

KWIKWETLEM FIRST NATION

**FINANCIAL STATEMENTS
MARCH 31, 2015**

KWIKWETLEM FIRST NATION

INDEX TO THE FINANCIAL STATEMENTS

March 31, 2015

Management's Responsibility for Financial Reporting

Independent Auditors' Report

Consolidated Statement of Financial Position	Statement 1
Consolidated Statement of Operations	Statement 2
Consolidated Statement of Change in Net Financial Assets	Statement 3
Consolidated Statement of Cash Flows	Statement 4
Notes to Financial Statements	



Kwkwetlem First Nation

March 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Kwkwetlem First Nation for the year ended March 31, 2015 and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Kwkwetlem First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the Nation's financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Council approves the financial statements for issuance to the Members. The Council also considers, for review and approval by the Members, the engagement of the external auditors.

The accompanying financial statements have been audited by Reid Hurst Nagy Inc., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Chartered Professional Accountants have full and free access to the books and records of the First Nation.

Chief S. Sookkett
Chief

July 28 2015
Date

Bob Fenwick
Band Administrator

July 28/2015
Date

Reid Hurst Nagy
Councillor

July 28 2015
Date

E. Hall
Councillor

July 28, 2015
Date

INDEPENDENT AUDITORS' REPORT

KWIKWETLEM FIRST NATION

Report on the financial statements

We have audited the accompanying consolidated financial statements of Kwikwetlem First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 auditor's 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 First Nation'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 First Nation'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 Kwikwetlem First Nation as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, BC
JULY 28, 2015


KWIKWETLEM FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION March 31, 2015

Statement 1

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash	3,181,747	8,571,484
Restricted cash (Note 5)	66,220	69,047
Long-term investments (Note 4)	1,257,476	820,231
Accounts receivable (Note 6)	1,059,921	562,879
Due from band members (Note 7)	48,124	72,125
Due from related parties (Note 8)	13,022	81,873
	5,626,510	10,177,639
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	838,504	245,539
Deferred revenue	4,149	34,562
Investments in First Nation Controlled Entities (Note 10)	6,439	68,042
Callable debt (Note 11)	497,074	-
Long-term debt (Note 12)	752,282	1,008,003
	2,098,448	1,356,146
NET FINANCIAL ASSETS	3,528,062	8,821,493
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 1c, 1d and 15)	4,777,073	2,184,303
Prepaid expenses	87,635	34,981
	4,864,708	2,219,284
MEMBERS' EQUITY (Note 16)	8,392,770	11,040,777

APPROVED ON BEHALF OF
THE KWIKWETLEM FIRST NATION

 Chief

 Councilor

KWIKWETLEM FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2015

Statement 2

	2015	2014
	\$	\$
REVENUE		
Aboriginal Affairs and Northern Development Canada	1,119,548	673,581
Administration fees	137,177	21,291
BC Hydro	76,358	298,232
Canada Mortgage and Housing Corporation	38,739	22,271
Capital fund	2,992,293	466,113
Enterprise fund	61,603	(5,024)
Fireworks	46,990	34,164
First Nation Education Steering Committee	14,410	72,786
First Nation Health Authority	120,870	72,491
Health Canada	48,345	23,387
Interest	33,000	15,704
Land lease	75,600	77,000
Loan proceeds	500,000	265,328
Miscellaneous	459,789	1,051,162
Ottawa Trust fund	871	962
Province of BC	256,384	8,225,000
Quantum Murray LP	947,083	1,255,664
Rent	311,920	39,003
Treaty 8 Tribal Association	15,000	20,000
	7,255,980	12,629,115
EXPENDITURES		
Band programs	1,276,717	1,345,187
Education	90,204	155,405
Health	355,812	177,686
Economic Development	4,190,913	2,207,055
Community services	246,766	64,276
Social services	139,537	93,382
Capital projects	2,831,528	778,140
Capital fund	647,726	327,458
Social Housing	124,784	101,427
	9,903,987	5,250,016
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(2,648,007)	7,379,099

The notes to the financial statements are an integral part thereof.

