

Consolidated Financial Statements

Kwantlen First Nation

March 31, 2023

Kwantlen First Nation

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Management's Responsibility

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

Stolz CPA Inc. is appointed by the Chief and Council to audit the consolidated financial statements and report to the Kwantlen First Nation members; their report follows. The external auditor has full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

August 17, 2023

original signed by Chief Marilyn Gabrirel

Chief

original signed by Councillor Les Antone

Councillor

Independent Auditor's Report

To the Members of Kwantlen First Nation

Opinion

We have audited the consolidated financial statements of Kwantlen First Nation ("the Nation"), which comprise the consolidated statement of financial position as at March 31, 2023 and the consolidated statements of operations and accumulated surplus, consolidated changes in net financial assets, consolidated changes in remeasurement gains (losses) and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Kwantlen First Nation as at March 31, 2023 and the results of its operations, its changes in net financial assets, its changes in net remeasurement gains (losses) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued from previous page)*

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

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

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

Stolz CPA Inc.

Chartered Professional Accountants

Abbotsford, British Columbia
August 17, 2023

Kwantlen First Nation

Consolidated Statement of Financial Position

March 31, 2023

	2023	2022 (Restated)
Financial assets		
Cash	6,975,380	4,449,631
Short-term investments	1,494,539	3,427,500
Accounts receivable (Note 3)	3,550,579	8,038,076
Inventory for resale	27,060	27,060
Portfolio investments (Note 4)	21,108,473	20,977,985
Investments in business enterprises (Note 5)	31,285	10,780
Trust funds (Note 6)	172,637	170,670
Replacement reserve (Note 7)	106,083	91,238
Derivative instruments (Note 8)	55,775	-
	33,521,811	37,192,940
Liabilities		
Bank indebtedness (Note 9)	253,833	639,870
Accounts payable and accrued liabilities	1,604,884	2,078,569
Due to related parties (Note 10)	271,580	-
Deferred revenue (Note 11)	2,866,972	2,305,968
Derivative instruments (Note 8)	-	35,267
Long-term debt (Note 12)	11,373,236	15,885,592
	16,370,505	20,945,266
Net financial assets	17,151,306	16,247,674

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The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Consolidated Statement of Financial Position

March 31, 2023

	2023	2022 (Restated)
<i>continued from previous page</i>		
Non-financial assets		
Tangible capital assets (Note 13)	24,139,778	24,917,380
Property under development	2,444,812	2,444,812
Other inventories (Note 14)	123,497	52,138
Prepaid expenses	96,953	9,731
	26,805,040	27,424,061
Accumulated surplus (Note 15)	43,956,346	43,671,735
Accumulated surplus is comprised of:		
Accumulated operating surplus	42,807,593	42,005,060
Accumulated remeasurement gains (losses)	1,148,753	1,666,675
	43,956,346	43,671,735

Approved on behalf of Chief and Council

original signed by Chief Marilyn Gabrirel

original signed by Councillor Les Antone

The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	1,927,176	2,451,882	2,413,991
ISC recovery	-	-	(2,442)
ISC revenue deferred	(247,263)	(152,235)	784,036
Contracting services	5,505,000	5,694,100	5,875,649
Grants and other government funding	3,653,229	3,463,701	3,493,782
Commercial lease income	2,059,865	2,059,865	2,027,865
Other income	578,261	637,934	561,338
Interest and other investment income	526,568	553,692	375,928
BCFN Gaming Revenue Sharing	454,428	454,428	189,487
Land management and development	350,000	369,454	25,000
Gain (loss) on disposal of investments	-	346,029	709,247
Taxation	213,775	213,776	158,844
Forestry revenue	175,000	179,624	-
Rental income	131,228	131,015	107,975
Donations	4,650	4,800	8,290
	15,331,917	16,408,065	16,728,990
Expenses			
Administration	1,722,230	1,774,876	1,582,621
Capital	747,375	820,679	877,660
Member and Community Services	814,783	763,330	980,041
Infrastructure	722,161	693,210	987,583
Housing	504,504	496,458	597,788
Health Services	1,265,834	1,239,107	1,232,173
Social Services	509,344	509,941	352,358
Education	1,129,652	1,132,444	959,826
Economic Development	4,795,020	5,631,906	5,415,487
Lands and Resources	2,528,300	2,543,581	2,800,455
	14,739,203	15,605,532	15,785,992
Annual operating surplus	592,714	802,533	942,998
Accumulated operating surplus	42,005,060	42,005,060	41,062,062
Accumulated operating surplus, end of year	42,597,774	42,807,593	42,005,060

