

**FILE COPY**

**Kwantlen First Nation  
Consolidated Financial Statements**  
*March 31, 2018*

**Kwantlen First Nation**  
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*For the Year Ended March 31, 2018*

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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 fulfills 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.

March 13, 2019

*Original signed by Carlo Zanuzzi*

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Director of Finance  
& Administration

*Original signed by Chief Marilyn Gabriel*

Chief

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## Independent Auditors' Report

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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, 2018, 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, 2018 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

March 13, 2019

**MNP LLP**

Chartered Professional Accountants

**Kwantlen First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Financial assets</b>		
Cash	4,408,395	6,768,624
Short-term investments (Note 4)	3,579,438	2,623,816
Accounts receivable (Note 5)	6,589,783	2,377,826
Inventory for resale	60,327	72,264
Investments (Note 6)	3,269,067	-
	<b>17,907,010</b>	11,842,530
<b>Restricted assets</b>		
Trust funds (Note 7)	158,135	157,983
Operating reserve (Note 8)	5,325	10,527
Replacement reserve (Note 9)	60,893	45,973
	<b>224,353</b>	214,483
	<b>18,131,363</b>	12,057,013
<b>Liabilities</b>		
Bank indebtedness (Note 10)	800,760	442,693
Accounts payable and accrued liabilities (Note 11)	6,369,978	5,563,165
Deferred revenue (Note 12)	1,151,277	1,919,582
Long-term debt (Note 13)	16,922,324	13,623,681
Derivative instruments (Note 14)	214,299	641,644
	<b>25,458,638</b>	22,190,765
<b>Net debt</b>	<b>(7,327,275)</b>	(10,133,752)
<b>Non-financial assets</b>		
Tangible capital assets (Note 15)	25,659,818	23,740,916
Property under development	2,444,812	3,899,891
Other inventories	70,026	191,453
Prepaid expenses	69,086	45,643
	<b>28,243,742</b>	27,877,903
<b>Accumulated surplus (Note 16)</b>	<b>20,916,467</b>	17,744,151
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	21,130,766	18,385,795
Accumulated remeasurement losses	(214,299)	(641,644)
	<b>20,916,467</b>	17,744,151

