

PEGUIS FIRST NATION

**Consolidated
Financial Statements
For the year ended March 31, 2015**

REPORT OF AUDIT

PEGUIS FIRST NATION

Consolidated Financial Statements For the year ended March 31, 2015

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of **PEGUIS FIRST NATION** and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of **PEGUIS FIRST NATION**. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depend on future events. The financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards.

The 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 First Nation's assets are appropriately accounted for and adequately safeguarded.

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

BDO Canada LLP, Chartered Accountants, as the First Nation's appointed external auditor, has audited the consolidated financial statements. The Independent Auditor's Report is addressed to the Members and appears on the following page. The opinion is based upon an examination conducted in accordance with Canadian auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of operations of the First Nation in accordance with Canadian public sector accounting standards. BDO Canada LLP has full and free access to the Council.



Chief Cindy Spence

Independent Auditor's Report

To the Members of PEGUIS FIRST NATION

We have audited the accompanying consolidated financial statements of **PEGUIS FIRST NATION**, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the 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 qualified audit opinion.

Basis for Qualified Opinion

The First Nation has had pending claims and funding disputes for flood expenditures in the amount of \$3,278,687, the valuation and collectability of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the First Nation and claimed to the funders. Therefore, we were not able to determine whether any adjustments might be necessary to federal or provincial transfer revenues, annual surplus, cash flows from operations for the years ended March 31, 2015 and 2014, financial assets as at March 31, 2015 and 2014, and accumulated surplus as at March 31, 2015 and 2014. Our audit opinion on the consolidated financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of **PEGUIS FIRST NATION** as at March 31, 2015 and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba

September 28, 2015

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PEGUIS FIRST NATION
Consolidated Statement of Financial Position

March 31	2015	2014
	(Restated - Note 2)	
Financial Assets		
Cash and bank	\$ 2,230,606	\$ -
Restricted cash (Note 4)	5,495,536	7,671,322
Accounts receivable (Note 5)	5,014,755	2,772,022
Due from government and government organizations (Note 6)	13,708,317	10,849,417
Long-term investments (Note 7)	<u>1,600,000</u>	5,300,000
	<u>28,049,214</u>	26,592,761
Liabilities		
Bank indebtedness	-	201,420
Demand loans (Note 8)	20,438,720	12,590,221
Accounts payable (Note 9)	8,126,232	5,165,278
Accrued termination entitlement (Note 10)	1,992,200	2,062,000
Unexpended funding (Note 11)	14,012,199	13,742,971
Long-term debt (Note 12)	<u>11,754,770</u>	5,669,867
	<u>56,324,121</u>	39,431,757
Net debt	<u>(28,274,907)</u>	<u>(12,838,996)</u>
Non-Financial Assets		
Tangible capital assets (Note 13)	90,952,928	82,791,393
Inventories	7,121	75,571
Prepaid expenses	<u>98,274</u>	60,039
	<u>91,058,323</u>	82,927,003
Accumulated surplus (Note 14)	<u>\$ 62,783,416</u>	\$ 70,088,007
Commitments (Note 16)		

Approved by the First Nation:

 Chief

 Councillor

 Councillor

 Councillor

 Councillor

PEGUIS FIRST NATION
Consolidated Statement of Operations

For the year ended March 31	2015	2014
	Budget	Actual
Revenue		
First Peoples Development Inc.	\$ 1,013,091	\$ 1,790,954
Gaming revenue	5,158,014	4,503,953
Federal Government Transfers - Operating (Note 15)	35,063,217	49,645,347
Federal Government Transfers - Capital (Note 15)	-	2,038,905
Provincial Government Transfers - Capital (Note 15)	-	2,001,821
Provincial Government Transfers - Operating (Note 15)	200,000	1,644,421
Rental and tuition recoveries	1,888,456	1,473,640
Other income (Note 17)	4,986,620	8,623,229
	48,309,398	71,722,270
	97,891,232	
Expenses		
Band Support	4,550,153	11,874,716
Community Garden	-	59,209
Keeyask Training	-	42,530
Community Services	-	3,161,254
Social Services	6,947,020	7,602,627
Comprehensive Community Planning	-	5,388
Emergency Operations Centre	-	1,714,369
Lands and Membership	-	313,323
Roads and Public Works	1,168,048	1,378,813
Policing and Security	-	5,367
Cultural	-	87,634
PIPD	-	43,750
CMHC Projects	570,000	880,606
Band Based Capital	1,103,322	3,449,492
CMHC RRAP	-	574,198
TLE office	-	841,907
Fire Hall	-	106,847
Geothermal Project	-	194,937
Crime Prevention	-	-
End of Life Research	-	42,187
Radio	-	65,494
Radio Payroll	-	44,467
Medical Services Flexible Programs	1,776,000	1,747,350
Medical Services Set Programs	2,476,414	2,848,726
AANDC Contribution Funded Programs	-	620,542
Skills Link	-	156,836
Housing	-	2,832,289
Enhanced Medical Travel	-	179,093
Traditional Health - Trust	-	144,451
Moveable Asset Reserve	-	-
Business Planning	-	21,618
S500 Project	-	7,328,749
School Operations	7,833,534	8,393,656
Plant and Teacherages	2,129,198	2,097,793
Transportation	1,341,785	1,348,452
PHP, PS and Special Programs	3,743,869	4,243,261
Personal Care Home	2,259,885	1,992,682
Elderly Persons Home	16,600	10,114
Institutional Care - Type 1	-	382,541
VLT Operation o/a Peguis Gaming Commission	3,354,746	3,454,330
Treaty Committee	1,556,931	1,778,050
Economic Development	580,391	378,765
Property Management	475,200	-
Training & Employment	2,574,662	2,226,050
Arena Coordinator	-	33,592
AI-Care Treatment Centre	1,185,907	1,382,819
Fisher Ambulance Service	392,454	505,117
Summer Work Experience	-	186,476
Contribution Funding - Education	-	2,244,394
	46,036,119	79,026,861
Annual surplus (deficit)	\$ 2,273,279	(7,304,591)
Accumulated surplus, beginning of year		70,088,007
Accumulated surplus, end of year	\$ 62,783,416	\$ 70,088,007

PEGUIS FIRST NATION
Consolidated Statement of Changes in Net Debt

<u>For the year ended March 31</u>	<u>2015</u>	<u>2014</u>
	(Restated - Note 2)	
	Budget	Actual
Annual surplus (deficit)	\$ 2,273,279	\$ (7,304,591)
Acquisition of tangible capital assets	-	(7,269,838)
Contributed capital assets	-	(5,254,825)
Disposal of capital assets	-	60,000
Inventories	-	68,450
Prepaid expenses	-	(38,235)
Amortization of tangible capital assets	1,450,900	4,303,128
(Increase) decrease in net debt	\$ 3,724,179	(15,435,911)
Net debt, beginning of year		(12,838,996)
Net debt, end of year	\$ (28,274,907)	\$ (12,838,996)

PEGUIS FIRST NATION
Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
	(Restated - Note 2)	

Net Inflow (Outflow) of Cash Related to the Following Activities:

Operating Activities

Annual surplus (deficit)	\$ (7,304,591)	\$ 24,934,032
Adjustments for items not affecting cash	4,303,128	2,956,574
Amortization of capital assets	60,000	-
Loss on disposal of capital assets	(5,254,825)	(22,922,931)
Contributed capital assets	3,700,000	-
Loss on Trust recovery for Rosser lands	-	(200,000)
Net income from business partnerships	(4,496,288)	4,767,675
Net change in non-cash working capital balances (Note 18)	<u>(1,911,036)</u>	<u>(767,554)</u>
Cash provided by (used in) operating activities	<u>(6,407,324)</u>	<u>4,000,121</u>

Capital Activities

Purchase of capital assets	(7,269,838)	(1,954,094)
Cash used in capital activities	<u>(7,269,838)</u>	<u>(1,954,094)</u>

Investing Activities

Capital removed from limited partnerships	-	121,983
Investment in mortgage receivable	-	(3,700,000)
Cash provided by investing activities	<u>-</u>	<u>(3,578,017)</u>

Financing Activities

Long-term debt proceeds	6,524,865	1,467,089
Long-term debt repayment	(439,962)	(400,699)
Demand loans net proceeds	7,848,499	5,747,884
Cash provided by financing activities	<u>13,933,402</u>	<u>6,814,274</u>