The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022 (Restated)</i>
Annual operating surplus	592,714	802,533	942,998
Tangible capital assets			
Acquisition of tangible capital assets	-	(139,260)	(103,383)
Disposal of tangible capital assets	-	96,183	23,603
Amortization	747,375	820,679	877,660
	747,375	777,602	797,880
Other inventories			
Change in other inventories	-	(71,359)	24,573
Prepaid expenses			
Acquisition of prepaid expenses	(10,000)	(96,953)	(9,731)
Use of prepaid expenses	25,900	9,731	25,900
	15,900	(87,222)	16,169
Net remeasurement losses			
Change in net remeasurement losses	-	(517,922)	807,872
Change in net financial assets	1,355,989	903,632	2,589,492
Net financial assets, beginning of year	16,247,674	16,247,674	13,658,182
Net financial assets, end of year	17,603,663	17,151,306	16,247,674

The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Consolidated Statement of Cash Flows

Year ended March 31, 2023

	2023	2022 (Restated)
Cash provided by (used for) the following activities		
Operating activities		
Annual operating surplus	802,533	942,998
Non-cash items		
Amortization	820,679	877,660
Realized gains on portfolio investments	(739,449)	-
	883,763	1,820,658
Changes in working capital accounts		
Accounts receivable	4,487,497	(4,724,978)
Accounts payable and accrued liabilities	(473,686)	(41,935)
Deferred revenue	561,004	(532,586)
Inventory for resale	-	55,145
Prepaid expenses	(87,221)	16,169
Other inventories	(71,360)	24,574
	5,299,997	(3,382,953)
Financing activities		
Repayment of long-term debt	(4,512,357)	(703,855)
Increase (decrease) in bank indebtedness	(386,038)	(53,785)
Advances to related parties	271,580	-
	(4,626,815)	(757,640)
Capital activities		
Acquisition of tangible capital assets	(139,260)	(103,383)
Disposal of tangible capital assets	96,183	23,603
	(43,077)	(79,780)
Investing activities		
Change in short-term investments	1,932,961	177,741
Change in trust and reserve funds	(16,812)	(6,076)
Change in investments in business enterprises	(20,505)	3,383,679
	1,895,644	3,555,344
Increase (decrease) in cash resources	2,525,749	(665,029)
Cash resources, beginning of year	4,449,631	5,114,660
Cash resources, end of year	6,975,380	4,449,631

The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Consolidated Statement of Remeasurement Gains (Losses)

Year ended March 31, 2023

	2023	2022 (Restated)
Unrealized gains (losses) attributable to:		
Portfolio investments	(178,352)	583,706
Derivative instruments	91,040	224,162
Amounts reclassified to the statement of operations:		
Portfolio investments	(430,610)	-
Net remeasurement gains (losses) for the year	(517,922)	807,868
Accumulated remeasurement gains, beginning of year	1,666,675	858,807
Accumulated remeasurement gains, end of year	1,148,753	1,666,675

The accompanying notes are an integral part of these financial statements

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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 Ventures Limited Partnership
- Seyem' Qwantlen Ventures Ltd.
- Lelem Hospitality Limited Partnership
- Lelem Hospitality Ltd.
- Seyem' Qwantlen Harbour Authority
- Kwantlen Lands, Resources and Stewardship Ltd.
- Seyem' Qwantlen Housing Society

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

- 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
- Seyem' Qwantlen / Matcon Civil Joint Venture owned 51% by the Nation

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

2. Significant accounting policies (continued from previous page)

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver 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, property under development, other inventories and prepaid expenses.

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. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

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, 2023.

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

Year ended March 31, 2023

2. Significant accounting policies (continued from previous page)

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.

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:

Asset	Basis	Useful life
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.

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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.

Other revenue

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

Investments in business enterprises

The Nation uses the modified equity method to account for its investments in partnerships whereby the acquisition cost is increased or decreased by the Nation's proportionate share of earnings or loss.

