Knowledge First Financial

Flex First Plan

(Education savings program provided by Knowledge First Foundation)

Financial Statements

For the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Flex First Plan (the Plan) have been prepared by management and approved by the Board of Directors of Knowledge First Foundation. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Knowledge First Foundation, through Knowledge First Financial Inc., its wholly owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP is the independent auditor of the Plan. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Directors of Knowledge First Foundation their opinion on the financial statements. Their report follows.

R. George Hopkinson
President and Chief Executive Officer
Mississauga, Ontario
March 20, 2019

Independent auditor's report

To the Board of Directors of Knowledge First Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Flex First Plan (the Plan) as at December 31, 2018, December 31, 2017, and April 30, 2017 and its financial performance and its cash flows for the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017 in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Plan's financial statements comprise:

- the statements of financial position as at December 31, 2018, December 31, 2017 and April 30, 2017;
- the statements of comprehensive income for the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017;
- the statements of changes in net assets attributable to subscribers and beneficiaries for the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017;
- the statements of cash flows for the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Plan'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 Plan'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 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 Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 20, 2019

FLEX FIRST PLAN
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2018, December 31, 2017 and April 30, 2017
All amounts in Canadian dollars

	December 31, 2018	December 31, 2017	April 30 2017
Assets			
Current Assets			
Cash	7,332,105	4,547,903	3,289,581
Investments (Note 5)	149,778,617	103,032,684	74,972,894
Government grants receivable	2,646,789	2,037,651	1,801,142
Interest and dividends receivable	567,483	343,159	485,579
Other receivables (Note 7)	1,590,190	2,061,554	1,694,273
	161,915,184	112,022,951	82,243,469
Liabilities			
Current Liabilities			
Accounts payable and other liabilities (Note 7)	2,156,691	1,523,088	1,145,739
Payable for investments purchased	-	-	3,499
	2,156,691	1,523,088	1,149,238
Net assets attributable to subscribers and beneficiaries (Note 6)	159,758,493	110,499,863	81,094,231

Approved by the Board of Directors of Knowledge First Foundation

_________________________, Director
Don Hunter

_________________________, Director
David Forster

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

FLEX FIRST PLAN
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017
All amounts in Canadian dollars

	Year ended December 31, 2018	Period ended December 31, 2017	Year ended April 30, 2017
Income			
Interest income	2,298,131	950,690	825,564
Dividend income	713,553	360,241	359,176
Other changes in fair value of investments:			
Net realized gains on investments	207,361	719,180	63,808
Net change in unrealized gains (losses) on investments	(3,096,844)	(878,064)	2,424,035
Total income (net)	122,201	1,152,047	3,672,583
Expenses			
Management fees (note 7)	1,925,243	889,883	847,315
Independent review committee fees	3,305	2,401	704
Transaction Costs	16,594	6,312	9,612
Total Expenses (net)	1,945,142	898,596	857,631
Increase in net assets attributable to subscribers and beneficiaries	(1,822,941)	253,451	2,814,952

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

FLEX FIRST PLAN
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SUBSCRIBERS AND BENEFICIARIES
For the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017
All amounts in Canadian dollars

	Year ended December 31, 2018	**Period ended December 31, 2017**	**Year ended April 30, 2017**
Net assets attributable to subscribers and beneficiaries, beginning of period	110,499,863	81,094,231	42,613,524
Subscribers' contributions (Note 6)			
Contributions	37,605,574	20,926,909	24,192,979
Return of contributions	(3,696,685)	(1,591,515)	(898,648)
	33,908,889	19,335,394	23,294,331
Government grants (Note 6)			
Government grant contributions	18,836,258	10,415,099	13,071,923
Government grant repayments and transfers	(1,055,002)	(432,846)	(1,006,196)
Government grant payments to beneficiaries	(471,944)	(155,091)	(64,129)
	17,309,312	9,827,162	12,001,598
Accumulated income (Note 6)			
Increase in net assets attributable to subscribers and beneficiaries	(1,822,941)	253,451	2,814,952
Education Assistance Payments	(156,174)	(43,370)	(22,418)
Payments of government grant income to beneficiaries	(37,587)	(10,916)	(3,850)
Income transferred (out)/in, net	57,131	43,911	396,094
	(1,959,571)	243,076	3,184,778
Net assets attributable to subscribers and beneficiaries, end of period	159,758,493	110,499,863	81,094,231

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

FLEX FIRST PLAN
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2018, the period from May 1, 2017 to December 31, 2017 and the year ended April 30, 2017
All amounts in Canadian dollars

	Year ended December 31, 2018	Period ended December 31, 2017	Year ended April 30, 2017
Cash flows from (used in) operating activities			
Increase in net assets attributable to subscribers and beneficiaries	(1,822,941)	253,451	2,814,952
Adjustments for:			
Net realized (gains) on investments	(207,361)	(719,180)	(63,808)
Net change in unrealized (gains) or losses on investments	3,096,844	878,064	(2,424,035)
Amortization of bond discounts / premiums	286,498	252,813	290,927
Purchase of investments	(164,536,867)	(73,677,582)	(72,758,237)
Proceeds from sale or maturity of investments	114,614,956	45,202,596	38,106,942
Interest and dividends receivable	(224,324)	142,420	(220,140)
Other receivables	471,361	(367,281)	(635,852)
Accounts payable and other liabilities	633,603	377,349	944,153
Net cash used in operating activities	(47,688,231)	(27,657,350)	(33,945,098)
Cash flows from (used in) financing activities			
Subscribers' contributions	37,605,574	20,926,909	24,192,979
Return of subscribers' contributions	(3,696,685)	(1,591,515)	(898,648)
Government grant receipts	18,227,120	10,178,590	12,611,605
Government grant repayments	(1,055,002)	(432,846)	(672,296)
Government grant payments to beneficiaries	(471,944)	(155,091)	(64,129)
Income payments to beneficiaries			
Education Assistance Payments	(156,174)	(43,370)	(22,418)
Government Grants	(37,587)	(10,916)	(3,850)
Income transferred in, net	57,131	43,911	62,194
Net cash from financing activities	50,472,433	28,915,672	35,205,437
Net increase in cash	2,784,202	1,258,322	1,260,339
Cash, beginning of period	4,547,903	3,289,581	2,029,242
Cash, end of period	7,332,105	4,547,903	3,289,581

