>	428,930
<b>Operating deficit before transfers</b>	<b>(126,773)</b>	<b>(80,999)</b>	<b>(85,185)</b>
<b>Transfers</b>			
Transfer from Economic Development	126,773	<b>80,999</b>	85,185
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Kwantlen First Nation**  
**Segmented Information - Social Development**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	143,927	<b>143,927</b>	160,855
INAC recovery	-	<b>(18,398)</b>	(3,691)
INAC reimbursement	-	-	8,639
	143,927	<b>125,529</b>	165,803
<b>Expenses</b>			
Adult in home care	38,511	<b>42,006</b>	45,939
Basic needs	73,789	<b>92,907</b>	73,789
Family violence	2,049	<b>500</b>	-
Honoraria	-	<b>1,500</b>	-
Meetings and events	21,930	<b>26,426</b>	-
Salaries, wages and benefits	25,350	<b>25,352</b>	33,095
Special needs	5,422	<b>3,366</b>	1,561
Travel	1,000	<b>1,697</b>	1,417
Youth and family programs	24,156	<b>13,691</b>	22,776
	192,207	<b>207,445</b>	178,577
<b>Operating deficit before transfers</b>	(48,280)	<b>(81,916)</b>	(12,774)
<b>Transfers</b>			
Transfer from Economic Development	48,280	<b>81,916</b>	12,774
<b>Operating surplus (deficit)</b>	-	-	-

**Kwantlen First Nation**  
**Segmented Information - Education**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	253,348	<b>253,348</b>	247,791
First Nations Education Steering Committee	-	<b>5,875</b>	-
New Relationship Trust	-	-	12,000
	253,348	<b>259,223</b>	259,791
<b>Expenses</b>			
After school programs	7,000	<b>6,300</b>	3,453
Educational awards	19,500	<b>16,441</b>	14,563
Financial assistance	3,600	<b>3,255</b>	3,465
Grad program	3,000	<b>2,258</b>	3,335
Honoraria	1,000	<b>550</b>	2,775
Living allowance	80,000	<b>78,522</b>	96,124
Materials and supplies	17,775	<b>16,425</b>	21,216
Meetings and events	13,000	<b>12,287</b>	21,239
Pre-school	3,000	<b>1,500</b>	-
Salaries, wages and benefits	84,400	<b>84,256</b>	86,051
School fees	3,264	<b>2,652</b>	3,343
Transportation fees	-	-	953
Travel	3,000	<b>3,322</b>	3,349
Tuition fees	153,312	<b>174,230</b>	204,790
Tutoring and educational assessments	4,000	<b>2,007</b>	8,243
	395,851	<b>404,005</b>	472,899
<b>Operating deficit before transfers</b>	(142,503)	<b>(144,782)</b>	(213,108)
<b>Transfers</b>			
Transfer from Economic Development	142,503	<b>144,782</b>	213,108
<b>Operating surplus (deficit)</b>	-	-	-

**Kwantlen First Nation**  
**Segmented Information - Economic Development**  
*Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	229,621	<b>229,621</b>	11,537
Contracting services	3,930,472	<b>3,096,765</b>	3,287,632
Commercial lease income	1,326,500	<b>1,321,833</b>	1,326,500
Merchandise sales	1,472,604	<b>1,654,926</b>	1,311,439
Forestry revenue	-	-	1,298,953
Land development	22,500	<b>1,477,212</b>	989,550
Campground revenue	69,300	<b>63,967</b>	61,899
Other income	63,143	<b>100,324</b>	36,740
Rental income	25,587	<b>22,523</b>	19,921
Interest income	825	<b>601</b>	1,314
BC Hydro	-	<b>131,278</b>	-
	7,140,552	<b>8,099,050</b>	8,345,485
<b>Expenses</b>			
Cost of sales	-	<b>1,257,537</b>	861,084
Advertising	48,080	<b>43,937</b>	76,520
Consulting fees	39,127	<b>16,290</b>	32,540
Contracted services	344,612	<b>200,516</b>	286,542
Forestry expenses	-	<b>272</b>	427,431
Honoraria	3,500	<b>2,900</b>	2,059
Insurance	22,183	<b>29,713</b>	24,940
Interest and bank charges	53,424	<b>69,616</b>	59,044
Interest on long-term debt	480,000	<b>490,939</b>	496,359
Management expenses	459,252	<b>199,166</b>	99,409
Materials and supplies	582,595	<b>855,809</b>	762,520
Meetings and events	2,500	<b>2,277</b>	6,350
Office and other	193,182	<b>266,638</b>	245,169
Professional fees	721,432	<b>472,476</b>	233,323
Project expenses	914,189	<b>419,617</b>	1,638,965
Property taxes	19,515	<b>10,585</b>	20,753
Rent	75,436	<b>96,259</b>	90,104
Repairs and maintenance	30,314	<b>47,286</b>	43,776
Salaries, wages and benefits	2,122,365	<b>2,975,991</b>	2,197,660
Telephone and communications	27,845	<b>33,570</b>	29,398
Training	4,799	<b>17,295</b>	5,391
Travel	37,179	<b>47,893</b>	33,447
Utilities	11,116	<b>12,555</b>	9,212
Vehicle Lease	3,992	<b>17,606</b>	3,992
	6,196,637	<b>7,586,743</b>	7,685,988
<b>Operating surplus before transfers</b>	943,915	<b>512,307</b>	659,497