Increase in cash and cash equivalents

256,240

5,282,284

Cash, beginning of year

7,469,902

2,187,618

Cash, end of year

\$ 7,726,142

\$ 7,469,902

Represented by

Cash and bank	\$ 2,230,606	\$ -
Restricted cash	5,495,536	7,671,322
Bank indebtedness	-	(201,420)
	\$ 7,726,142	\$ 7,469,902

Supplementary Information

Interest paid	\$ 704,860	\$ 667,720
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PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

1. Summary of Significant Accounting Policies

a) Basis of Accounting

These financial statements were prepared using the accrual basis of accounting in accordance with Canadian public sector accounting standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

b) Basis of Consolidation

The Peguis First Nation reporting entity includes the Peguis First Nation government and all related entities which are accountable to Peguis First Nation and are either owned or controlled by Peguis First Nation.

These financial statements consolidate the assets, liabilities and results of operations for Peguis First Nation and use accounting standards which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific segment, transactions amongst programs have been eliminated on the segment disclosures separately.

During the prior year, Peguis Development Corporation Ltd. was transferred to Chief Peguis Investment Trust. However Peguis First Nation retained control over the organization until the current year.

The following entities' results of operations are included in these financial statements under the full consolidation method:

Unincorporated Departments

Peguis School Board
Peguis Health Services
Peguis Training and Employment
Peguis Gaming Commission
Peguis Treaty Committee
Peguis Recreation Committee
Peguis Housing Authority
Peguis Arena Committee
Peguis TLE Implementation Office

Subsidiaries

Peguis Senior Centre Inc.	100% owned
Fisher Ambulance Service Ltd.	100% owned
Peguis Al-Care Treatment Centre Board of Directors Inc.	100% owned
6223291 Manitoba Ltd.	100% owned
6780734 Manitoba Ltd.	100% owned

Controlled entities

Peguis Development Corporation Ltd.	(controlled in 2014)
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PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

1. Summary of Significant Accounting Policies (continued)

c) Investments

Investments in loans are initially recorded at cost. Valuation allowances are used to reflect loans receivable at the lower of cost and net recoverable value.

d) 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 the transfer of assets that are recognized and released by the payor government and are not representative of the full benefit of the recipient government's treaty entitlements. Government transfers are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the 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.

e) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at purchased fair value at the time of the contribution, with a corresponding amount recorded as revenue. Crown lands received by Treaty Land Entitlement process are not recorded unless these are purchased by the First Nation.

Amortization based on the estimated useful life of the asset is recorded once the asset is available for productive use as follows:

Infrastructure	5% straight-line basis
Buildings	20 to 40 years straight-line basis
Equipment	6 % to 20% straight-line basis
Automotive	20% straight-line basis

f) Financial Instruments

The First Nation's financial instruments consist of cash, restricted cash, accounts receivable, due from government and other government organizations, long-term investments, accounts payable, demand loans 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. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

1. Summary of Significant Accounting Policies (continued)

g) Measurement Uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

Measurement uncertainty exists specifically in the determination of accounts receivable, useful life capital assets, termination entitlements and unexpended funding. The recovery of eligible costs and reconciliation of funding provided for emergency flood operations and other restricted funding is dependent upon future events.

h) Employee Future Benefits

The First Nation maintains a defined contribution pension plan for its personnel. Expenses for this plan are equal to the First Nation's required contribution for the year.

The First Nation also offers termination benefits to its employees upon voluntary or involuntary termination of employment. The liability for this plan is determined using the projected benefit method and based on best estimate assumptions based on the employees' projected tenure and salary. The First Nation's expense is recorded as the change in the liability for the year.

i) Restricted Cash

Restricted cash balances represent assets segregated for use for replacement reserves in accordance with CMHC and FNIHB operating agreements. Restricted cash includes trust funds held by AANDC and legal counsel and cash held as security for long term debt.

j) Liability for Contaminated Sites

Liabilities for remediation of a contaminated site are recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. At each financial reporting date, the First Nation reviews the carrying amount of any liability. Effective April 1, 2014, the First Nation adopted the recommendation relating to PS 3260, Liability for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated.

Upon adoption of the new recommendations, the First Nation is required to recognize a liability for contaminated sites when economic benefits will be given up. There was no effect on the consolidated financial statements of adopting this accounting policy.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

2. Retrospective Error Correction

During the current year, new information was provided to management that identified an error was made in the previous year with the recording of a land purchase. A \$7,000,000 non-interest bearing note, due in 25 years from the purchase date, was previously unrecorded as a liability and assumed to be only security until the title transferred. The present value of the debt was \$1,467,089 as at March 31, 2014 and has been restated.