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 consolidated 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

Year ended March 31, 2023

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. Accounts receivable

	2023	2022
Funding and trade receivables	3,029,209	3,075,449
Other receivables	325,277	260,630
Member loans	188,821	194,725
CMHC subsidy receivable	7,272	7,272
Receivable on disposition of investment in Weave Development LP	-	4,500,000
	3,550,579	8,038,076

4. Portfolio investments

	2023	2022
Investments recorded at fair value:		
Securities held with RBC Dominion Securities	16,162,111	10,862,078
Investments recorded at amortized cost:		
Fixed income held with RBC Dominion Securities	4,463,435	8,119,360
High interest savings accounts held with RBC Dominion Securities	482,927	1,996,547
	4,946,362	10,115,907
	21,108,473	20,977,985

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

5. Investments

The Nation has a 33.33% investment in KKS Fishing Limited Partnership. Summary financial information for the partnership, accounted for using the modified equity method, as at December 31, 2022 is as follows:

	2023	2022
Assets		
Cash	1,000	-
Accounts receivable	-	-
Due from related parties	580,434	-
	581,434	-
Liabilities and Partners' Capital		
Deferred revenue	500,250	-
Due to related parties	13,520	-
Partners' capital	(67,664)	-
	581,434	-
	2023	2022
Total revenues	324,677	-
Total expenses	258,012	-
Net income (loss)	66,665	-

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

5. Investments *(continued from previous page)*

The Nation has a 50% investment in K & K Forestry Operations Limited Partnership. Summary financial information for the partnership, accounted for using the modified equity method, as at March 31, 2023 is as follows:

	2023	2022
Assets		
Cash	21,265	25,358
Trade receivables	18,063	-
Work in process	449,304	-
	488,632	25,358
Liabilities and Partners' Capital		
Accounts payable	484,102	2,502
Deferred revenue	-	-
Partners' capital	4,530	22,856
	488,632	25,358
	2023	2022
Total revenues	478,046	-
Total expenses	496,372	25,654
Net income (loss)	(18,326)	(25,654)

6. Trust funds

	2023	2022
Capital fund		
Balance, beginning of year	168,294	164,994
Housing loan repayments	900	3,300
Balance, end of year	169,194	168,294
Revenue fund		
Balance, beginning of year	2,376	2,515
Interest income	5,163	3,180
BC special distribution	784	698
Withdrawals	(4,880)	(4,017)
Balance, end of year	3,443	2,376
	172,637	170,670

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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 \$19,270 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.

As at March 31, 2023, \$105,932 (2022 - \$91,238) has been set aside to fund this reserve.

8. 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.

The Nation holds fixed/pay floating swaps with maturities of 1 to 5 years. The notional amount for the swaps is \$4,134,111 (2022 - \$4,414,632) with a fair value of \$55,775 (2022 - \$(35,267)).

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

9. 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 \$2,615,000 that bears interest at a variable rate of bank prime plus 0.5% (2022 - 0.5%). As of March 31, 2023, \$19,342 (2022 - \$639,870) of the operating lines of credit were utilized and the bank's prime rate was 6.70% (2022 - 2.70%).

The Nation also carries an operating line of credit with Royal Bank of Canada. The line of credit entitles the Nation to borrow a maximum of \$200,000 that bears interest at 7.70%. As of March 31, 2023, \$0 (2022 - \$0) of the operating line of credit was utilized.

As of March 31, 2023, \$234,490 (2022 - \$0) of the operating line of credit in Seyem' Qwantlen / Matcon Civil Joint Venture were utilized.

10. Due to related parties

Included in due to related parties are amounts owing to Jack Ridge Project (A Joint Venture) totaling \$250,319 (2022 - \$0) and to Seyem' Qwantlen Construction/Milestone Environmental Contracting West (A Joint Venture) totaling \$21,261 (2022 - \$0).

The amounts owing to related parties are unsecured and without interest or fixed terms of repayment.

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

11. 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	1,100,534	1,147,591	(1,035,354)	1,212,771
Other government funding	421,668	739,068	(421,668)	739,068
Resource projects	-	9,968	-	9,968
Construction projects	68,597	701	(68,597)	701
Land development projects	635,891	430,481	(430,481)	635,891
Customer deposits	3,847	-	-	3,847
First Nations Health Authority	75,431	214,726	(25,431)	264,726
	2,305,968	2,542,535	(1,981,531)	2,866,972