Approved on behalf of Chief and Council

*Original signed by Chief Marilyn Gabriel*

*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, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Government transfers			
Indigenous Services Canada (ISC)	825,590	3,929,897	8,585,896
ISC recovery	-	(3,318)	(18,398)
ISC reimbursement	4,327	126,926	-
ISC revenue deferred	-	348,799	(1,099,751)
First Nations Health Authority (FNHA)	377,932	480,897	425,749
FNHA recovery	-	-	(5,895)
FNHA revenue deferred	-	17,043	(46,053)
Province of British Columbia	(17,000)	31,956	86,214
Canada Mortgage and Housing Corporation	-	71,415	61,958
Contracting services	-	7,204,144	3,096,765
Land development	-	5,150,000	1,477,212
Merchandise sales	-	1,558,281	1,654,926
Commercial lease income	196,000	1,515,500	1,517,833
Forestry revenue	-	1,269,619	-
Other income	25,000	410,461	116,836
Rental income	45,000	126,841	160,815
Taxation	117,527	118,032	116,829
Interest income	85,500	75,814	57,454
Campground revenue	-	45,402	63,967
Donations	8,000	13,665	25,763
Sto:lo HRD	13,205	11,292	7,051
New Relationship Trust	-	5,000	27,000
Other agencies	-	5,000	-
First Nations Education Steering Committee	-	3,750	5,875
BC Hydro	-	-	131,278
BC special distribution	-	-	619
Loss on disposal of tangible capital assets	(2,500)	(27,094)	-
Partnership Income	-	(2,423)	-
	1,678,581	22,486,899	16,449,943
<b>Expenses</b>			
Administration	731,632	1,170,549	1,275,133
Capital	227,655	892,556	781,740
Member and Community Services	379,755	381,744	666,899
Infrastructure	384,639	1,146,876	281,592
Housing	20,319	165,145	99,925
Health and Social Services	528,320	786,320	663,313
Education	358,754	512,477	404,005
Economic Development	-	13,513,698	7,586,743
Lands and Resources	10,500	1,172,563	3,025,261
	2,641,574	19,741,928	14,784,611
<b>Annual operating surplus (deficit)</b>	<b>(962,993)</b>	<b>2,744,971</b>	<b>1,665,332</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>18,385,795</b>	<b>18,385,795</b>	<b>16,720,463</b>
<b>Accumulated operating surplus, end of year</b>	<b>17,422,802</b>	<b>21,130,766</b>	<b>18,385,795</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, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Annual operating surplus (deficit)</b>	(962,993)	2,744,971	1,665,332
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	(2,853,496)	(4,284,913)
Disposal of tangible capital assets	-	42,039	6,014
Amortization	227,655	892,556	781,740
	227,655	(1,918,901)	(3,497,159)
<b>Property under development</b>			
Change in property under development	-	1,455,079	538,314
<b>Other inventories</b>			
Change in other inventories	-	121,427	(132,446)
<b>Prepaid expenses</b>			
Acquisition of prepaid expenses	(18,000)	(69,086)	(45,643)
Use of prepaid expenses	20,277	45,643	141,712
	2,277	(23,443)	96,069
<b>Net remeasurement losses</b>			
Change in net remeasurement losses	-	427,344	355,905
<b>Change in net debt</b>	(733,061)	2,806,477	(973,985)
<b>Net debt, beginning of year</b>	(10,133,752)	(10,133,752)	(9,159,767)
<b>Net debt, end of year</b>	(10,866,813)	(7,327,275)	(10,133,752)

*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, 2018*

	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	2,744,971	1,665,332
Non-cash items		
Amortization	892,556	781,740
Revenue earned in trust and reserve funds	(4,169)	(3,568)
	3,633,358	2,443,504
Changes in working capital accounts		
Accounts receivable	(4,211,957)	(1,647,962)
Accounts payable and accrued liabilities	806,813	3,965,845
Deferred revenue	(768,305)	1,375,285
Inventory for resale	11,937	27,250
Prepaid expenses	(23,443)	96,069
Property under development	1,455,079	538,314
Other inventories	121,427	(132,446)
	1,024,909	6,665,859
<b>Financing activities</b>		
Advances of long-term debt	4,039,646	340,240
Repayment of long-term debt	(741,003)	(848,132)
Increase in bank indebtedness	358,066	90,551
	3,656,709	(417,341)
<b>Capital activities</b>		
Acquisition of tangible capital assets	(2,853,496)	(4,284,913)
Disposal of tangible capital assets	42,039	6,014
	(2,811,457)	(4,278,899)
<b>Investing activities</b>		
Change in short-term investments	(955,622)	1,040,275
Deposits in reserve accounts	(15,220)	(20,781)
Withdrawal of reserve accounts	5,563	1,098
Deposits in trust funds	-	(2,450)
Withdrawal of trust funds	3,956	2,156,098
Change in investments	(3,269,067)	-
	(4,230,390)	3,174,240
<b>Increase (decrease) in cash resources</b>	<b>(2,360,229)</b>	<b>5,143,859</b>
<b>Cash resources, beginning of year</b>	<b>6,768,624</b>	<b>1,624,765</b>
<b>Cash resources, end of year</b>	<b>4,408,395</b>	<b>6,768,624</b>
<b>Supplementary cash flow information:</b>		
Interest received	75,814	57,454
Interest paid	810,891	649,865

*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, 2018*

	<b>2018</b>	<b>2017</b>
Accumulated remeasurement losses, beginning of year	(641,644)	(997,549)
Unrealized gains attributable to:		
Derivative instruments	427,345	355,905
Accumulated remeasurement losses, end of year	(214,299)	(641,644)

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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, 2018*

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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.
- Seyem' Qwantlen Ventures Limited Partnership
- Seyem' Qwantlen Ventures Ltd.