The comparative figures have been restated to reflect the above corrections with the effects being as follows:

	As previously reported		
	March 31, 2014	Adjustment	Restated
Long-term debt	4,202,778	1,467,089	5,669,867
Tangible capital assets	81,324,304	1,467,089	82,791,393
Net debt	(11,371,907)	(1,467,089)	(12,838,996)

3. Nature of Entity

The First Nation is a non-profit, non-taxable entity and is engaged in the social, cultural, educational and economic development of First Nation citizens of Peguis First Nation. The First Nation provides services such as fire, ambulance, public works, community planning, parks and recreation, library and other general government operations. These financial statements do not include the following:

Peguis First Nation TLE Trust

Peguis First Nation ("Peguis") entered into a Treaty Entitlement Agreement with the governments of Canada and Manitoba for the purpose of acquiring up to 166,794 acres of additional reserve lands. Under the agreement, Peguis agreed to create the Peguis First Nation Trust (the "Trust") to manage and administer certain monies to be paid for the purchase of land and other implementation administration. An additional sum was to be received for community purposes as set out in the agreement. The Trust is commonly known as the Peguis First Nation Treaty Land Entitlement (TLE) Trust. The Trust was created September 7, 2007 with Peguis, as settlor, contributing \$100 as the initial trust property. The beneficiary of the trust is Peguis. The Trust is managed and controlled by an independently elected Board of Trustees.

Peguis First Nation Surrender Claim Trust

Peguis First Nation (Peguis) submitted a claim to Her Majesty the Queen in right of Canada (Canada) under Canada's Specific Claims Policy with respect to the purported surrender by Peguis, on or about September 24, 1907, of its rights and interests in the land referred to as the St. Peters Reserve. Peguis and Canada entered into a settlement agreement in order to settle the claim submitted by Peguis to Canada. The Trust was settled on June 15, 2009. The Trust accounts for its activities as a not-for-profit organization as its trustees and members do not receive any financial interest directly from the Trust. Taxable income in the trust is allocated to the beneficiary annually and as such the Trust is not subject to income tax. The Trust is managed and controlled by an independently elected Board of Trustees.

PEGUIS FIRST NATION Notes to Consolidated Financial Statements

For the year ended March 31, 2015

3. Nature of Entity (continued)

Chief Peguis Investment Trust

The Trust was created June 1, 2012 with Peguis, as settlor, contributing the initial trust property. The Trust was formed to receive and hold monies from various business interests. The beneficiary of the trust is Peguis. The Trust is managed and controlled by Board of Trustees who were initially appointed from Trustees elected for the other trusts. All subsequent Trustees will be elected.

4. Restricted Cash

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$78,792 (\$82,904 in 2014) annually. 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 (CDIC) or as may otherwise be approved by CDIC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are charged to interest first and then principal. Cash and cash equivalents is comprised of the following:

	2015	2014
Externally Restricted Reserves:		
BMO treasury accounts for housing	\$ 3,257,404	\$ 3,303,003
Rath legal trust (i)	2,034,914	3,387,318
CMHC Replacement Reserve	162,026	942,505
AANDC Trust (ii)	41,192	38,496
	<u>\$ 5,495,536</u>	<u>\$ 7,671,322</u>

(i) Rath Legal Trust

Under the terms of the agreement with a business partner \$5,000,000 was to be placed into an interest bearing trust account for future project development. During the current year, the First Nation engaged in litigation to recover funds removed from this trust account.

(ii) AANDC Funds Held in Trust

The restricted cash balance contains the surplus of monies held in trust for Peguis First Nation by the Department of Aboriginal Affairs and Northern Development Canada. The change in the trust balance during the year was as follows:

	2015	2014
Trust balance, beginning of year	\$ 38,496	\$ 37,540
Interest earned	<u>2,696</u>	<u>956</u>
Trust balance, end of year	<u>\$ 41,192</u>	<u>\$ 38,496</u>

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

5. Accounts Receivable

	2015	2014
Trade and other receivables	\$ 1,850,713	\$ 3,690,286
Rosser lands deposit receivable	3,885,000	-
Related parties	37,270	570,423
Allowance for doubtful accounts	(758,228)	(1,488,687)
	\$ 5,014,755	\$ 2,772,022