KWIKWETLEM FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the year ended March 31, 2015

Statement 3

	2015 \$	2014 \$
ANNUAL (SHORTFALL) EXCESS OF REVENUE OVER EXPENDITURES	(2,648,007)	7,379,099
Acquisition of tangible capital assets	(2,764,805)	(1,386,166)
Amortization of tangible capital assets	172,035	75,743
	(5,240,777)	6,068,676
Acquisition of prepaid asset	(87,635)	(34,981)
Use of prepaid asset	34,981	16,163
	(52,654)	(18,818)
NET CHANGE IN FINANCIAL ASSETS	(5,293,431)	6,049,858
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,821,493	2,771,635
NET FINANCIAL ASSETS, END OF YEAR	3,528,062	8,821,493

The notes to the financial statements are an integral part thereof.

KWIKWETLEM FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

March 31, 2015

Statement 4

	2015 \$	2014 \$
OPERATING ACTIVITIES		
Excess of revenue over expenditures	(2,648,007)	7,379,099
Non-cash items:		
Share of income (loss) in First Nation Controlled Entities	(61,603)	5,024
Amortization	172,035	75,743
Changes in non-cash operating net assets	105,708	(28,483)
	(2,431,867)	7,431,383
FINANCING ACTIVITIES		
Net change in Social Housing, Capital, and Enterprise Funds long-term debt	241,353	749,336
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,764,805)	(1,386,166)
Redemption (purchase) of term deposits	(437,245)	545,640
CHANGES IN CASH DURING YEAR	(5,392,564)	7,340,193
CASH, BEGINNING OF YEAR	8,640,531	1,300,338
CASH, END OF YEAR	3,247,967	8,640,531
REPRESENTED BY:		
Cash	3,181,747	8,571,484
Restricted cash	66,220	69,047
	3,247,967	8,640,531

The notes to the financial statements are an integral part thereof.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 1: OPERATIONS

The Kwikwetlem First Nation is located in the Province of British Columbia, and provides various services to its members. Kwikwetlem First Nation includes the Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

NOTE 2: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Governments as recommended by the CPA Canada Public Sector Accounting Handbook.

a) Fund Accounting

The Kwikwetlem First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Consolidated Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Kwikwetlem First Nation maintains the followings funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the tangible capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Enterprise Fund which reports the First Nation's investments in related entities.

b) Reporting Entity and Principles of Financial Reporting

The Kwikwetlem First Nation reporting entity includes the Kwikwetlem First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation, except for First Nation business entities.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Kwikwetlem First Nation Operating Fund
- Kwikwetlem First Nation Social Housing Fund
- Kwikwetlem First Nation Capital Fund
- Kwikwetlem First Nation Trust Fund
- Kwikwetlem First Nation Enterprise Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specified fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

The First Nation's business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity and Principles of Financial Reporting (continued)

Under the modified equity method, the equity method of accounting is modified only to extend that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of the post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Saskay Land Development Corporation
- Kwikwetlem's Colony Farm Bike Tours and Rental Ltd.
- Choxw Holdings Ltd.

c) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for the producing goods and delivering services. Tangible capital assets are recorded at cost.

The acquisition costs of capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Capital Fund with a corresponding increase in Equity and Tangible Capital Assets.

Tangible capital assets acquired as part of the Social Housing Fund and Enterprise Fund are recorded as assets of those funds.

d) Amortization

Tangible capital assets are recorded and amortized annually with a corresponding reduction in Equity in Tangible Capital Assets. Amortization for tangible capital assets is provided annually at rates calculated to write off the asset over their estimated useful lives as follows, except in the year of acquisitions when one-half of the rate is used.

Boat	20% declining balance
Building improvements	50 years straight-line
Computer equipment	30% declining balance
Canoe sheds	20% declining balance
Canoes	20% declining balance
General equipment	20% declining balance
Infrastructure	50-100 years straight line
Office equipment	20% declining balance
Roads	50-100 years straight line
Trailers	5% declining balance
Vehicles	30% declining balance
Watermains	50-100 years straight line

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equal to the annual principal reduction in the related long-term debt, as required by CMHC reporting purposes.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f) Long-term Investments

Long-term investments include guaranteed investment certificates and mutual funds. These investments are recorded at cost.

g) 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 provide resources to discharge existing operations and are not for resale. Non-financial assets include capital assets, prepaid expenses and inventories of supplies.