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

- Seyem' Qwantlen Construction / JJM Construction (A Joint Venture) owned 51% by the Nation
- Seyem' Qwantlen Construction / Milestone Environmental Contracting West (A Joint Venture) owned 51% by the Nation
- The Jackson Ridge Project (A 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 (net debt)***

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

***Inventories***

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

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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

***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.

***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, 2018.

***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.

***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.

The Nation 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 assets' carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus (deficit) for the year.

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**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 are stated after evaluation as to their collectibility 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.

***Segments***

Kwantlen First Nation conducts its operations through various segments as described in Note 21. 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.

***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.

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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

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. Change in accounting policies**

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3400 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements of adopting the new Sections.

**4. Short-term investments**

Included in short-term investments are term deposits of \$23,762 (2017 - \$186,278) 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.

**5. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Trade receivables	6,358,095	2,093,395
Member loans	187,957	187,647
Other receivables	37,930	90,983
CMHC subsidy receivable	5,801	5,801
	<hr/> <b>6,589,783</b>	<hr/> <b>2,377,826</b>

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**6. Investments**

The Nation has a 25% investment in Weave Development Limited Partnership. Summary financial information for the partnership, accounted for using the modified equity method, as at March 31, 2018 is as follows:

	2018
<b>Assets</b>	
Cash	29,595
Accounts receivable	5,707
Property held for development	12,355,370
	<hr/>
	12,390,672
<b>Liabilities and Equity</b>	
Accounts payable	85,362
Partners' capital	12,305,310
	<hr/>
	12,390,672
	<hr/>
	2018
Total revenues	-
Total expenses	9,693
<b>Net loss</b>	<hr/> <b>(9,693)</b>

**7. Trust funds**

	2018	2017
<b>Capital fund</b>		
Balance, beginning of year	156,343	153,893
Housing loan repayments	-	2,450
<b>Balance, end of year</b>	<hr/> 156,343	<hr/> 156,343
<b>Revenue Fund</b>		
Balance, beginning of year	1,640	2,154,169
Rental income	-	-
Interest income	3,459	2,948
BC special distribution	649	619
Withdrawals	(3,956)	(2,156,096)
<b>Balance, end of year</b>	<hr/> 1,792	<hr/> 1,640
	<hr/> <b>158,135</b>	<hr/> <b>157,983</b>

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**8. 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, 2018, \$5,325 (2017 - \$10,527) has been set aside to fund this reserve.

**9. 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 \$15,220 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, 2018, \$60,893 (2017 - \$45,973) has been set aside to fund this reserve.

**10. Bank indebtedness**

The Nation carries operating lines of credit with BMO Bank of Montreal that are secured by general security agreements. The operating lines entitle the Nation to borrow a combined maximum amount of \$1,615,000 that bears interest at a variable rate of bank prime plus 0.5% (2017 - 0.5%). As of March 31, 2018, \$800,760 (2017 - \$442,693) of the operating lines of credit were utilized and the bank's prime rate was 3.45% (2017 - 2.70%).

**11. Accounts payable and accrued liabilities**

Included in accounts payable are government remittances totaling \$160,498 (2017 - \$105,543).

**12. Deferred revenue**

	<i>Balance, beginning of year</i>	<i>Funds received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	1,099,751	750,952	(1,099,751)	750,952
Commercial rent	309,375	-	(309,375)	-
Resource projects	163,928	167,006	-	330,934
Construction projects	142,688	-	(117,342)	25,346
The Jackson Ridge Project (A Joint Venture)	75,000	-	(75,000)	-
Customer deposits	47,000	2,352	(47,000)	2,352
First Nations Health Authority	46,053	19,025	(36,068)	29,010
Parklane Homes	25,000	-	(25,000)	-
Gift certificates	10,787	1,896	-	12,683
	<b>1,919,582</b>	<b>941,231</b>	<b>(1,709,536)</b>	<b>1,151,277</b>