Supplementary Information *			
Interest received	*2,413,949*	*1,425,269*	*904,755*
Dividend received	*1,365,976*	*280,895*	*350,772*

* Included in operating activities

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

FLEX FIRST PLAN
SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2018
All amounts in Canadian dollars

BONDS	Coupon %	Maturity Date	Par Value $	Cost $	Fair Value $
FEDERAL (16.4%)					
GOVERNMENT OF CANADA	2.50%	2024-06-01	1,220,000	1,246,839	1,257,430
GOVERNMENT OF CANADA	2.25%	2025-06-01	1,940,000	1,969,066	1,979,266
GOVERNMENT OF CANADA	1.50%	2026-06-01	2,200,000	2,072,506	2,134,308
GOVERNMENT OF CANADA	1.00%	2027-06-01	1,110,000	1,015,125	1,028,837
GOVERNMENT OF CANADA	5.75%	2029-06-01	600,000	787,827	810,612
GOVERNMENT OF CANADA	5.75%	2033-06-01	900,000	1,248,136	1,310,382
CANADA HOUSING TRUST	3.15%	2023-09-15	1,480,000	1,531,844	1,536,640
CANADA HOUSING TRUST	2.90%	2024-06-15	10,105,000	10,377,577	10,388,445
CANADA HOUSING TRUST	1.90%	2026-09-15	4,310,000	4,110,902	4,142,643
				24,359,822	24,588,563
PROVINCIAL (24.9%)					
PROVINCE OF ALBERTA	2.35%	2025-06-01	2,695,000	2,702,390	2,642,879
PROVINCE OF ALBERTA	2.20%	2026-06-01	2,790,000	2,704,238	2,682,892
PROVINCE OF BRITISH COLUMBIA	2.85%	2025-06-18	4,655,000	4,820,432	4,737,440
PROVINCE OF BRITISH COLUMBIA	8.00%	2023-09-08	170,000	213,929	211,633
PROVINCE OF BRITISH COLUMBIA	5.70%	2029-06-18	1,305,000	1,702,559	1,641,051
PROVINCE OF BRITISH COLUMBIA	2.70%	2022-12-18	790,000	824,475	800,507
PROVINCE OF BRITISH COLUMBIA	3.30%	2023-12-18	2,450,000	2,602,809	2,549,017
PROVINCE OF ONTARIO	3.15%	2022-06-02	2,705,000	2,811,314	2,777,413
PROVINCE OF ONTARIO	2.85%	2023-06-02	3,110,000	3,186,761	3,161,533
PROVINCE OF ONTARIO	3.50%	2024-06-02	1,645,000	1,758,159	1,724,141
PROVINCE OF ONTARIO	2.60%	2025-06-02	2,625,000	2,606,570	2,619,908
PROVINCE OF ONTARIO	2.40%	2026-06-02	3,660,000	3,642,965	3,582,042
PROVINCE OF ONTARIO	2.60%	2027-06-02	1,745,000	1,709,456	1,720,919
PROVINCE OF ONTARIO	6.50%	2029-03-08	985,000	1,329,727	1,294,339
PROVINCE OF ONTARIO	4.20%	2020-06-02	170,000	175,980	175,114
PROVINCE OF QUEBEC	3.50%	2022-12-01	1,045,000	1,104,414	1,089,674
PROVINCE OF QUEBEC	3.00%	2023-09-01	1,285,000	1,351,042	1,316,650
PROVINCE OF SASKATCHEWAN	3.20%	2024-06-03	1,490,000	1,558,125	1,538,485
PROVINCE OF SASKATCHEWAN	2.55%	2026-06-02	1,030,000	1,015,967	1,016,816
				37,821,312	37,282,453
CORPORATE (30.8%)					
BANK OF MONTREAL	2.12%	2022-03-16	3,505,000	3,505,674	3,432,587
BANK OF MONTREAL	1.88%	2021-03-31	1,325,000	1,304,827	1,302,058