6. Due from Government and other Government Organizations

	2015	2014
GST receivable	\$ 173,951	\$ 136,649
Aboriginal Affairs and Northern Development Canada		
Current funding received after year-end	10,255,679	7,775,788
Province of Manitoba - Emergency Measures Organization	3,278,687	2,936,980
	\$ 13,708,317	\$ 10,849,417

7. Long-term Investments

The investment balance reported represents the investments in loans:

	2015	2014
<u>Loans receivable:</u>		
Registered first mortgage loan, bearing interest at 5% payable annually on November 15, secured by 480 acres of land. Mortgage issued in conjunction with an offer to purchase land and mineral rights.	\$ -	\$ 3,700,000
Demand promissory notes receivable, unsecured, non- interest bearing, repayable upon demand in 24 monthly instalments of principal.	1,600,000	1,600,000
	\$ 1,600,000	\$ 5,300,000

During the current year, under the terms of the agreement the offer to purchase the land and mineral rights was terminated as the contract stipulations were not fulfilled. As a result the mortgage of \$3,700,000 plus interest became receivable by the First Nation from the seller and is included in accounts receivable (Note 5). In addition, the funds received for the sale plus interest became repayable back to the Peguis First Nation TLE Trust and is included in accounts payable (Note 9).

During the prior year, three partnerships including Peguis Hardware LP, Peguis Foods LP, and Peguis Midway LP were sold to Chief Peguis Investment Trust for the sum of \$1,600,000 in aggregate.

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

8. Demand Loans

	2015	2014
Royal Bank of Canada demand loans	\$ 445,133	\$ 6,590,221
Bank of Montreal demand loan	12,244,070	6,000,000
Bank of Montreal demand construction loan	7,749,517	-
	<u>\$ 20,438,720</u>	<u>\$ 12,590,221</u>

The bank overdrafts and revolving facilities are due on demand and bear interest at the Royal Bank of Canada's prime rate plus 2.00% to 3.45% (4.85% to 6.30% effective rate). The bank overdrafts are calculated and payable in monthly aggregate payments of \$14,174 and the revolving facility is payable in full annually. They are secured by a Directional Payment Agreement acknowledged by the Federal Government agencies covering all funding.

The Bank of Montreal demand loans are due on demand and bears interest at the Bank of Montreal's prime rate plus 2.00% (4.85% effective rate), paid monthly. Payments consist of interest only for the first 12 months following the date of initial advance followed by principal and interest payments monthly thereafter amortized over 180 months. The demand loan is secured by the cash held in the Housing Trust. The demand construction loan is secured by an assignment of materials contracts, permits, agreements, licences, and management agreements. Additional security for all BMO loans includes a general security agreement, unlimited guarantee granted by each guarantor, a mortgage and assignment of rents and leases over the certain lands, direction and blocked account agreement, cash held in the Cash Collateral Account, and assignment of all property and perils insurance.

9. Accounts Payable

	2015	2014
Trade accounts payable	\$ 3,497,285	\$ 4,840,283
Source deductions and pension payable	122,947	3,995
Trust monies repayable for Rosser lands	3,885,000	-
Related party payables	-	321,000
Provision for on-reserve member mortgages	<u>621,000</u>	-
	<u>\$ 8,126,232</u>	<u>\$ 5,165,278</u>

10. Employee Future Benefits

Accrued Termination Entitlement

Accrued termination obligations are based on an actuarial valuation as at March 31, 2015.

The First Nation's contractual commitment for the termination entitlement for employees is to pay out 1 week of salary for each year of service upon voluntary or involuntary termination of employment, if the employee has full-time status of employment and has completed one full year of service, subject to certain maximum entitlements.

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

10. Employee Future Benefits (continued)

Accrued Termination Entitlement (continued)

The significant actuarial assumptions adopted in measuring the First Nation's accrued termination entitlement include actual periods of service, including fractional years and projected salaries to the date of termination. Significant assumptions include a discount rate of 5.0% (3.5% in 2014), a rate of salary increase of 3.5% (2.0% in 2014) plus an age related merit/promotion scale, probability of termination and retirement.