h) Net Financial Assets

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

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods and disclosure of contingent assets and liabilities at the date of the financial statements. Significant areas requiring the use of management estimates relate to the impairment of assets and amortization rates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

j) Economic Dependence

Kwikwetlem First Nation receives a portion of its revenue from Aboriginal Affairs and Northern Development Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

k) Financial Instruments

The First Nation's financial instruments consist of cash, long-term investments, accounts receivable, due from band members, due from related parties, accounts payable and accrued liabilities, deferred revenue and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

NOTE 3: CHANGE IN ACCOUNTING POLICIES

Liability for Contaminated Sites

Effective April 1, 2014 the First Nation adopted new Public Sector Accounting Handbook Standard PS 3260, Liability for Contaminated Sites. The standard requires the recognition of a liability for the remediation of contamination sites in the financial statements when the recognition criteria outlined in the standard is met. This change in accounting policy has been applied prospectively. There was no impact on adoption of this standard to the financial statements of the First Nation as no sites meeting the criteria were recognized by the First Nation.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 4: LONG-TERM INVESTMENTS

	2015 \$	2014 \$
Royal Bank of Canada (RBC)		
Guaranteed Investment Certificate (GIC)		
with interest at 1% maturing Apr 2014	-	663,065
RBC GIC with interest at 0.8% maturing May 2014	-	51,604
RBC GIC with interest at 1% maturing Jul 2014	-	11,660
RBC GIC with interest at 0.8% maturing Oct 2014	-	23,883
RBC GIC with interest at 0.8% maturing Dec 2014	-	2,218
RBC GIC with interest at 0.8% maturing Jan 2015	-	22,293
RBC GIC with interest at 0.8% maturing Feb 2015	-	14,798
RBC GIC with interest at 0.8% maturing Feb 2015	-	3,462
RBC GIC with interest at 1% maturing April 2015	663,065	-
RBC GIC with interest at 0.8% maturing May 2015	51,604	-
RBC GIC with interest at 1% maturing August 2015	201,167	-
RBC GIC with interest at 0.8% maturing August 2015	14,070	-
RBC GIC with interest at 0.8% maturing Sep 2015	-	3,434
RBC GIC with interest at 0.8% maturing October 2015	23,883	-
RBC GIC with interest at 1% maturing December 2015	2,241	-
RBC GIC with interest at 0.8% maturing January 2016	22,206	-
RBC GIC with interest at 0.65% maturing February 2016	14,825	-
RBC GIC with interest at 0.8% maturing February 2016	3,492	-
RBC GIC with interest at 0.65% maturing April 2016	222,200	-
RBC GIC with interest at 0.8% maturing July 2016	11,184	-
RBC GIC with interest at 0.8% maturing September 2016	3,475	-
RBC GIC with interest at 0.8% maturing November 2015	24,064	-
MFABC Intermediate Funds	-	7,082
MFABC Money Market	-	16,732
	1,257,476	820,231

Short-term investments are carried at cost. The market value is the same as cost.

NOTE 5: RESTRICTED CASH

	2015 \$	2014 \$
Replacement Reserve (CMHC)	21,023	20,983
Ottawa Trust Funds	28,856	27,985
Cash held in trust	16,341	20,079
	66,220	69,047

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 6: ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
First Nation Education Steering Committee	5,940	22,738
First Nation Health Authority	44,825	32,947
Katzie Development Corporation	-	26,233
Miscellaneous	120,593	11,121
New Relationship Trust	-	5,800
Quantum Murray LP	663,563	437,790
Province of BC	225,000	-
Province of BC - Ministry of Transportation	29,950	29,950
Transportation Investment Corporation	-	26,250
Less: allowance for doubtful accounts	(29,950)	(29,950)
	1,059,921	562,879

NOTE 7: DUE FROM BAND MEMBERS

Rents receivable consists of amounts owing from various Band members on the Social Housing Program:

	2015	2014
	\$	\$
Advances to employees	-	2,430
Loans to band members	48,124	69,695
	48,124	72,125