12. Long-term debt

	2023	2022 (Restated)
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).	3,497,111	3,732,632
BMO Bank of Montreal fixed term loan, payments of \$35,819 per month including interest at 4.94% per annum, maturing April 1, 2025.	3,494,254	3,724,530
BMO Bank of Montreal loan, payments of \$13,565 per month including variable interest at bank prime plus 0.50% per annum, maturing February 2039 (secured - see below).	1,409,583	1,494,583
BMO Bank of Montreal loan, payments of \$6,008 per month including interest at 4.08% per annum, matures February 11, 2024 (secured - see below).	637,000	682,000
CMHC Phase 4 - All Nations Trust Company mortgage, payments of \$2,215 per month including interest at 0.68% per annum, renewal October 1, 2025, matures October 1, 2045.	556,385	579,104
CMHC Phase 1 - All Nations Trust Company mortgage, payments of \$3,139 per month including interest at 2.49% per annum, renewal May 1, 2023, matures May 1, 2038.	475,903	501,440
CMHC Phase 3 - All Nations Trust Company mortgage, payments of \$2,326 per month including interest at 1.01% per annum, renewal August 1, 2026, matures August 1, 2041.	469,064	492,127

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

12. Long-term debt (continued from previous page)

	2023	2022 (Restated)
CMHC Phase 2 - All Nations Trust Company mortgage, payments of \$2,487 per month including interest at 2.14% per annum, renewal March 1, 2024, matures March 1, 2039.	404,355	425,341
Tale'awtxw Aboriginal Capital Corporation loan, payments of \$4,853 per month including interest at 8.00% per annum, matures August 15, 2027 (secured - see below).	215,700	254,935
BC Housing loan, no fixed terms of repayment until Seyem' Qwantlen Housing Society receives a Loan Commitment within 3 years of the date of acceptance.	213,881	98,900
BMO Bank of Montreal loan, repaid during the year.	-	3,800,000
Canada Emergency Business Account loans, repaid during the year.	-	100,000
	11,373,236	15,885,592

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

2024	4,622,826
2025	511,964
2026	3,200,818
2027	257,275
2028	233,896
	<u>8,826,779</u>

The BMO Bank of Montreal loans are secured by a mortgage over 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

Year ended March 31, 2023

13. Tangible capital assets

Cost	Beginning of year (Restated)	Acquisitions	Disposals and adjustments	End of year
Land	4,340,001	-	-	4,340,001
Land improvements	753,641	-	-	753,641
Buildings	16,848,436	-	-	16,848,436
Buildings under construction	93,630	114,981	-	208,611
Infrastructure	9,425,943	-	-	9,425,943
Equipment	1,642,824	11,298	(263,220)	1,390,902
Automotive	142,000	9,882	(14,118)	137,764
Art collection	149,544	3,099	-	152,643
Leasehold improvements	547,846	-	(547,846)	-
	33,943,865	139,260	(825,184)	33,257,941

Accumulated amortization	Beginning of year	Amortization	Disposals	End of year
Land improvements	469,118	48,546	-	517,664
Buildings	4,394,924	462,934	-	4,857,858
Infrastructure	2,264,968	182,958	-	2,447,926
Equipment	1,170,650	101,061	(184,505)	1,087,206
Automotive	81,870	19,074	(4,236)	96,708
Art collection	104,695	6,106	-	110,801
Leasehold improvements	540,260	-	(540,260)	-
	9,026,485	820,679	(729,001)	9,118,163

Net book value	2023	2022 (Restated)
Land	4,340,001	4,340,001
Land improvements	235,977	284,523
Buildings	11,990,578	12,453,512
Buildings under construction	208,611	93,630
Infrastructure	6,978,017	7,160,975
Equipment	303,696	472,174
Automotive	41,056	60,130
Art collection	41,842	44,849
Leasehold improvements	-	7,586
	24,139,778	24,917,380

Amortization expense of \$820,679 (2022 - \$877,660) was recorded in the Capital Fund.

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

14. Other inventories

Other inventories consist of work in progress of \$123,497 (2022 - \$52,138) for costs in excess of billings on projects in progress at year end.

15. Accumulated surplus

	2023	2022 (Restated)
Unrestricted surplus	25,801,163	25,549,775
Equity in replacement reserve	105,932	91,238
Equity in tangible capital assets	15,211,352	15,353,371
Equity in other non-financial assets	2,665,262	2,506,681
Equity in trust funds	172,637	170,670
	43,956,346	43,671,735

16. Correction of an error

During the year, the Nation determined that tangible capital assets and accounts payable and accrued liabilities were overstated in the prior year. The retroactive application of this correction of an error resulted in a decrease in total non-financial assets of \$203,650 and a decrease in total liabilities of \$203,650.