An analysis of the changes in the employee benefits payable is as follows:

	2015	2014
Balance, beginning of year	\$ 2,062,000	\$ 2,068,890
Net decrease in termination entitlements	<u>(69,800)</u>	<u>(6,890)</u>
Balance, end of year	<u>\$ 1,992,200</u>	<u>\$ 2,062,000</u>

Pension Plan

The expense for the First Nation's pension plan for the year was \$661,509 (\$704,710 in 2014). The plan is funded equally by the First Nation and the First Nation's employees at rates of 5.0% to 5.5% of the employee's salaries. The funds are invested in mutual funds as directed by the First Nation's individual employees' investment directives.

11. Unexpended Funding

The unexpended funding balance represents funding advances provided to Peguis First Nation by the Department of Aboriginal Affairs and Northern Development Canada and the Government of Canada and other sources.

	2015	2014
Deferred revenue - opening	\$ 13,742,971	\$ 7,482,398
Add: AANDC current deferral	9,177,627	8,748,090
Less: Deferred revenue recognized	<u>(8,908,399)</u>	<u>(2,259,017)</u>
Less: AANDC recovery adjustment	-	(203,500)
Less: AANDC recoveries	<u>-</u>	<u>(25,000)</u>
	<u>\$ 14,012,199</u>	<u>\$ 13,742,971</u>

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

11. Unexpended Funding (continued)

The balance of deferred revenue consists of the following:

	2015	2014
Aboriginal Affairs and Northern Development Canada		
Flood advances recoverable (i) below	\$ 3,439,981	\$ 4,039,981
O&M advances recoverable (ii) below	259,600	954,800
Business Planning	11,656	-
Funding of Bands and Private housing (S500)	8,047,194	8,375,943
Roads and Bridges	850,000	-
Flood Recovery	247,856	-
First Nation and Inuit Health Branch		
Capital Funding	1,061,665	-
Other		
Peguis Trusts	87,797	205,547
2015 Hockey Tournament Ticket Sales	6,450	-
First People's Development Inc.		
CRF Initiatives	-	25,000
Human Resources and Skills Development Canada		
Licensed Practical Nurse Initiative	-	141,700
	\$ 14,012,199	\$ 13,742,971

(i) The First Nation had received advances to assist with Flood expenditures in previous years from the Department of Aboriginal Affairs and Northern Development Canada of \$3,439,981 (\$4,039,981 in 2014). These advances have been included in AANDC unearned revenues, are non-interest bearing and will be deducted from future annual entitlements as follows:

2015	\$ 600,000
2016	600,000
2017	1,035,600
2018	1,204,381
	<hr/>
	\$ 3,439,981

(ii) The First Nation has received advances on future years' operations and maintenance funding from the Department of Aboriginal Affairs and Northern Development Canada of \$259,600 (\$954,800 in 2014). These advances have been included in AANDC unearned revenues, are non-interest bearing and will be deducted from future annual entitlements as follows:

April 1, 2015 \$ 259,600

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

12. Long-term Debt

	2015	2014
CMHC mortgage payable at 1.92%, due April 2019, monthly payments of \$7,560 principal and interest, secured by an AANDC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	\$ 1,102,088	\$ 1,170,873
CMHC mortgage payable at 2.75%, due February 2016, monthly payments of \$7,835 principal and interest, secured by an AANDC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	1,212,193	1,271,985
Demand mortgage payable at 2.65%, due January 2020, monthly payments of \$7,268 principal and interest, secured by an AANDC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	432,998	505,952
Mortgage payable at 8.30%, due January 2016, monthly payments of \$9,564 principal and interest, secured by tripartite agreement and a directional payment of federal funding and band council resolutions supporting borrowings.	91,698	194,227
Mortgage payable at 2.03%, due October 2017, monthly payments of \$3,403 principal and interest, secured by an AANDC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	102,683	147,824
Mortgage payable at 3.29%, due January 2015, monthly payments of \$4,157 principal and interest, secured by an AANDC Ministerial Guarantee, supported by the CMHC Insurance and loan agreement, and assignment of fire insurance.	-	8,010
Mortgage payable at 1.71%, due September 2017, monthly payments of \$4,090 principal and interest, secured by an AANDC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	739,230	775,338
Mortgage payable at 0.83%, monthly payments and terms of loan not yet negotiated.	348,320	-
Carried forward	\$ 4,029,210	\$ 4,074,209