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

13. Long-term debt	2018	2017
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)	4,518,746	4,704,833
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)	4,482,025	4,675,691
BMO Bank of Montreal loan, interest-only payments due monthly, interest at 4.20% per annum, due on demand. The loan was obtained for the purposes of investment in the Weave Development Limited Partnership.	3,447,491	-
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	1,581,372	1,631,070
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)	823,930	861,130
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	597,920	623,125
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	505,170	524,265
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	581,753	603,567
Tale'awtxw Aboriginal Capital Corporation loan, payments of \$4,853 per month including interest at 8.00% per annum, matures December 15, 2026	383,917	-
	<b>16,922,324</b>	<b>13,623,681</b>

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

2019	589,705
2020	615,814
2021	643,195
2022	671,911
2023	702,035
	<hr/>
	3,222,660
	<hr/>

Three of the BMO Bank of Montreal loans totaling \$9,824,701 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 Services Canada.

The Tale'awtxw Aboriginal Capital Corporation loan is secured by a general security agreement, assignment of insurance, and a mortgage over land and buildings.

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**14. 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 2018</i>	<i>Total 2017</i>
Receive fixed/pay floating swaps	5,305,953	4,518,746	9,824,699	10,241,652

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

	<i>2018</i>	<i>2017</i>
Receive fixed/pay floating swaps	(214,299)	(641,644)

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

**15. Tangible capital assets**

<i>Cost</i>	<i>Beginning of year</i>	<i>Acquisitions</i>	<i>Disposals</i>	<i>End of year</i>
Land	4,340,001	-	-	4,340,001
Land improvements	752,065	1,576	-	753,641
Buildings	14,218,826	310,610	-	14,529,436
Infrastructure	7,378,787	1,769,128	-	9,147,915
Equipment	896,582	761,406	(48,389)	1,609,599
Automotive	157,350	-	(11,132)	146,218
Art collection	138,644	2,000	-	140,644
Leasehold improvements	534,245	8,776	-	543,021
	28,416,500	2,853,496	(59,521)	31,210,475

<i>Accumulated amortization</i>	<i>Beginning of year</i>	<i>Amortization</i>	<i>Disposals</i>	<i>End of year</i>
Land improvements	222,572	51,021	-	273,593
Buildings	2,064,203	443,762	-	2,507,965
Infrastructure	1,385,559	147,576	-	1,533,135
Equipment	467,909	144,641	(9,964)	602,586
Automotive	113,990	10,334	(7,519)	116,805
Art collection	75,253	5,546	-	80,799
Leasehold improvements	346,098	89,676	-	435,774
	4,675,584	892,556	(17,483)	5,550,657

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**15. Tangible capital assets (continued from previous page)**

<i>Net book value</i>	<i>2018</i>	<i>2017</i>
Land	4,340,001	4,340,001
Land improvements	480,048	529,493
Buildings	12,021,471	12,154,623
Infrastructure	7,614,780	5,993,228
Equipment	1,007,013	428,673
Automotive	29,413	43,360
Art collection	59,845	63,391
Leasehold improvements	107,247	188,147
	<b>25,659,818</b>	<b>23,740,916</b>

Amortization expense of \$892,556 (2017 - \$781,740) was recorded in the Capital Fund.

**16. Accumulated surplus**

	<i>2018</i>	<i>2017</i>
Unrestricted surplus	1,897,018	1,644,375
Equity in operating reserve	5,327	10,529
Equity in replacement reserve	60,893	45,973
Equity in tangible capital assets	16,211,170	11,748,304
Equity in other non-financial assets	2,583,924	4,136,987
Equity in trust funds	158,135	157,983
	<b>20,916,467</b>	<b>17,744,151</b>

**17. Budget figures**

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

**18. Contingent liability**

Kwantlen First Nation may be contingently liable for six guaranteed housing mortgages. As at March 31, 2018, there are four outstanding housing mortgages under the Ministerial Loan Guarantees program totaling \$1,153,301 and four outstanding housing mortgages with Royal Bank of Canada totaling \$441,074, for which the Nation is guarantor.