17. Budget figures

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

18. Contingent liabilities

Kwantlen First Nation may be contingently liable for 11 guaranteed housing mortgages. As at March 31, 2023, there are 5 outstanding housing mortgages under the Ministerial Loan Guarantees program totaling \$1,926,519 and 6 outstanding housing mortgages with Royal Bank of Canada totaling \$500,053, for which the Nation is guarantor.

On March 7, 2023, the Nation was served with Notices of Civil Claim regarding two former employees. The financial outcome of these claims is undeterminable, and management is of the opinion that it has valid defenses with the claims not expected to have a material effect on the Nation's financial position.

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

19. Comparative figures

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

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, credit or market and other price 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.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Nation is exposed to currency risk and its effects on the fair market value of its portfolio investments that are denominated in foreign currencies. This risk is mitigated by maintaining a diversified portfolio with a mix of Canadian, U.S., European and other international holdings.

Market and other price risk

Market and other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Nation's investment portfolio is comprised of a mix of pooled investments in fixed income and equity market securities. A decline in equity markets will result in a decrease to the fair values of some of the Nation's marketable securities. This risk is mitigated by maintaining a diversified portfolio with a mix of bond and equity funds and is professionally managed.

Kwantlen First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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 Services includes the provision of programs to improve the health and wellness of Nation members.
7. Social Services includes assistance programs to improve the quality of life for 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 lands and natural resources.

Kwantlen First Nation

Consolidated Statement of Expenses by Object

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Expenses by object			
Administration	144,850	145,016	116,089
Advertising	1,000	-	1,002
Amortization	747,375	820,679	877,660
Bad debts	80	10,976	1,311
Contracted services	320,355	318,962	422,155
Cost of sales	-	1,148,239	1,327,528
Education programs	614,360	613,734	552,367
Forestry expenses	45,000	46,368	-
Health programs	161,333	147,574	93,552
Home owner grants	87,990	87,991	67,011
Honoraria	233,600	224,100	195,350
Inspection fees	400	400	700
Insurance	152,131	150,330	125,272
Interest and bank charges	161,871	133,900	84,618
Interest on long-term debt	549,588	449,044	446,323
Management expenses	75,000	75,079	-
Materials and supplies	488,398	442,062	405,268
Meetings and events	285,450	293,989	252,139
Member support	309,200	301,004	261,527
Office and other	189,421	186,744	214,225
Professional fees	1,448,153	1,485,364	1,872,243
Project expenses	2,100,000	1,852,424	1,182,271
Property taxes	10,000	9,269	10,055
Rent	15,120	15,180	91,933
Repairs and maintenance	523,875	521,637	737,185
Salaries, wages, and benefits	4,800,187	4,870,569	5,426,062
Service contracts	81,650	81,607	87,661
Social services programs	127,500	127,153	127,338
Telephone and communications	66,500	67,581	70,470
Training	13,650	16,856	28,095
Travel	61,577	66,053	53,305
Utilities and security	888,339	861,885	594,943
Vehicle Lease	3,500	4,711	9,780
Workshops	31,750	29,052	50,553
	14,739,203	15,605,532	15,785,991

Kwantlen First Nation

Segmented Information - Administration

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	394,460	394,460	485,118
ISC revenue deferred	18,278	18,278	25,000
Interest and other investment income	462,568	491,792	373,424
BCFN Gaming Revenue Sharing	454,428	454,428	189,487
Gain (loss) on disposal of investments	-	430,610	-
Commercial lease income	232,940	232,940	232,940
Taxation	213,775	213,776	158,844
Other income	60,702	61,387	41,615
	1,837,151	2,297,671	1,506,428
Expenses			
Administration	111,550	111,678	33,794
Contracted services	93,846	93,231	75,394
Home owner grants	87,990	87,991	67,011
Honoraria	46,300	46,200	45,528
Insurance	10,500	10,514	8,562
Interest and bank charges	35,116	35,873	13,365
Materials and supplies	40,000	39,498	23,687
Meetings and events	15,500	22,324	11,312
Office and other	22,080	22,198	69,141
Professional fees	247,458	247,208	110,476
Repairs and maintenance	-	-	37,970
Salaries, wages and benefits	765,051	765,390	860,811
Service contracts	81,650	81,607	87,661
Telephone and communications	14,000	14,002	12,703
Travel	9,950	10,114	5,413
Utilities and security	133,489	179,299	115,780
Workshops	7,750	7,750	4,013
	1,722,230	1,774,877	1,582,621
Operating surplus (deficit) before transfers	114,921	522,794	(76,193)
Transfers	(1,934,777)	(1,591,428)	(2,120,478)
Operating deficit	(1,819,856)	(1,068,634)	(2,196,671)
Accumulated operating surplus, beginning of year	23,445,917	23,445,917	25,642,588
Accumulated operating surplus, end of year	21,626,061	22,377,283	23,445,917