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

12. Long-term Debt (continued)

	2015	2014
Brought forward	\$ 4,029,210	\$ 4,074,209
BMO term loan payable at prime plus 2.00%, due September 2017, monthly payments of interest, and a 240 month straight-line amortization of any amount drawn until the maturity date at which time any outstanding amounts are to be repaid in full, secured by a general security agreement, unlimited guarantee granted by each Guarantor, the Portage Mortgage, assignment of rents and leases over the Portage lands, direction and blocked account agreement, cash held in the Cash Collateral Account, and assignment of all property and perils insurance.	4,485,001	-
BMO term loan payable at prime plus 2.00%, due September 2017, monthly payments of interest, secured by a general security agreement, unlimited guarantee granted by each Guarantor, the Portage Mortgage, assignment of rents and leases over the Portage lands, direction and blocked account agreement, cash held in the Cash Collateral Account, assignment of all property and perils insurance, and an assignment of materials contracts, permits, agreements, licences, and management agreements	1,106,034	-
BMO term loan payable at prime plus 2.00%, due September 2017, monthly payments of interest, and a 240 month straight-line amortization of any amount drawn until the maturity date at which time any outstanding amounts are to be repaid in full, secured by a general security agreement, unlimited guarantee granted by each Guarantor, the Portage Mortgage, assignment of rents and leases over the Portage lands, direction and blocked account agreement, cash held in the Cash Collateral Account, assignment of all property and perils insurance, an assignment of materials contracts, permits, agreements, licences, and management agreements, and mortgage of a sublease over Reserve lands where the RCMP Project is located.	195,290	-
Vehicle loan payable at 9.97%, due May 2014, monthly payments of \$677 principal and interest.	-	1,186
Vehicle loan payable at 9.29%, due May 2014, monthly payments of \$624 principal and interest.	-	441
Vehicle loan payable at 4.99%, due March 2016, monthly payments of \$521 principal and interest.	5,225	11,059
Vehicle loan payable at 2.99%, due March 2015, monthly payments of \$641 principal and interest.	-	7,549
Carried forward	\$ 11,436,233	\$ 5,561,533

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

12. Long-term Debt (continued)

	2015	2014
Brought forward	\$ 11,436,233	\$ 5,561,533
Vehicle loan payable at 2.99%, due March 2015, monthly payments of \$641 principal and interest	-	7,576
Vehicle loan payable at 7.49%, due April 2015, monthly payments of \$545 principal and interest.	647	6,890
Vehicle loan payable at 7.49%, due April 2014, monthly payments of \$700 principal and interest.	-	701
Vehicle loan payable at 6.89%, due August 2019, monthly payments of \$582 principal and interest.	23,466	28,638
Vehicle loan payable at 5.69%, due August 2019, monthly payments of \$1,275 principal and interest.	52,589	64,529
Vehicle loan payable at 5.50%, due November 2019, monthly payments of \$1,065 principal and interest.	52,510	-
Vehicle loan payable at 5.50%, due January 2020, monthly payments of \$1,293 principal and interest.	65,707	-
Vehicle loan payable at 5.50%, due June 2019, monthly payments of \$2,729 principal and interest.	123,618	-
Mortgage payable at 0.00%, due September 2038, one time payment of \$7,000,000 due at maturity. Secured by a mortgage on land. Recorded at initial present value and remeasured annually.	1,615,473	1,467,089
	<hr/> \$ 11,754,770	<hr/> \$ 5,669,867
Interest expense for the year on long-term debt	\$ 418,879	\$ 161,991

Under the loan agreement the First Nation has certain reporting and financial covenants for surpluses and a debt service ratio coverage of 120%. The First Nation is in violation of the reporting and financial covenants for the BMO term loan facilities and as a result all BMO loans are due on demand.

During the year the First Nation paid \$1,165,000 in consulting fees to facilitate the First Nation's refinancing. As the facilities are in breach due to violation of covenants these transaction costs have been expensed in the current year.