*Continued on next page*

**Kwantlen First Nation**  
**Segmented Information - Economic Development**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<i>Continued from previous page</i>			
<b>Operating surplus before transfers</b>	943,915	<b>512,307</b>	659,497
<b>Transfers</b>			
Transfer to Administration	-	<b>(150)</b>	(9,193)
Transfer to Capital	(398,000)	<b>(494,022)</b>	(492,161)
Transfer to Member and Community Services	(3,950)	<b>(2,421)</b>	(7,668)
Transfer to Infrastructure	(177,690)	<b>(138,947)</b>	(155,659)
Transfer to Housing	(38,000)	<b>(37,071)</b>	(42,543)
Transfer to Health	(126,773)	<b>(80,999)</b>	(85,185)
Transfer to Social Development	(48,280)	<b>(81,916)</b>	(12,774)
Transfer to Education	(139,503)	<b>(144,782)</b>	(213,108)
Transfer to Lands and Resources	-	<b>(15,294)</b>	(1,928)
	(932,196)	<b>(995,602)</b>	(1,020,219)
<b>Operating deficit</b>	11,719	<b>(483,295)</b>	(360,722)
<b>Accumulated operating surplus, beginning of year</b>	2,375,648	<b>2,375,648</b>	2,736,370
<b>Accumulated operating surplus, end of year</b>	2,387,367	<b>1,892,353</b>	2,375,648

**Kwantlen First Nation**  
**Segmented Information - Lands and Resources**  
*For the Year Ended March 31, 2017*

	<i>Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	1,946,000	<b>3,015,498</b>	654,248
Province of British Columbia	69,685	<b>69,685</b>	69,685
	2,015,685	<b>3,085,183</b>	723,933
<b>Expenses</b>			
Honoraria	4,000	<b>16,250</b>	6,550
Management expenses	-	-	1,138
Materials and supplies	-	<b>929</b>	4,124
Meetings and events	-	<b>4,105</b>	751
Office and other	-	-	377
Professional fees	1,861,685	<b>2,777,098</b>	587,747
Project expenses	150,000	<b>204,161</b>	50,000
Repairs and maintenance	-	<b>669</b>	-
Salaries, wages and benefits	-	<b>20,174</b>	-
Telephone and communications	-	<b>321</b>	-
Travel	-	<b>1,554</b>	2,386
	2,015,685	<b>3,025,261</b>	653,073
<b>Operating surplus (deficit) before transfers</b>	-	<b>59,922</b>	70,860
<b>Transfers</b>			
Transfer from (to) Administration	-	-	2,212
Transfer from Economic Development	-	<b>15,294</b>	1,928
	-	<b>15,294</b>	4,140
<b>Operating surplus (deficit)</b>	-	<b>75,216</b>	75,000
<b>Accumulated operating surplus (deficit), beginning of year</b>	-	<b>75,000</b>	-
<b>Accumulated operating surplus (deficit), end of year</b>	-	<b>150,216</b>	75,000