**19. Comparative figures**

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

**Kwantlen First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2018*

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**20. 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 interest rate swaps, which modify the maturity characteristics of financial assets and liabilities.

Kwantlen First Nation is exposed to interest rate cash flow risk with respect to its operating lines of credit, one BMO loan 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 BMO Bank of Montreal, All Nations Trust Company and Tale'awtxw Aboriginal Capital Corporation as they are at fixed interest rates.

**21. 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 and Social Services includes the provision of health-related and social assistance services and programs to improve the quality of life for Nation members
7. Education includes provision of support and programs to Nation students registered in pre-school, elementary, secondary, and post-secondary education programs.
8. Economic Development includes activities related to generating additional revenues for the Nation and employment opportunities for Nation members.
9. 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, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Expenses by object</b>			
Administration	9,317	18,867	22,379
Advertising	-	25,114	43,937
Amortization	227,655	892,556	781,740
Bad debts	-	7,045	
Contracted services	111,750	456,934	387,307
Cost of sales	-	5,567,188	1,257,537
Education programs	250,004	389,765	287,164
Forestry expenses	-	623,833	272
Health programs	153,244	119,633	40,906
Home owner grants	37,000	37,736	31,929
Honoraria	79,550	91,670	86,075
Inspection fees	-	450	-
Insurance	23,251	93,363	80,146
Interest and bank charges	8,000	100,631	77,263
Interest on long-term debt	60,000	710,260	572,602
Licenses, dues and fees	-	-	1,715
Management expenses	-	265,993	199,166
Materials and supplies	117,383	880,598	939,015
Meetings and events	257,540	331,079	275,178
Member support	133,476	54,950	122,863
Office and other	43,750	228,741	291,042
Operational costs	3,000	2,063	14,687
Professional fees	127,000	1,543,047	3,380,910
Project expenses	-	1,924,799	623,778
Property taxes	-	27,864	10,585
Rent	-	122,941	96,259
Repairs and maintenance	248,203	205,837	139,756
Salaries, wages, and benefits	394,752	4,478,615	4,449,974
Service contracts	26,448	36,153	47,882
Social services programs	110,075	145,436	152,469
Telephone and communications	17,500	60,742	55,658
Training	-	20,228	17,295
Travel	105,816	178,985	164,067
Utilities	72,410	68,403	77,057
Vehicle Lease	-	15,623	17,606
Workshops	24,450	21,831	31,347
	<b>2,641,574</b>	<b>19,741,928</b>	<b>14,784,611</b>