Kwantlen First Nation

Segmented Information - Capital

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022 (Restated)</i>
Revenue			
Gain (loss) on disposal of tangible capital assets	-	(84,581)	11,198
Expenses			
Amortization	747,375	820,679	877,660
Deficit before transfers	(747,375)	(905,260)	(866,462)
Transfers	92,306	763,240	589,212
Operating deficit	(655,069)	(142,020)	(277,250)
Accumulated operating surplus, beginning of year	15,353,376	15,353,375	15,630,625
Accumulated operating surplus, end of year	14,698,307	15,211,355	15,353,375

Kwantlen First Nation

Segmented Information - Member and Community Services

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Sto:lo HRD	89,276	89,276	27,853
Grants	50,000	50,000	22,500
Donations	4,650	4,650	2,990
Other income	-	-	9,591
	143,926	143,926	62,934
Expenses			
Contracted services	7,192	7,192	-
Honoraria	53,200	51,475	16,340
Insurance	70	69	-
Materials and supplies	43,750	43,140	31,565
Meetings and events	162,350	165,165	213,706
Member support	75,000	67,143	135,650
Office and other	4,895	4,860	-
Professional fees	10,000	10,324	-
Repairs and maintenance	-	-	52,184
Salaries, wages and benefits	357,276	357,822	353,985
Telephone and communications	900	1,316	7,109
Travel	4,150	4,326	1,307
Utilities and security	96,000	50,498	168,195
	814,783	763,330	980,041
Operating deficit before transfers	(670,857)	(619,404)	(917,107)
Transfers	670,857	619,404	917,107
Operating surplus (deficit)	-	-	-

Kwantlen First Nation

Segmented Information - Infrastructure

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	461,432	461,432	745,811
ISC revenue deferred	(276,200)	(279,600)	(107,562)
Rental income	37,500	37,287	6,575
Grants	-	-	55,000
Canada Mortgage and Housing Corporation	-	-	16,000
	222,732	219,119	715,824
Expenses			
Administration	-	-	82,295
Contracted services	91,197	91,125	111,885
Honoraria	6,000	5,970	1,890
Insurance	21,675	21,627	21,920
Interest and bank charges	-	18	-
Materials and supplies	66,200	62,830	27,024
Meetings and events	24,000	24,167	250
Office and other	9,589	9,655	63
Professional fees	60,000	61,521	102,816
Repairs and maintenance	133,400	130,903	222,451
Salaries, wages and benefits	263,000	239,857	371,808
Telephone and communications	4,500	4,485	4,525
Travel	1,450	1,309	1,468
Utilities and security	40,650	39,717	39,188
Workshops	500	26	-
	722,161	693,210	987,583
Operating deficit before transfers	(499,429)	(474,091)	(271,759)
Transfers	444,239	419,085	539,964
Operating surplus (deficit)	(55,190)	(55,006)	268,205
Accumulated operating deficit, beginning of year	(320,230)	(320,230)	(588,435)
Accumulated operating deficit, end of year	(375,420)	(375,236)	(320,230)