BANK OF MONTREAL	2.89%	2023-06-20	830,000	829,939	829,365
BANK OF MONTREAL	3.19%	2028-03-01	3,280,000	3,258,871	3,292,316
BANK OF NOVA SCOTIA	2.87%	2021-06-04	3,340,000	3,359,100	3,348,567
BANK OF NOVA SCOTIA	2.36%	2022-11-08	1,665,000	1,662,502	1,631,517
BANK OF NOVA SCOTIA	2.62%	2026-12-02	1,860,000	1,871,508	1,797,988
BANK OF NOVA SCOTIA	3.10%	2028-02-02	2,490,000	2,463,552	2,469,470
BANK OF NOVA SCOTIA	1.83%	2022-04-27	675,000	652,127	652,971
BANK OF NOVA SCOTIA	2.98%	2023-04-17	790,000	789,807	791,525
CANADIAN IMPERIAL BANK	2.04%	2022-03-21	2,760,000	2,742,406	2,691,856
CANADIAN IMPERIAL BANK	3.30%	2025-05-26	1,935,000	1,953,578	1,962,187
CANADIAN IMPERIAL BANK	2.97%	2023-07-11	1,050,000	1,049,802	1,051,848
FAIRFAX FINL HLDGS LTD	4.70%	2026-12-16	1,225,000	1,272,329	1,261,064
HSBC BANK CANADA	2.17%	2022-06-29	1,000,000	1,000,000	971,295
INTACT FINANCIAL CORP	2.85%	2027-06-07	1,525,000	1,529,234	1,460,172
NATIONAL BANK OF CANADA	2.11%	2022-03-18	1,520,000	1,519,610	1,483,976
PEMBINA PIPELINE CORP	4.89%	2021-03-29	600,000	625,490	620,937
ROYAL BANK OF CANADA	1.97%	2022-03-02	1,275,000	1,276,597	1,242,768
ROYAL BANK OF CANADA	2.33%	2023-12-05	4,125,000	4,150,461	4,009,521
ROYAL BANK OF CANADA	2.00%	2022-03-21	1,180,000	1,175,884	1,150,842
SUNCOR ENERGY INC NEW	3.00%	2026-09-14	1,000,000	958,387	964,980
TORONTO-DOMINION BANK	2.62%	2021-12-22	1,210,000	1,226,645	1,206,527
TORONTO-DOMINION BANK	1.91%	2023-07-18	3,460,000	3,395,818	3,316,773
TORONTO-DOMINION BANK	3.59%	2028-09-14	970,000	970,000	965,965
TORONTO-DOMINION BANK	3.01%	2023-05-30	2,245,000	2,245,091	2,261,310
				46,789,239	46,170,385

SHORT TERM SECURITIES (2.6%)					
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2019-01-10	385,000	384,829	384,843
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2019-02-07	2,895,000	2,890,078	2,890,252
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2019-01-03	250,000	249,965	249,980
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2019-01-04	400,000	399,926	399,948
				3,924,798	3,925,023
TOTAL DEBT				112,895,171	111,966,424

EQUITIES	**# of Shares**	**Cost $**	**Fair Value $**
COMMUNICATION SERVICES (0.6%)			
ROGERS COMMUNICATIONS INC Class B	8350	494,391	584,166
TELUS CORP	6900	329,412	312,225
		823,803	896,391

CONSUMER DISCRETIONARY (0.5%)			
GILDAN ACTIVEWEAR INC	13200	504,192	547,008
MAGNA INTL INC	3075	198,260	190,558
		702,452	737,566
CONSUMER STAPLES (0.9%)			
ALIMENTATION COUCHE-TARD INC Class B	12,025	730,385	816,618
LOBLAW COS LTD	8,700	499,645	531,657
		1,230,030	1,348,275
ENERGY (2.1%)			
CAMECO CORP	19,650	281,241	304,182
ENBRIDGE INC	4,575	225,164	194,026
HUSKY ENERGY INC	20,750	346,606	292,783
SHAWCOR LTD NEW	21,050	564,367	349,009
SUNCOR ENERGY INC NEW	20,025	830,158	763,553
TRANSCANADA CORP	17,375	958,869	847,031
VERMILION ENERGY INC	12,375	516,120	355,905
		3,722,525	3,106,489
FINANCIALS (3.8%)			
BANK OF MONTREAL	8,975	817,243	800,480
BANK OF NOVA SCOTIA	12,450	885,864	847,223
BROOKFIELD ASSET MGMT INC Class A	15,275	753,242	799,188
FAIRFAX FINL HLDGS LTD	375	243,718	225,368
INTACT FINL CORP	6,350	615,276	629,857
ROYAL BANK OF CANADA	10,900	975,136	1,018,496
SUN LIFE FINL INC	6,150	296,985	278,534
TORONTO-DOMINION BANK	15,100	984,413	1,024,686
		5,571,877	5,623,832
INDUSTRIALS (1.6%)			
CANADIAN NATL RAILWAY	5,775	543,070	583,910
CANADIAN PAC RY LTD	2,300	504,679	557,152
FINNING INTL INC	17,850	491,080	424,830
STANTEC INC	7,200	235,023	215,352
THOMSON REUTERS CORP	3,922	221,039	258,577
WASTE CONNECTIONS INC	4,200	379,978	425,586
		2,374,869	2,465,407
INFORMATION TECHNOLOGY (1.2%)			
CELESTICA INC	32,607	473,698	389,980
GROUPE CGI INC	8,475	571,210	707,663
OPEN TEXT CORP	15,600	662,910	694,210