NOTE 8: DUE FROM RELATED PARTIES

	2015	2014
	\$	\$
Kwikwetlem's Colony Farm Bike Rental and Touring Ltd. Advances, unsecured, non-interest bearing, no stated terms of repayment	-	70,110
Saskay Land Development Corporation Advances, unsecured, non-interest bearing, no stated terms of repayment	13,022	11,763
	13,022	81,873

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 9: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
	\$	\$
Trade payables	240,720	164,167
Accrued salaries and employee benefits payable	56,533	40,443
GIC payable in trust for young band members	499,600	-
Prepaid rent and damage deposits	5,128	2,528
Other accrued liabilities	-	24,600
Due to government agencies	36,523	13,801
	838,504	245,539

NOTE 10: INVESTMENTS IN FIRST NATION CONTROLLED ENTITIES

	2015	2014
	\$	\$
KWIKWETLEM'S COLONY FARM BIKE TOURS AND RENTAL LTD. (100%)		
Shares	10	10
Contributions	21,403	21,403
Accumulated equity in earnings	(21,413)	(84,392)
	-	(62,979)
SASKAY LAND DEVELOPMENT CORPORATION		
Shares	10	10
Accumulated equity in earnings	(6,449)	(5,073)
	(6,439)	(5,063)
CHOXW HOLDINGS CORP. (100%)		
Shares	-	-
TOTAL	(6,439)	(68,042)

Shares are held in trust by specified Band members under trust agreements.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 11: CALLABLE DEBT

Under a credit facility arrangement with the Bank of Montreal, the First Nation obtained two demand loans each of \$250,000 in March 2015. Both loans are payable on demand, due in February 2024 and have no specified terms of repayments or early repayment penalties. Both loans have a outstanding balance of \$248,537 as at March 31, 2015 totaling \$497,074.

NOTE 12: LONG-TERM DEBT

	2015 \$	2014 \$
All Nations Trust Company loan, payments of \$1,550 per month including interest at 2.69% per annum, maturing August 1st, 2030, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada.	234,708	246,848
All Nations Trust Company loan, payments of \$2,308 per month including interest at 2.11% per annum, maturing December 1st, 2038, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	517,574	536,593
RBC Royal Bank demand loan, payments of \$4,867 per month including interest at 3.84% per annum, maturing May 10th, 2018, secured by a modular building.	-	224,562
	<hr/> 752,282	<hr/> 1,008,003

FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

	<u>\$</u>
2016	29,375
2017	30,075
2018	30,791
2019	32,276
And beyond	629,765
	<hr/> 752,282 <hr/>

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 13: TRUST FUNDS

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

In addition to the above, the First Nation also maintains funds held in trust from the Estate of Harry Robinson, which are to be used at the discretion of the band membership.

NOTE 14: SEGMENTED INFORMATION

The Kwikwetlem First Nation is a government institution that provides a range of programs and services to its members, including band programs, education, health, economic development, community services, social services, and capital projects. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide.

KWIKWETLEM FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

NOTE 14: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Health	Economic Dev't	Community Services	Social Services	Capital Projects	Other	Housing	Total 2015
REVENUE										
Aboriginal Affairs and Northern Development Canada	186,100	34,605	22,158	84,952	144,221	81,858	565,654	-	-	1,119,548
Administration fees	17,177	-	-	120,000	-	-	-	-	-	137,177
BC Hydro	2,000	30,000	-	44,358	-	-	-	-	-	76,358
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	38,739	38,739
Capital fund	-	-	-	-	-	-	-	2,992,293	-	2,992,293
Enterprise fund	-	-	-	-	-	-	-	61,603	-	61,603
Fireworks	46,990	-	-	-	-	-	-	-	-	46,990
First Nation Education Steering Committee	2,530	11,880	-	-	-	-	-	-	-	14,410
First Nation Health Authority	-	-	120,870	-	-	-	-	-	-	120,870
Health Canada	-	-	48,345	-	-	-	-	-	-	48,345
Interest	29,155	-	-	3,845	-	-	-	-	-	33,000
Land lease	-	-	-	75,600	-	-	-	-	-	75,600
Miscellaneous	130,025	-	52,972	254,696	3,893	2,300	4,450	-	11,453	459,789
Loan proceeds	-	-	-	-	-	-	500,000	-	-	500,000
Ottawa Trust fund	-	-	-	-	-	-	-	871	-	871
Province of BC	-	-	-	256,384	-	-	-	-	-	256,384
Quantum Murray LP	-	-	-	947,083	-	-	-	-	-	947,083
Rent	6,350	-	-	232,085	34,125	-	-	-	39,360	311,920
Treaty 8 Tribal Association	15,000	-	-	-	-	-	-	-	-	15,000
	435,327	76,485	244,345	2,019,003	182,239	84,158	1,070,104	3,054,767	89,552	7,255,980