Kwantlen First Nation

Segmented Information - Housing

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	97,541	97,541	70,273
ISC revenue deferred	62,559	62,554	232,601
Rental income	93,728	93,728	101,400
Canada Mortgage and Housing Corporation	87,258	87,258	87,297
Interest and other investment income	1,000	1,023	195
Grants	-	-	15,000
	342,086	342,104	506,766
Expenses			
Administration	1,300	1,277	-
Contracted services	-	-	4,869
Inspection fees	400	400	700
Insurance	67,176	67,220	55,998
Interest and bank charges	130	230	292
Interest on long-term debt	29,588	29,587	31,109
Materials and supplies	5,850	5,949	20,298
Management expenses	3,000	3,079	-
Meetings and events	250	216	-
Office and other	4,795	4,795	-
Professional fees	71,195	63,227	27,159
Repairs and maintenance	199,225	198,873	325,668
Salaries, wages and benefits	117,795	117,777	128,220
Telephone and communications	250	237	209
Travel	450	450	24
Utilities and security	3,100	3,141	3,242
	504,504	496,458	597,788
Operating deficit before transfers	(162,418)	(154,354)	(91,022)
Transfers	146,688	146,335	89,578
Operating deficit	(15,730)	(8,019)	(1,444)
Accumulated operating surplus, beginning of year	19,909	19,909	21,353
Accumulated operating surplus, end of year	4,179	11,890	19,909

Kwantlen First Nation

Segmented Information - Health Services

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
First Nations Health Authority (FNHA)	587,186	587,186	572,422
FNHA revenue deferred	(115,054)	(169,295)	(71,963)
Other income	375,417	393,557	296,580
Grants	147,300	147,300	263,910
Donations	-	-	4,900
	994,849	958,748	1,065,849
Expenses			
Administration	32,000	32,062	-
Contracted services	53,942	54,022	201,260
Interest and bank charges	25	15	-
Health programs	160,833	146,767	93,832
Honoraria	50,500	49,849	54,713
Insurance	13,710	13,728	7,443
Materials and supplies	139,548	96,448	90,794
Meetings and events	22,200	22,023	13,156
Member support	160,200	160,063	86,155
Office and other	7,192	7,192	-
Repairs and maintenance	28,250	28,244	24,591
Salaries, wages and benefits	564,157	598,132	640,917
Telephone and communications	8,850	8,914	8,138
Travel	7,827	7,198	2,612
Utilities and security	13,600	13,480	6,197
Workshops	3,000	970	2,365
	1,265,834	1,239,107	1,232,173
Operating surplus (deficit) before transfers	(270,985)	(280,359)	(166,324)
Transfers	304,191	330,538	125,554
Operating surplus (deficit)	33,206	50,179	(40,770)
Accumulated operating surplus, beginning of year	94,669	94,669	135,439
Accumulated operating surplus, end of year	127,875	144,848	94,669

Kwantlen First Nation

Segmented Information - Social Services

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	684,462	684,462	350,101
ISC recovery	-	-	(2,442)
ISC revenue deferred	(51,900)	(314,687)	(144,594)
Ministry of Children and Family Development (MCFD)	121,415	121,414	71,700
Other income	12,844	12,844	8,114
MCFD revenue deferred	-	-	20,909
Grants	-	-	9,500
	766,821	504,033	313,288
Expenses			
Contracted services	11,986	11,986	-
Interest and bank charges	-	-	18
Honoraria	13,350	13,024	4,200
Materials and supplies	42,000	41,810	21,944
Meetings and events	24,250	23,115	1,926
Member support	74,000	73,198	39,722
Office and other	5,100	4,603	1,009
Repairs and maintenance	8,000	7,920	-
Salaries, wages and benefits	202,908	206,575	155,471
Social services programs	124,000	124,168	127,058
Telephone and communications	1,000	786	993
Travel	2,750	2,756	17
	509,344	509,941	352,358
Operating surplus (deficit) before transfers	257,477	(5,908)	(39,070)
Transfers	88,701	109,988	94,744
Operating surplus	346,178	104,080	55,674
Accumulated operating surplus (deficit), beginning of year	55,674	55,674	-
Accumulated operating surplus, end of year	401,852	159,754	55,674

Kwantlen First Nation

Segmented Information - Education

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	289,281	289,281	400,180
First Nations Education Steering Committee	326,000	391,286	171,910
Province of British Columbia	241,000	362,966	74,374
Revenue deferred	238,146	40,141	-
BC Hydro	20,000	20,000	45,000
Other income	-	-	24,193
	1,114,427	1,103,674	715,657
Expenses			
Contracted services	57,192	56,672	15,849
Education programs	618,360	617,526	552,367
Honoraria	48,750	46,982	48,090
Materials and supplies	82,850	87,618	79,410
Meetings and events	36,250	36,331	11,679
Member support	-	600	-
Office and other	250	250	200
Salaries, wages and benefits	200,000	200,654	203,256
Repairs and maintenance	-	95	-
Travel	3,500	3,592	4,800
Utilities and security	62,000	61,818	-
Workshops	20,500	20,306	44,175
	1,129,652	1,132,444	959,826
Operating deficit before transfers	(15,225)	(28,770)	(244,169)
Transfers	162,495	142,754	218,545
Operating surplus (deficit)	147,270	113,984	(25,624)
Accumulated operating surplus, beginning of year	155,763	155,763	181,387
Accumulated operating surplus, end of year	303,033	269,747	155,763