**Kwantlen First Nation**  
**Segmented Information - Administration**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	313,898	<b>313,898</b>	284,847
ISC recovery	-	(2,596)	-
Commercial lease income	196,000	<b>196,000</b>	196,000
Taxation	117,527	<b>118,032</b>	116,829
Interest income	85,500	<b>73,494</b>	56,841
Province of British Columbia	17,000	<b>31,956</b>	16,529
Other income	28,000	<b>26,220</b>	-
First Nations Tax Commission	-	<b>5,000</b>	-
New Relationship Trust	-	<b>25,000</b>	-
BC special distribution	-	<b>619</b>	619
	<b>757,925</b>	<b>762,004</b>	696,665
<b>Expenses</b>			
Administration	9,317	<b>7,256</b>	22,085
Bad debts	-	-	7,045
Contracted services	111,000	<b>87,084</b>	136,544
Home owner grants	37,000	<b>37,736</b>	31,929
Honoraria	57,600	<b>41,320</b>	64,775
Insurance	7,500	<b>7,695</b>	5,405
Interest and bank charges	7,500	<b>12,550</b>	7,647
Interest on long-term debt	60,000	<b>61,354</b>	57,156
Licenses, dues and fees	-	-	1,453
Materials and supplies	24,000	<b>34,879</b>	41,810
Meetings and events	26,000	<b>46,913</b>	9,892
Office and other	43,750	<b>20,231</b>	24,404
Professional fees	115,000	<b>38,510</b>	111,915
Salaries, wages and benefits	111,677	<b>643,816</b>	597,033
Service contracts	24,288	<b>36,153</b>	47,882
Telephone and communications	12,000	<b>13,879</b>	14,525
Travel	85,000	<b>81,173</b>	93,633
	<b>731,632</b>	<b>1,170,549</b>	1,275,133
<b>Operating surplus (deficit) before transfers</b>	26,293	<b>(408,545)</b>	(578,468)
<b>Transfers</b>	(71,446)	<b>2,747,745</b>	(979,549)
<b>Operating surplus (deficit)</b>	(45,153)	<b>2,339,200</b>	(1,558,017)
<b>Accumulated operating surplus, beginning of year</b>	2,093,610	<b>2,093,609</b>	3,651,626
<b>Accumulated operating surplus, end of year</b>	2,048,457	<b>4,432,809</b>	2,093,609

**Kwantlen First Nation**  
**Segmented Information - Capital**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Loss on disposal of tangible capital assets	(2,500)	(27,094)	-
<b>Expenses</b>			
Amortization	227,655	892,556	781,740
<b>Deficit before transfers</b>	(230,155)	(919,650)	(781,740)
<b>Transfers</b>	-	2,937,702	4,393,117
<b>Operating surplus</b>	(230,155)	2,018,052	3,611,377
<b>Accumulated operating surplus, beginning of year</b>	14,193,117	14,193,116	10,581,741
<b>Accumulated operating surplus, end of year</b>	13,962,962	16,211,168	14,193,118

**Kwantlen First Nation**  
**Segmented Information - Member and Community Services**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Donations	5,000	12,665	25,763
Sto:lo HRD	13,205	11,292	7,051
Rental income	-	-	18,300
	18,205	23,957	51,114
<b>Expenses</b>			
Contracted services	-	195	-
Honoraria	17,350	23,250	-
Licenses, dues and fees	-	-	262
Materials and supplies	-	565	16,430
Meetings and events	197,700	228,130	188,824
Member support	127,800	54,950	122,863
Repairs and maintenance	-	-	14,335
Salaries, wages and benefits	-	45,453	308,234
Summer student - SNHRD	13,205	-	7,012
Telephone and communications	-	-	2,321
Travel	3,900	9,801	2,395
Workshops	19,800	19,400	4,223
	379,755	381,744	666,899
<b>Operating deficit before transfers</b>	(361,550)	(357,787)	(615,785)
<b>Transfers</b>	361,550	357,787	615,785
<b>Operating surplus (deficit)</b>	-	-	-

**Kwantlen First Nation**  
**Segmented Information - Infrastructure**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	62,470	1,658,693	4,658,655
ISC reimbursement	-	91,398	-
ISC revenue deferred	-	828,137	(1,099,751)
First Nations Health Authority (FNHA)	-	-	34,000
FNHA revenue deferred	-	33,068	(33,068)
Rental income	45,000	41,827	50,123
Other income	-	-	16,132
	107,470	2,653,123	3,626,091
<b>Expenses</b>			
Administration	-	11,586	-
Contracted services	-	106,232	50,247
Honoraria	-	3,700	-
Insurance	13,909	13,505	10,251
Materials and supplies	30,944	21,533	3,052
Meetings and events	13,800	18,646	29,252
Office and other	-	8,278	-
Professional fees	12,000	507,920	932
Repairs and maintenance	226,424	88,235	55,336
Salaries, wages and benefits	7,800	311,423	69,063
Telephone and communications	4,000	4,398	1,097
Travel	1,566	1,486	1,830
Utilities	69,036	49,724	59,887
Workshops	3,000	210	645
	382,479	1,146,876	281,592
<b>Operating surplus (deficit) before transfers</b>	(275,009)	1,506,247	3,344,499
<b>Transfers</b>	275,009	(1,511,210)	(3,344,499)
<b>Operating surplus (deficit)</b>	-	(4,963)	-
<b>Accumulated operating surplus (deficit), end of year</b>	-	(4,963)	-