		1,707,818	1,791,853
MATERIALS (1.2%)			
AGNICO-EAGLE MINES LTD	11,000	559,846	606,100
FRANCO NEV CORP	5,750	494,359	550,448
METHANEX CORP	6,200	406,143	407,092
WEST FRASER TIMBER CO LTD	4,200	278,552	283,248
		1,738,900	1,846,888
REAL ESTATE (0.3%)			
BROOKFIELD PROPERTY PARTNERS LP(BM)	9,600	247,814	211,392
H&R REAL ESTATE INVT TRUST	10,900	230,858	225,085
		478,672	436,477
UTILITIES (0.5%)			
BROOKFIELD INFRASTRUCTURE PARTN L.P	4,675	235,988	220,426
FORTIS INC	11,750	492,164	534,743
		728,152	755,169
US ETFs (12.6%)			
BMO S&P 500 HEDGED TO CAD INDEX ETF	374,851	14,411,147	13,963,200
BMO S&P 500 INDEX ETF	128,912	4,740,192	4,840,646
		19,151,339	18,803,846
Total Equities		38,230,437	37,812,193
Less: Transaction costs		(16,594)	
Total Investments		**151,109,014**	**149,778,617**

FLEX FIRST PLAN
SCHEDULE OF EDUCATION ASSISTANCE AGREEMENTS
As at December 31, 2018
All amounts in Canadian Dollars

Year of Eligibility	Principal amounts *	Accumulated Income **
2018	1,425,116	84,523
2019	2,276,083	110,928
2020	7,222,329	163,092
2021	9,745,317	176,935
2022	9,537,838	151,718
2023	8,543,456	105,461
2024	6,511,486	96,337
2025	4,498,139	89,947
2026	3,818,732	69,290
2027	3,564,427	95,951
2028	3,363,618	83,640
2029	3,443,119	59,470
2030	3,481,825	63,978
2031	6,034,672	115,210
2032	10,438,397	136,675
2033	7,583,046	30,413
2034	5,539,911	(19,477)
2035 and thereafter	3,116,844	(25,286)
	100,144,355	1,588,805

* Reflects Subscribers' contributions (see note 6)

**Reflects Education Assistance Payment (EAP) Account (see note 6)

FLEX FIRST PLAN
NOTES TO THE FINANCIAL STATEMENTS
As at December 31, 2018, December 31, 2017 and April 30, 2017
All amounts in Canadian Dollars

1. General information
Flex First Plan (the Plan) was established by Knowledge First Foundation (the Foundation) as a savings vehicle for subscribers to save for a designated student's (beneficiary) post-secondary education. The Plan commenced operations in November 2012.

The Foundation, the sponsor of the Plan, is a not-for-profit organization, which was incorporated without share capital on February 19, 1990 under the Canada Corporations Act and continued under the amended act of October 17, 2011. The Foundation has engaged its wholly-owned subsidiary, Knowledge First Financial Inc. (Knowledge First Financial) to be the distributor and investment fund manager of the Plan and to provide general administration services to the Plan. Knowledge First Financial is incorporated under the laws of Canada. The primary place of business of the Plan is 50 Burnhamthorpe Road West, Mississauga, Ontario, Canada.

Subscribers to the Plan make periodic deposits into the Plan, net of enrolment fees charged to each subscriber. The income earned on subscriber contributions is held in the Education Assistance Payment account. When a plan matures, is terminated, or is cancelled, such deposits, net of deductions, will be returned to the subscriber or a beneficiary. Upon registration of a plan, Knowledge First Financial will apply for government grants on behalf of the Subscriber. The income earned on government grants is held in the Grant Income account.

The Plan invests in Canadian government bonds and high grade corporate debt and in Canadian equities and Exchange Traded Funds (ETFs). The underlying investments held by the ETFs are exposed to the US dollar. The BMO S&P 500 Hedged has been hedged back to the Canadian dollar and therefore has little to no currency exposure. The Plan is subject to the risk that the fair value of future cash flows of BMO S&P 500 Index ETF, which are not hedged back to the Canadian dollar, will fluctuate because of changes in foreign exchange rates. The Plan's investment in equities is limited to 30% of Net Assets of the Plan.

Education Assistance Payments (EAPs) are paid from government grants and income earned on contributions and governments grants through interest, dividends and other income. Contributions are not included in EAPs, however are returned to the Subscriber upon maturity. In order to be entitled to an EAP, the administrator must receive proof that a beneficiary meets EAP eligibility requirements for enrolment in a post-secondary program, inclusive of confirmation of beneficiary residency status. If a subscriber to the Plan terminates an account, a refund of net contributions is due to the subscriber and government grant monies are returned to the originating government agency. Forfeited grant income is payable to eligible educational institutions.

In 2017, the Plan changed its financial year-end from April 30 to December 31. The Statements of Financial Position are as at December 31, 2018, December 31, 2017 and April 30, 2017 and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Subscribers and Beneficiaries and Cash Flows are for the year ended December 31, 2018, for the period from May 1, 2017 to December 31, 2017 and for the year ended April 30, 2017.

The financial statements were authorized for issue by the Board of Directors of the Foundation on March 20, 2019.

2. Basis of accounting
The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued. The Plan has consistently applied the accounting policies used in the preparation of its financial statements.

3. Summary of significant accounting policies
The significant accounting policies followed by the Plan are as follows.

Transition to IFRS 9
Effective January 1, 2018, the Plan adopted IFRS 9 "Financial Instruments". The new standard addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39. It requires financial assets to be classified as amortized cost, fair value, with changes in fair value recognized in profit and loss (FVTPL) or fair value through other comprehensive income

(FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

The adoption of IFRS 9 has been applied retrospectively by the Plan and did not result in a change to the measurement of financial instruments, in either the current or the comparative period. Upon transition to IFRS 9, the Plan's investments previously classified as FVTPL under IAS 39 continued to be categorized as fair value through profit and loss. Financial assets and liabilities previously measured at amortized cost under IAS 39 continue to be measured at amortized cost. There was no material impact on adoption from the application of the new impairment model.