KWIKWETLEM FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

NOTE 14: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Health	Economic Dev't	Community Services	Social Services	Capital Projects	Other	Housing	Total 2015
EXPENSES										
Amortization	-	-	-	-	-	-	-	147,726	24,309	172,035
Bad debt	872	-	-	63,007	-	-	-	-	-	63,879
Capital expenditures	19,782	-	-	-	-	-	-	-	-	19,782
Consulting fees	46,558	-	5,663	668,354	192,065	-	280,786	-	-	1,193,426
Construction costs	-	-	-	-	-	-	2,469,733	-	-	2,469,733
Contracted services	110,708	1,250	5,780	36,620	1,370	16,163	51,372	-	-	223,263
Education	-	69,871	-	-	-	-	-	-	-	69,871
Equipment purchases	37,818	-	337	820,973	5,545	-	-	-	-	864,673
Insurance	16,115	-	-	15,306	6,889	-	-	-	9,195	47,505
Meals and entertainment	8,796	-	-	118,019	-	-	-	-	-	126,815
Meetings	15,488	-	1,264	158,884	-	-	605	-	-	176,241
Office	49,570	-	328	4,074	-	-	200	-	-	54,172
Other	43,785	-	5,564	17,485	1,800	-	-	500,000	31,707	600,341
Principal loan payments	224,562	-	-	-	2,926	-	-	-	-	227,488
Professional fees	73,402	-	-	62,122	-	-	-	-	2,700	138,224
Program expenses	95,016	2,274	106,754	24,231	4,901	4,739	4,765	-	-	242,680
Rent	5,600	-	-	10,451	-	-	625	-	-	16,676
Repairs and maintenance	75,361	-	38,232	52,910	6,976	-	300	-	56,873	230,652
Salaries and benefits	349,406	9,000	147,179	250,112	22,625	47,306	-	-	-	825,628
Social assistance payments	(10,155)	-	-	-	-	53,403	12,000	-	-	55,248
Special events	26,836	-	-	38,497	-	1,810	-	-	-	67,143
Staff bonuses	-	-	-	139,834	-	-	-	-	-	139,834
Band member profit sharing	-	-	-	1,625,800	-	-	-	-	-	1,625,800
Supplies	9,793	5,073	8,305	42,613	657	13,074	1,025	-	-	80,540
Telephone	31,393	-	-	1,291	-	-	100	-	-	32,784
Training	3,163	2,102	2,400	7,774	226	2,850	-	-	-	18,515
Travel	20,760	634	9,945	23,776	-	50	509	-	-	55,674
Utilities	15,056	-	15,440	29	365	142	426	-	-	31,458
Vehicle	7,032	-	-	8,751	-	-	-	-	-	15,783
Waste collection	-	-	8,621	-	421	-	9,082	-	-	18,124
	1,276,717	90,204	355,812	4,190,913	246,766	139,537	2,831,528	647,726	124,784	9,903,987
	(841,390)	(13,719)	(111,467)	(2,171,910)	(64,527)	(55,379)	(1,761,424)	2,407,041	(35,232)	(2,648,007)