**Kwantlen First Nation**  
**Segmented Information - Housing**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	20,319	20,319	-
Rental income	-	75,120	69,870
Canada Mortgage and Housing Corporation	-	71,415	61,958
Interest income	-	61	11
Other income	-	-	380
	20,319	166,915	132,219
<b>Expenses</b>			
Administration	-	28	295
Contracted services	-	39,994	-
Materials and supplies	-	640	-
Interest and bank charges	-	63	-
Inspection fees	-	450	-
Insurance	-	35,493	32,070
Interest on long-term debt	-	25,878	24,507
Professional fees	-	5,083	2,200
Repairs and maintenance	20,319	39,507	20,286
Salaries, wages and benefits	-	15,676	13,913
Utilities	-	2,333	4,616
Workshops	-	-	2,038
	20,319	165,145	99,925
<b>Operating surplus before transfers</b>	-	1,770	32,294
<b>Transfers</b>	-	7,948	(12,241)
<b>Operating surplus</b>	-	9,718	20,053
<b>Accumulated operating surplus, beginning of year</b>	56,501	56,500	36,447
<b>Accumulated operating surplus, end of year</b>	56,501	66,218	56,500

**Kwantlen First Nation**  
**Segmented Information - Health and Social Services**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	131,533	136,476	143,927
ISC recovery	-	(722)	(18,398)
ISC reimbursement	4,327	35,528	-
First Nations Health Authority (FNHA)	377,932	480,897	391,749
FNHA recovery	-	-	(5,895)
FNHA revenue deferred	-	(16,025)	(12,985)
New Relationship Trust	-	-	2,000
Other income	-	(2,621)	-
	513,792	633,533	500,398
<b>Expenses</b>			
Administration	-	25	-
Contracted services	-	11,947	-
Interest and bank charges	500	383	-
Health programs	153,244	119,633	40,906
Honoraria	2,100	2,050	1,600
Insurance	1,842	2,953	2,706
Materials and supplies	35,039	33,672	4,558
Meetings and events	8,040	8,808	28,541
Repairs and maintenance	4,460	2,566	16,530
Salaries, wages and benefits	192,070	443,989	374,299
Social services programs	110,075	145,436	152,469
Telephone and communications	1,500	4,005	3,822
Travel	9,900	7,192	13,441
Utilities	3,374	2,565	-
Workshops	500	1,096	24,441
	522,644	786,320	663,313
<b>Operating deficit before transfers</b>	(8,852)	(152,787)	(162,915)
<b>Transfers</b>	8,852	152,787	162,915
<b>Operating surplus (deficit)</b>	-	-	-