Financial Instruments

The Plan recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss. Regular purchases and sales of financial assets are recognized at their trade date. The Plan's investments are classified as fair value through profit or loss (FVTPL), including its investments in equities, ETFs and debt securities. All other financial assets and liabilities, including interest and dividends receivable, amounts receivable for investments sold, government grants receivable, other receivables, amounts payable for securities purchased and accounts payable and other liabilities, and principal payable to subscribers are measured at amortized cost. The Plan's obligation for net assets attributable to subscribers and beneficiaries is presented at the distribution amount, which is the residual amount of assets of the Plan after deducting all of its liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. For equities and ETFs, the Plan uses the last traded market price where the last traded price falls between that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Plan determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. For bonds, the Plan uses mid prices provided by independent security pricing vendors. The Plan's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

Income recognition, transaction costs and expenses

Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Interest receivable is shown on the Statement of Financial Position based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method. Average cost includes amortization of premiums and discounts on the Plan's debt securities.

Impairment of financial assets

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized cost. With respect to financial assets at amortized cost, the Plan considers both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement dates, all loans and receivables are due to be settled within the short term. The Plan considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Plan to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

Foreign currency

The financial statements are presented in Canadian dollars, which is the Plan's functional and presentation currency.

Cash

Cash is comprised of demand deposits with financial institutions.

Net Assets Attributable to Subscribers and Beneficiaries

Net assets attributable to subscribers and beneficiaries are comprised of subscribers' contributions, government grants and income earned on both subscribers' contributions and government grants. Net assets attributable to subscribers and beneficiaries is classified as a liability as subscribers have the option to withdraw at any point prior to maturity. If a subscriber withdraws before maturity, the subscriber's contributions are returned to the subscriber, income earned on that subscriber's contributions is due and payable to the subscriber as an accumulated income payment or payable to a designated educational institution, government grant contributions are returned to the government and forfeited income on the government grants is owed to a designated educational institution. Refer to Note 6 for a breakdown of net assets attributable to subscribers and beneficiaries.

Subscribers' contributions are comprised of deposits received from subscribers, after deductions for enrolment fees, and do not include amounts receivable on outstanding agreements, as subscribers may terminate their plans at any time. Knowledge First Financial deducts the applicable enrolment fees from the deposits made from subscribers and the net amount is invested in the Plan.

Government grants represent contributions received from federal and provincial governments. Government grants are recognized upon receipt of an eligible contribution to a registered education savings plan by a subscriber to the Plan. Accumulated income includes the increase (decrease) in net assets attributable to subscribers and beneficiaries. Education assistance payments and payments of grant income to beneficiaries and designated financial institutions reduce the accumulated income account.

Funds transferred in/out

During the life of an agreement, subscribers of another Knowledge First Financial Education Savings Plan, or subscribers at another provider, may choose to convert their agreement to the Plan, or alternatively, subscribers of the Plan may choose to convert their agreement to another Knowledge First Financial Education Savings Plan or another provider. Contributions, government grants and income transferred in/out are reported as changes in net assets attributable to subscribers and beneficiaries.

Taxation

The income on Subscribers' contributions is currently exempt from income taxes under the Income Tax Act (Canada) prior to the maturity of the plan. Education Assistance Payments, comprising government grants and all accumulated income, made to qualified nominees will be included in their income for the purposes of the Income Tax Act (Canada). The amounts deposited by subscribers are not deductible to the subscribers for tax purposes and are not taxable when returned to subscribers.

Interests in Unconsolidated Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of a contractual arrangement. The Plan invests in exchange traded funds (ETFs) and asset-backed securities which are disclosed on the Schedule of Investment Portfolio and the Plan has determined that these investments are unconsolidated structured entities. The Plan accounts for its investments in unconsolidated structured entities at fair value through profit and loss. The ETFs finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the ETF's net asset value. The ETFs are domiciled in Canada and listed on the Toronto Stock Exchange. The asset-backed securities include Canada Housing Trust bonds which are secured by and payable from mortgage loans on real property and guaranteed by the Government of Canada, through CMHC. These investments are included in "Investments" in the Statements of Financial Position. The Plan's maximum exposure to loss from its interest in these securities is equal to the total fair value of its investments.

Change in Accounting Policy Fair Value Reserve

Effective September 1, 2018, the Plan changed the way realized and unrealized gains or losses in respect of debt securities were allocated to net assets attributable to subscribers and beneficiaries. Due to this change, the Plan's Fair Value Reserve was eliminated as of that date. There was no net impact to the total balance of net assets attributable to subscribers and beneficiaries as a result of this change.

Prior to this change, the fair value reserve included in net assets attributable to subscribers and beneficiaries represented the net unrealized gains (losses) on debt investments and the net unamortized debt realized gains (losses). Fixed-income realized gains and losses were transferred to the EAP Account, Income from government grants, and the Income Account over a five-year period in proportion to the balances in those accounts at the time of allocation. Equity realized and unrealized gains and losses were transferred to the EAP Account, Income from government grants, and the Income Account monthly in proportion to the balances in those accounts at the time of allocation. Effective September 1, 2018, all realized and unrealized gains/losses on investments are allocated in the month in which they are earned.

4. Critical accounting estimates and judgments
The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant judgments and estimates that the Plan has made in preparing the financial statements.