KWIKWETLEM FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

NOTE 14: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Health	Economic Dev't	Community Services	Social Services	Capital Projects	Other	Housing	Total 2014
REVENUE										
Aboriginal Affairs and Northern Development Canada	138,865	41,297	22,324	335,000	24,111	111,984	-	-	-	673,581
Administration fees	21,291	-	-	-	-	-	-	-	-	21,291
BC Hydro	2,000	30,000	-	266,232	-	-	-	-	-	298,232
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	22,271	22,271
Capital fund	-	-	-	-	-	-	-	466,113	-	466,113
Enterprise fund	-	-	-	-	-	-	-	(5,024)	-	(5,024)
Fireworks	34,164	-	-	-	-	-	-	-	-	34,164
First Nation Education Steering Committee	2,310	45,476	25,000	-	-	-	-	-	-	72,786
First Nation Health Authority	-	-	72,491	-	-	-	-	-	-	72,491
Health Canada	-	-	23,387	-	-	-	-	-	-	23,387
Interest	14,572	-	-	1,132	-	-	-	-	-	15,704
Land lease	77,000	-	-	-	-	-	-	-	-	77,000
Loan proceeds	265,328	-	-	-	-	-	-	-	-	265,328
Miscellaneous	47,627	2,500	5,479	-	29,000	-	538,388	-	428,168	1,051,162
Ottawa Trust fund	-	-	-	-	-	-	-	962	-	962
Province of BC - Ministry of Aboriginal Relations	-	-	-	8,225,000	-	-	-	-	-	8,225,000
Quantum Murray LP	-	-	-	1,255,664	-	-	-	-	-	1,255,664
Rent	10,000	-	-	-	-	-	-	-	29,003	39,003
Treaty 8 Tribal Association	20,000	-	-	-	-	-	-	-	-	20,000
	633,157	119,273	148,681	10,083,028	53,111	111,984	538,388	462,051	479,442	12,629,115

KWIKWETLEM FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

NOTE 14: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Health	Economic Dev't	Community Services	Social Services	Capital Projects	Other	Housing	Total 2014
EXPENSES										
Amortization	-	-	-	-	-	-	-	62,130	13,614	75,744
Bad debt	13,816	-	-	-	-	-	-	-	-	13,816
Capital expenditures	409,040	-	-	-	-	-	-	-	-	409,040
Consulting fees	118,561	150	4,219	627,024	-	-	19,875	-	-	769,829
Construction costs	-	-	-	-	-	-	728,319	-	-	728,319
Contracted services	97,141	16,696	3,280	129,679	20,380	3,618	26,780	-	-	297,574
Education	10,000	43,360	-	-	-	-	-	-	-	53,360
Equipment purchases	-	6,093	-	10,708	-	-	-	-	-	16,801
Honoraria	300	-	-	-	-	-	-	-	-	300
Insurance	21,304	-	-	3,583	-	-	-	-	8,497	33,384
Meals and entertainment	7,711	-	-	4,509	-	-	-	-	-	12,220
Meetings	24,134	3,756	1,546	58,843	1,082	(271)	-	-	-	89,090
Office	26,034	4,203	2,126	18,941	3,308	128	-	-	-	54,740
Other	17,969	-	4,544	12,379	-	30	2,955	265,328	22,829	326,034
Principal loan payments	40,766	-	-	-	-	-	-	-	-	40,766
Professional fees	56,602	-	-	66,265	-	-	-	-	2,650	125,517
Program expenses	43,351	12,541	39,850	3,597	5,982	11,505	-	-	-	116,826
Rent	4,820	6,800	2,400	6,359	-	-	-	-	-	20,379
Repairs and maintenance	14,417	68	500	8,464	-	-	-	-	53,837	77,286
Salaries and benefits	339,837	35,108	72,282	179,623	27,773	13,671	-	-	-	668,294
Social assistance payments	-	-	-	-	-	47,507	-	-	-	47,507
Special events	28,525	1,265	200	8,412	-	14,735	-	-	-	53,137
Staff bonuses	150	-	-	1,039,853	-	-	-	-	-	1,040,003
Supplies	13,124	8,845	12,893	4,189	1,076	1,958	-	-	-	42,085
Telephone	15,129	-	1,200	280	-	240	-	-	-	16,849
Training	1,643	8,233	763	-	4,117	-	-	-	-	14,756
Travel	19,395	8,287	5,498	18,380	113	72	-	-	-	51,745
Utilities	10,962	-	15,949	-	445	189	211	-	-	27,756
Vehicle	10,456	-	-	5,967	-	-	-	-	-	16,423
Waste collection	-	-	10,436	-	-	-	-	-	-	10,436
	1,345,187	155,405	177,686	2,207,055	64,276	93,382	778,140	327,458	101,427	5,250,016
	(712,030)	(36,132)	(29,005)	7,875,973	(11,165)	18,602	(239,752)	134,593	378,015	7,379,099