**Kwantlen First Nation**  
**Segmented Information - Education**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	297,370	297,370	253,348
Other income	-	6,500	-
New Relationship Trust	-	5,000	-
First Nations Education Steering Committee	-	3,750	5,875
	<b>297,370</b>	<b>312,620</b>	<b>259,223</b>
<b>Expenses</b>			
Contracted services	750	600	-
Education programs	250,004	389,765	287,164
Honoraria	1,200	1,200	550
Materials and supplies	25,300	19,815	16,426
Meetings and events	6,500	19,129	12,287
Salaries, wages and benefits	70,000	76,067	84,256
Travel	4,000	4,926	3,322
Workshops	1,000	975	-
	<b>358,754</b>	<b>512,477</b>	<b>404,005</b>
<b>Operating deficit before transfers</b>	<b>(61,384)</b>	<b>(199,857)</b>	<b>(144,782)</b>
<b>Transfers</b>	<b>61,384</b>	<b>199,857</b>	<b>144,782</b>
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Kwantlen First Nation**  
**Segmented Information - Economic Development**  
*Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	- 12,264	229,621	
Contracting services	- 7,204,144	3,096,765	
Land development	- 5,150,000	1,477,212	
Merchandise sales	- 1,558,281	1,654,926	
Commercial lease income	- 1,319,500	1,321,833	
Forestry revenue	- 1,269,619	-	
Other income	- 381,414	100,324	
Campground revenue	- 45,402	63,967	
Rental income	- 9,894	22,523	
Interest income	- 2,206	601	
Partnership Income	- (2,423)	-	
BC Hydro	- -	131,278	
	<b>16,950,301</b>	<b>8,099,050</b>	
<b>Expenses</b>			
Advertising	- 25,114	43,937	
Contracted services	- 210,881	200,516	
Cost of sales	- 5,567,188	1,257,537	
Forestry expenses	- 623,833	272	
Honoraria	- 2,550	2,900	
Insurance	- 33,717	29,713	
Interest and bank charges	- 87,605	69,616	
Interest on long-term debt	- 623,028	490,939	
Management expenses	- 238,095	199,166	
Materials and supplies	- 766,610	855,810	
Meetings and events	- 753	2,277	
Office and other	- 199,722	266,638	
Professional fees	- 198,087	488,765	
Project expenses	- 1,718,921	419,617	
Property taxes	- 18,996	10,585	
Rent	- 122,941	96,259	
Repairs and maintenance	- 77,592	47,286	
Salaries, wages and benefits	- 2,838,141	2,975,991	
Telephone and communications	- 38,135	33,570	
Training	- 20,228	17,295	
Travel	- 72,158	47,893	
Utilities	- 13,780	12,555	
Vehicle Lease	- 15,623	17,606	
	<b>- 13,513,698</b>	<b>7,586,743</b>	
<b>Operating surplus before transfers</b>	<b>- 3,436,603</b>	<b>512,307</b>	

*Continued on next page*

**Kwantlen First Nation**  
**Segmented Information - Economic Development**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<i>Continued from previous page</i>			
Operating surplus before transfers	-	3,436,603	512,307
Transfers	-	(4,903,424)	(995,602)
Operating surplus (deficit)	-	(1,466,821)	(483,295)
Accumulated operating surplus, beginning of year	-	1,892,353	2,375,648
Accumulated operating surplus, end of year	-	425,532	1,892,353

**Kwantlen First Nation**  
**Segmented Information - Lands and Resources**  
*For the Year Ended March 31, 2018*

	<i>Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	-	1,490,877	3,015,498
ISC revenue deferred	-	(479,338)	-
Province of British Columbia	-	-	69,685
		<b>1,011,539</b>	<b>3,085,183</b>
<b>Expenses</b>			
Honoraria	1,300	17,600	16,250
Management expenses	-	27,898	-
Materials and supplies	2,100	2,888	929
Meetings and events	5,500	8,700	4,105
Office and other	150	660	-
Professional fees	-	793,447	2,777,098
Project expenses	-	205,879	204,161
Property taxes	-	8,868	-
Repairs and maintenance	-	-	669
Salaries, wages and benefits	-	104,050	20,174
Telephone and communications	-	325	321
Travel	1,450	2,248	1,554
	10,500	<b>1,172,563</b>	<b>3,025,261</b>
<b>Operating surplus (deficit) before transfers</b>	<b>(10,500)</b>	<b>(161,024)</b>	<b>59,922</b>
<b>Transfers</b>	<b>10,500</b>	<b>10,808</b>	<b>15,294</b>
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>(150,216)</b>	<b>75,216</b>
<b>Accumulated operating surplus (deficit), beginning of year</b>	<b>-</b>	<b>150,216</b>	<b>75,000</b>
<b>Accumulated operating surplus (deficit), end of year</b>	<b>-</b>	<b>-</b>	<b>150,216</b>