Kwantlen First Nation

Segmented Information - Economic Development

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022</i>
Revenue			
Indigenous Services Canada (ISC)	-	15,000	15,000
Contracting services	5,355,000	5,559,950	5,619,255
Commercial lease income	1,826,925	1,826,925	1,794,925
Forestry revenue	175,000	179,624	-
Interest and other investment income	63,000	60,876	2,308
Partnership Income (loss)	-	20,173	(12,826)
Other income	5,000	5,852	47,534
Merchandise sales	-	125	5,459
Gain (loss) on disposal of investments	-	-	698,049
	7,424,925	7,668,525	8,169,704
Expenses			
Advertising	-	-	269
Bad debts	-	10,897	-
Cost of sales	-	1,148,239	1,327,528
Forestry expenses	45,000	46,368	-
Honoraria	2,500	3,300	5,250
Insurance	29,000	27,141	23,793
Interest and bank charges	124,600	97,250	69,079
Interest on long-term debt	520,000	419,457	415,214
Materials and supplies	39,500	10,628	79,822
Meetings and events	-	-	110
Office and other	88,800	87,973	109,119
Professional fees	124,500	211,773	210,340
Project expenses	2,100,000	1,852,424	1,182,271
Rent	15,120	15,180	91,933
Repairs and maintenance	155,000	155,603	74,322
Salaries, wages and benefits	1,029,000	1,021,056	1,533,069
Telephone and communications	12,000	12,422	14,521
Training	12,500	13,518	16,595
Travel	6,000	8,635	16,823
Utilities and security	488,000	485,330	235,649
Vehicle Lease	3,500	4,711	9,780
	4,795,020	5,631,905	5,415,487
Operating surplus before transfers	2,629,905	2,036,620	2,754,217

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Kwantlen First Nation

Segmented Information - Economic Development

Year ended March 31, 2023

	<i>Budget</i>	2023	2022
<i>Continued from previous page</i>			
Operating surplus before transfers	2,629,905	2,036,620	2,754,217
Transfers	-	(946,654)	(402,381)
Operating surplus	2,629,905	1,089,966	2,351,836
Accumulated operating surplus (deficit), beginning of year	2,130,649	2,130,649	(221,187)
Accumulated operating surplus, end of year	4,760,554	3,220,615	2,130,649

Kwantlen First Nation

Segmented Information - Lands and Resources

Year ended March 31, 2023

	<i>Budget</i>	<i>2023</i>	<i>2022 (Restated)</i>
Revenue			
Indigenous Services Canada (ISC)	-	509,706	347,508
ISC revenue deferred	-	361,219	778,590
Province of British Columbia	1,800,000	1,675,468	2,078,257
Land management and development	350,000	369,454	25,000
Other income	185,000	204,849	175,193
Contracting services	150,000	134,150	256,394
Donations	-	-	400
	2,485,000	3,254,846	3,661,342
Expenses			
Advertising	1,000	-	733
Contracted services	5,000	4,735	12,898
Honoraria	13,000	7,300	19,340
Insurance	10,000	10,031	7,556
Interest and bank charges	2,000	514	1,864
Management expenses	72,000	72,000	-
Materials and supplies	28,700	54,141	30,720
Meetings and events	650	648	-
Office and other	46,800	45,296	36,005
Professional fees	935,000	891,310	1,421,452
Property taxes	10,000	9,269	10,055
Training	1,150	3,338	11,500
Salaries, wages and benefits	1,301,000	1,363,306	1,178,526
Telephone and communications	25,000	25,420	22,271
Travel	25,500	27,672	20,842
Utilities and security	51,500	28,601	26,693
	2,528,300	2,543,581	2,800,455
Operating surplus before transfers	(43,300)	711,265	860,887
Transfers	25,300	6,738	(51,845)
Operating surplus	(18,000)	718,003	809,042
Accumulated operating surplus, beginning of year	1,069,334	1,069,334	260,292
Accumulated operating surplus, end of year	1,051,334	1,787,337	1,069,334