KWIKWETLEM FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

NOTE 15: TANGIBLE CAPITAL ASSETS

	Infrastructure	Building and Trailers	Office & Furniture	General Equipment	Computer Equipment	Boats	Canoes	Canoe Shed	Building Improvements	Vehicles	Social Housing	Total
March 31, 2015												
Cost												
Balance, beginning of year	339,131	409,040	52,289	66,938	22,665	89,180	77,121	4,388	12,492	111,708	1,374,586	2,559,538
Acquisitions	-	1,942,140	12,005	703,960	-	93,700	-	-	-	13,000	-	2,764,805
Balance, end of year	339,131	2,351,180	64,294	770,898	22,665	182,880	77,121	4,388	12,492	124,708	1,374,586	5,324,343
Accumulated amortization												
Balance, beginning of year	52,177	10,226	27,388	18,743	17,033	62,996	10,999	625	1,812	86,723	86,513	375,235
Amortization	4,525	19,941	6,181	80,035	1,127	21,910	3,306	188	1,068	9,445	24,309	172,035
Balance, end of year	56,702	30,167	33,569	98,778	18,160	84,906	14,305	813	2,880	96,168	110,822	547,270
Net Book Value of Tangible Capital Assets	282,429	2,321,013	30,725	672,120	4,505	97,974	62,816	3,575	9,612	28,540	1,263,764	4,777,073
March 31, 2014												
Cost												
Balance, beginning of year	339,131	-	41,866	66,938	16,782	89,180	77,121	4,388	12,492	111,708	413,766	1,173,372
Acquisitions	-	409,040	10,423	-	5,883	-	-	-	-	-	960,820	1,386,166
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	339,131	409,040	52,289	66,938	22,665	89,180	77,121	4,388	12,492	111,708	1,374,586	2,559,538
Accumulated amortization												
Balance, beginning of year	47,652	-	22,466	6,694	13,419	51,775	7,519	427	625	76,016	72,899	299,492
Amortization	4,525	10,226	4,922	12,049	3,614	11,221	3,480	198	1,187	10,707	13,614	75,743
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	52,177	10,226	27,388	18,743	17,033	62,996	10,999	625	1,812	86,723	86,513	375,235
Net Book Value of Tangible Capital Assets	286,954	398,814	24,901	48,195	5,632	26,184	66,122	3,763	10,680	24,985	1,288,073	2,184,303

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 16: MEMBERS' EQUITY

	2015	2014
	\$	\$
Restricted		
Social Housing Fund	450,603	485,835
Trust Funds - Ottawa	28,856	27,985
Enterprise Fund - Investment in Business Entities	(6,439)	(68,042)
	473,020	445,778
Unrestricted		
Operating Fund	4,903,515	9,923,331
Capital Fund	3,016,235	671,668
	7,919,750	10,594,999
TOTAL EQUITY	8,392,770	11,040,777

NOTE 17: REPLACEMENT RESERVE FUND

Under the terms of the agreement with Canada Mortgage & Housing Corporation (CMHC), the Replacement Reserve account is to be credited in the amount of \$5,680 annually 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 year end date, the Replacement Reserve Fund is fully funded.

NOTE 18: OPERATING RESERVE FUND

Under the terms of the agreement with Canada Mortgage & Housing Corporation (CMHC), any annual operating surplus may be retained in an operating reserve account, 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 year end date, the Operating Reserve Fund is fully funded.

KWIKWETLEM FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

NOTE 19: FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The First Nation does have credit risk in accounts receivable of \$1,059,921 (2014 - \$562,879). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing credit valuations on a regular basis and creating an allowance for bad debts when applicable. In the opinion of management the credit risk exposure to the First Nation is low and is not material.

(b) Concentration risk

The First Nation does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2015, receivables from 2 funders comprised approximately 84% of the total outstanding receivables. The First Nation reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the First Nation that is associated with their funders is low and is not material.

(c) Liquidity risk

The First Nation does have a liquidity risk in the bank indebtedness and accounts payable of \$838,504 (2014 - \$245,539). Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. The company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the First Nation is low and is not material.