Investment entity status
A significant judgment made in preparing the Plan's financial statements relates to the determination that the Plan meets the definition of an investment entity as described in IFRS 10, Consolidated financial statements. The Plan's objective is to invest subscribers' contributions to maximize their investment return over the long term for the purpose of generating investment income. Fair value is the primary measurement used to evaluate the performance of substantially all investments.

Classification and measurement of financial instruments
In classifying and measuring financial instruments held by the Plan, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. In making this judgment, the Manager has assessed the Plan's business model for managing the portfolio and the contractual cash flow characteristics and determined the investments are managed on a fair value basis, and that fair value is used to assess performance and make investment decisions. The contractual cash flows of the Plan's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

5. Financial Instruments Risks
The Plan's investment activities expose it to a variety of risks associated with financial instruments, as follows: credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Plan does not conduct any significant activities in currencies other than the Canadian dollar and only its holdings of US equities via the unhedged ETF are exposed to a direct currency risk. The Plan's overall risk management approach includes investment guidelines, objectives, and limits which are designed to ensure that risk is mitigated through maximum currency exposure limits and allocation of investments across different market sectors, maturity segments and issuers. The Plan employs a third-party investment manager and monitors the investments for compliance with the stated investment guidelines and relevant securities and tax regulations. Oversight responsibility and authority rests with the Foundation's Board of Directors and its Investment Committee. An Independent Review Committee is also in place.

Credit risk
The Plan is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash on hand is kept on deposit at financial institutions. The majority of the credit risk to which the Plan is exposed arises from its investments in debt securities. The debt instruments held by the Plan are issued or guaranteed by federal and provincial governments along with corporate debt instruments with an investment grade credit rating at the time of acquisition. The Plan may also be exposed to indirect credit risk through its holdings in ETFs.

The fair value of debt investments includes consideration of the credit worthiness of the debt issuer. The carrying amount of cash, receivables and debt investments represents the maximum credit risk exposure as at December 31, 2018, December 31, 2017 and April 30, 2017. The analysis below summarizes the credit quality of the Plan's debt portfolio as at December 31, 2018, December 31, 2017 and April 30, 2017. Credit ratings are obtained from Standard & Poor's, Moody's and DBRS. Where one or more rating is obtained for a security, the lowest rating has been used.

	Percentage of Debt Investments (%)		
		As at	
Credit Rating	**December 31, 2018**	**December 31, 2017**	**April 30, 2017**
"AAA"	32.0	10.1	9.6
"AA"	32.4	19.6	51.2
"A"	31.6	67.1	39.2
"BBB"	4.0	3.2	-
Total	100.0	100.0	100.0

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan has current exposure to the subscriber contributions and government grant balances as subscribers can cancel or terminate their agreement at any time at which point the full balances would become immediately payable to the subscribers and the government. The Plan is also exposed to agreement maturities and obligations with respect to scholarship payments and the accumulated income account. Therefore, the Plan invests the majority of its assets in investments that are traded in an active market and can be easily liquidated. In addition, the Plan endeavours to retain adequate cash positions to maintain adequate liquidity.

Maturity Profile
EAPs (accumulated income and government contributions) are paid upon submission of required documentation to Knowledge First Financial. Subscriber's principal is paid upon maturity of a respective agreement. See Schedule of EAP payments for details of maturity with respect to principal and accumulated income.

If a subscriber cancels an agreement, subscriber's principal and associated government contributions are due upon demand. Income on the subscriber's principal and returned government grants become immediately payable to the subscriber or to qualified educational institutions, as applicable.

All other liabilities of the Plan are due within three months.

Concentration Risk
The table below summarizes this Plan's concentration risk as a percentage of investments as at December 31, 2018, December 31, 2017 and April 30, 2017.

	Percentage of Investments (%) As at		
Concentration	**December 31, 2018**	**December 31, 2017**	**April 30, 2017**
Debt			
Federal	16.4	7.2	7.0
Provincial	24.9	38.0	40.7
Corporate	30.8	26.1	25.0
Short-term	2.6	3.4	2.1
Equities			
Consumer Discretionary	0.5	0.6	0.6
Consumer Staples	0.9	0.5	0.6
Energy	2.1	2.9	2.8
Financials	3.8	4.0	4.0
Industrials	1.6	1.2	1.2
Information Technology	1.2	0.7	0.6
Materials	1.2	1.3	1.5
Real Estate	0.3	0.3	0.4
Telecommunications	0.6	0.4	0.4
Utilities	0.5	0.5	0.4
US ETFs	12.6	12.9	12.7
Total	100.0	100.0	100.0

Market risk
The Plan's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses, as applicable that show how the net assets attributable to subscribers and beneficiaries would be affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

a) Currency Risk

The Plan invests in exchange traded funds (ETF) denominated in Canadian dollars. The underlying investments held by the ETFs are exposed to the US dollar. The BMO S&P 500 Hedged to CAD Index ETF has been hedged back to the Canadian dollar and therefore has little to no currency risk. The Plan is subject to the risk that the fair value of future cash flows of the BMO S&P 500 Index ETF which are not hedged back to Canadian dollar will fluctuate because of changes in foreign exchange rates. As at December 31, 2018, if the exchange rate had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately $0.2 million ($0.2 million as at December 31, 2017; $0.1 million as at April 30, 2017).

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan holds securities with fixed interest rates that expose the Plan to interest rate risk. As at December 31, 2018, had prevailing interest rates increased or decreased by 25 basis points, assuming a parallel shift in the yield curve, with all other variables held constant, net assets of the Plan would have decreased or increased, respectively, by approximately $1.4 million (approximately 0.9% of the total investment portfolio) (December 31, 2017 - $1.1 million, approximately 1.1% of the total investment portfolio; April 30, 2017 - $0.8 million, approximately 1.1% of the total investment portfolio). The Plan manages interest rate risk through our portfolio managers by diversifying in various investments, as well as through investment committee oversight.

The tables below summarize the Plan's exposure to interest rate risk as at December 31, 2018, December 31, 2017 and April 30, 2017 by remaining term to maturity.

December 31, 2018	**Within 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Short term investment – Treasury Bill	3,925,023			3,925,023
Government guaranteed instruments				
Federal	-	1,536,640	23,051,923	24,588,563
Provincial	-	12,081,541	25,200,912	37,282,453
Corporate	-	31,996,243	14,174,142	46,170,385
	3,925,023	45,614,424	62,426,977	111,966,424
Percentage of total	3.5%	40.7%	55.8%	100%

December 31, 2017	**Within 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Short term investment – Treasury Bill	3,487,273	-	-	3,487,273
Government guaranteed instruments				
Federal	-	1,366,379	6,021,274	7,387,653
Provincial	-	4,284,173	34,903,956	39,188,129
Corporate	-	12,488,663	14,414,000	26,902,663
	3,487,273	18,139,215	55,339,230	76,965,718
Percentage of total	4.5%	23.6%	71.9%	100%

April 30, 2017	**Within 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Short term investment – Treasury Bill	1,604,023	-	-	1,604,023
Government guaranteed instruments				
Federal	-	-	5,246,533	5,246,533
Provincial	-	1,472,201	29,059,872	30,532,073
Corporate	-	17,698,298	1,004,163	18,702,461
	1,604,023	19,170,499	35,310,568	56,085,090
Percentage of total	2.9%	34.2%	63.0%	100%

c) Other price risk

The Plan is exposed to other price risk, which is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial instruments held by the Plan are susceptible to market price risk arising from uncertainties about future prices of those instruments. Market prices of these instruments are predominantly a function of interest rate movements and changes in the market's perceived credit risks applicable to non-federal government securities. The maximum risk resulting from financial instruments held by the Plan is equivalent to their fair value. The investment manager manages this risk through the selection of securities within the parameters of the investment strategy. As at December 31, 2018, if the investment in equities and ETFs had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately $1.9 million ($1.3 million as at December 31, 2017; $0.9 million as at April 30, 2017).

Capital risk management
The capital of the Plan is represented by the net assets attributable to subscribers and beneficiaries. The capital of the Plan can change on a daily basis as the Plan is subject to ongoing contributions and cancellations. The Plan is not subject to externally imposed capital requirements. The Plan's objective, when managing capital risk, is to safeguard subscribers' contributions and government grants received and earn income on those amounts in order to pay EAPs to qualified beneficiaries. The Plan endeavours to invest subscribers' contributions, government grants received, and income earned in appropriate investments while maintaining sufficient liquidity to meet maturities, EAPs, cancellations and expenses in accordance with its investment objectives and risk management policies as described above. In order to manage the Plan's capital, the Plan's policy is to perform the following:

- Monitor the level of daily subscriber contributions and withdrawals relative to the liquid assets and adjust the amount of cash invested accordingly.
- Monitor the level of expected future payments for maturities and EAPs based on maturity and student applications received, and historical beneficiary qualification rates, and adjust the investment portfolio accordingly.
- Invest in securities which are traded in an active market and can be easily liquidated.

There has been no change with respect to the overall capital risk management strategy during the year.

Fair value measurement
The Plan classifies fair value measurement within a hierarchy which gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3	Inputs are unobservable for the asset or liability.

As at December 31, 2018	Level 1	Level 2	Level 3	Total

	Level 1	Level 2	Level 3	Total
Short-term investment	-	3,925,023	-	3,925,023
Government guaranteed instruments				
Federal	-	24,588,563	-	24,588,563
Provincial	-	37,282,453	-	37,282,453
Corporate	-	46,170,385	-	46,170,385
Equities & ETFs	37,812,193	-	-	37,812,193
Investments at fair value	37,812,193	111,966,424	-	149,778,617

As at December 31, 2017	Level 1	Level 2	Level 3	Total
Short-term investment	-	3,487,273	-	3,487,273
Government guaranteed instruments				
Federal	-	7,387,653	-	7,387,653
Provincial	-	39,188,129	-	39,188,129
Corporate	-	26,902,663	-	26,902,663
Equities & ETFs	26,066,966	-	-	26,066,966
Investments at fair value	26,066,966	76,965,718	-	103,032,684

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following tables illustrate the classification of the Plan's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018, December 31, 2017 and April 30, 2017.

As at April 30, 2017	Level 1	Level 2	Level 3	Total
Short-term investment	-	1,604,023	-	1,604,023
Government guaranteed instruments				
Federal	-	5,246,533	-	5,246,533
Provincial	-	30,532,073	-	30,532,073
Corporate	-	18,702,461	-	18,702,461
Equities & ETFs	18,887,804	-	-	18,887,804
Investments at fair value	18,887,804	56,085,090	-	74,972,894

All fair value measurements above are recurring. The carrying values of receivable for investments sold, government grant receivable, interest and dividend receivable, other receivables, payable for investments purchased and accounts payable and other liabilities, principal payable to subscribers and the Plan's obligation for net assets attributable to subscribers and beneficiaries approximate their fair value due to their short-term nature. There were no transfers between levels during the periods ended December 31, 2018, December 31, 2017 and April 30, 2017 or Level 3 securities held as at December 31, 2018, December 31, 2017 or April 30, 2017.

Investments in unconsolidated structured entities

Underlying Fund as at December 31, 2018	Country of establishment and principal place of business	% Ownership in the underlying Fund	Fair value of the Plan's investment in the underlying Fund
BMO S&P 500 Index ETF	Canada	0.10%	$4,840,646
BMO S&P 500 Hedged to CAD Index ETF	Canada	1.23%	$13,963,200

Underlying Fund as at December 31, 2017	Country of establishment and principal place of business	% Ownership in the underlying Fund	Fair value of the Plan's investment in the underlying Fund
BMO S&P 500 Index ETF	Canada	0.08%	$3,278,241
BMO S&P 500 Hedged to CAD Index ETF	Canada	0.97%	$10,016,006

Underlying Fund as at April 30, 2017	Country of establishment and principal place of business	% Ownership in the underlying Fund	Fair value of the Plan's investment in the underlying Fund
BMO S&P 500 Index ETF	Canada	0.07%	$2,416,067
BMO S&P 500 Hedged to CAD Index ETF	Canada	0.59%	$7,111,721

6. Net assets attributable to subscribers and beneficiaries

Net assets attributable to subscribers and beneficiaries are comprised as follows:

	As at		
	December 31, 2018	**December 31, 2017 (restated)**	**April 30, 2017 (restated)**
Subscribers' contributions, net of returns	100,144,355	66,235,466	46,900,072
Government grants	56,861,254	39,551,942	29,724,780
Accumulated income			
Education assistance payment account	1,588,805	2,875,201	2,622,041
Income from government grants	1,164,079	1,837,254	1,847,338
Balance – End of period	159,758,493	$110,499,863	$81,094,231

The changes to subscribers' contributions to the Plan are as follows:

	Year ended December 31, 2018	Period ended December 31, 2017	Year ended April 30, 2017
Subscribers' deposits	51,628,743	28,833,348	34,225,567
Enrolment fee deducted	(14,016,899)	(7,904,444)	(10,032,588)
Special Processing Fees	(6,270)	(1,995)	-
Return of contributions	(3,696,685)	(1,591,515)	(898,648)
Net increase in Subscribers' contributions	33,908,889	19,335,394	23,294,331
Balance – Beginning of year	66,235,466	46,900,072	23,605,741
Balance – End of period	100,144,355	66,235,466	46,900,072

As described in note 3, the Plan changed its accounting policies with respect to the classification of realized and unrealized gains or losses on fixed income securities within net assets attributable to subscribers and beneficiaries. This change has been applied retrospectively, with all prior periods restated. As a result of this change, the Plan's fair value reserve was eliminated. The balance of the fair value reserve is now included in the education assistance payment account and income from government grants. There was no net impact to the net assets attributable to subscribers and beneficiaries as a result of this adjustment. The change aligned customer balances with the financial statements by reflecting all realized and unrealized gains (losses) in the customer records reflected in the accumulated income accounts.

The impact as a result of this change in accounting policy and its retroactive application to the accumulative income balances are below:

December 31, 2017

	As previously reported	Allocation of Fair Value Reserve	As Restated
Education assistance payment account	3,663,904	(788,703)	2,875,201
Income from government grants	2,341,236	(503,982)	1,837,254
Fair value reserve	(1,292,685)	1,292,685	-
Balance – End of period	4,712,455	-	4,712,455

April 30, 2017

	As previously reported	Allocation of Fair Value Reserve	As Restated
Education assistance payment account	2,262,784	359,257	2,622,041
Income from government grants	1,594,226	253,112	1,847,338
Fair value reserve	612,369	(612,369)	-
Balance – End of period	4,469,379	-	4,469,379

7. Related party transactions

The Foundation is the sponsor of the Plan. Knowledge First Financial, a wholly owned subsidiary of the Foundation, carries out the general administration of the Plan on its behalf that includes processing and call centre services related to new agreements, payments, government grants, plan modifications, terminations, maturities and EAPs. Under the fund management agreement dated May 1, 2013, in consideration for its administrative services (inclusive of depository, audit, portfolio management and custodial fees), Knowledge First Financial is entitled to receive from the Plan an annual management fee of up to 1.5% of all funds on deposit related to the Plan and special processing fees including one-time fees for specific transactions. The actual management fee charged in the year ended December 31, 2018 was 1.3% (period ended December 31, 2017 - 1.3%; year ended April 30, 2017 – 1.3%).

Accounts payable and other liabilities includes $1,968,595 (December 31, 2017 – $1,428,294; April 30, 2017 - $1,122,692) due to Knowledge First Financial relating to Management fees, subscriber fees received by the Plan on behalf of Knowledge First Financial, and education assistance payments and principal paid by Knowledge First Financial on behalf of the Plan.

Included in other receivables as at December 31, 2018 is $1,318,210 (December 31, 2017 - $1,912,328; April 30, 2017 - $1,561,806) due from Family Group Plan (a separate plan established by the Foundation) relating to government grants received on behalf of the Plan.

The Plan also pays remuneration to members of the Independent Review Committee which are included in Independent Review Committee Fees in the Statements of Comprehensive Income.

8. **Maturities**

Subject to the subscriber's right to early termination, Plan principal matures and is payable to the subscribers or their designated nominees on July 31 of the year in which students would normally enter the first academic year of post-secondary education.