The future minimum payments for the next five years and thereafter assuming callable debt is not demanded are:

2016	\$ 1,977,932
2017	324,860
2018	6,650,437
2019	233,163
2020	952,905
Thereafter	1,615,473
	<hr/> \$ 11,754,770

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

13. Tangible Capital Assets

	2015				
	Land and Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 38,033,471	\$ 78,053,665	\$ 4,504,531	\$ 8,335,891	\$ 128,927,558
Additions	5,077,896	6,544,821	293,890	608,056	12,524,663
Disposals	-	(60,000)	-	-	(60,000)
Cost, end of year	43,111,367	84,538,486	4,798,421	8,943,947	141,392,221
Accumulated amortization, beginning of year	(15,314,557)	(22,640,192)	(3,616,915)	(4,564,501)	(46,136,165)
Amortization	(288,911)	(2,892,265)	(340,294)	(781,658)	(4,303,128)
Accumulated amortization, end of year	(15,603,468)	(25,532,457)	(3,957,209)	(5,346,159)	(50,439,293)
Net carrying amount, end of year	<u>\$ 27,507,899</u>	<u>\$ 59,006,029</u>	<u>\$ 841,212</u>	<u>\$ 3,597,788</u>	<u>\$ 90,952,928</u>
	2014				
	Land and Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 20,766,382	\$ 72,820,335	\$ 3,501,984	\$ 6,981,859	\$ 104,070,560
Additions	17,267,089	5,233,330	1,022,573	1,354,032	24,877,024
Disposals	-	-	(20,026)	-	(20,026)
Cost, end of year	38,033,471	78,053,665	4,504,531	8,335,891	128,927,558
Accumulated amortization, beginning of year	(15,028,071)	(21,031,588)	(3,191,629)	(3,948,329)	(43,199,617)
Amortization	(286,486)	(1,608,604)	(445,312)	(616,172)	(2,956,574)
Disposals	-	-	20,026	-	20,026
Accumulated amortization, end of year	(15,314,557)	(22,640,192)	(3,616,915)	(4,564,501)	(46,136,165)
Net carrying amount, end of year	<u>\$ 22,718,914</u>	<u>\$ 55,413,473</u>	<u>\$ 887,616</u>	<u>\$ 3,771,390</u>	<u>\$ 82,791,393</u>

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

14. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2015	2014
Investment in tangible capital assets	\$ 79,198,158	\$ 77,121,526
Current funds	(16,924,117)	(7,487,259)
Replacement Reserve funds		
CMHC	359,420	341,242
Health Canada MAR (First Nation and Al-care)	149,955	112,498
	<u>\$ 62,783,416</u>	<u>\$ 70,088,007</u>

Replacement reserves:

	CMHC	FNIHB MAR	2015	2014
Balance, beginning of year	\$ 341,242	\$ 112,498	\$ 453,740	\$ 984,889
Allocations	78,792	54,181	132,973	136,449
Adjustment to reserves	(21,666)	(8,860)	(30,526)	(211,141)
Expenses	(38,948)	(7,864)	(46,812)	(456,457)
Balance, end of year	<u>\$ 359,420</u>	<u>\$ 149,955</u>	<u>\$ 509,375</u>	<u>\$ 453,740</u>

The replacement reserve balance consists of a net accumulation of the levy on operations, recoveries collected and expenditures paid for by the reserve since inception in accordance with the agreement with Canada Mortgage and Housing Corporation (CMHC).

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

15. Government Transfers

	2015			2014		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Aboriginal Affairs and Northern Development Canada	\$ 42,483,660	\$ -	\$ 42,483,660	\$ 41,008,852	\$ -	\$ 41,008,852
Health Canada	6,119,201	2,038,905	8,158,106	7,037,950	-	7,037,950
HRSDC	456,098	-	456,098	775,707	-	775,707
Canada Mortgage and Housing Corporation	519,188	-	519,188	285,616	-	285,616
Public Safety Canada	-	-	-	122,503	-	122,503
RCMP Housing	67,200	-	67,200	67,200	-	67,200
	49,645,347	2,038,905	51,684,252	49,297,828	-	49,297,828
Provincial government transfers	1,644,421	2,001,821	3,646,242	2,196,599	2,704,094	4,900,693
	\$ 51,289,768	\$ 4,040,726	\$ 55,330,494	\$ 51,494,427	\$ 2,704,094	\$ 54,198,521

Aboriginal Affairs and Northern Development Canada (AANDC) Revenue Reconciliation

	2015	2014
AANDC cash release confirmation	\$ 42,227,516	\$ 47,018,810
Plus: Flood Road repairs receivable	341,707	-
Plus: Prior year deferral of S500 funds	7,328,749	-
Plus: Prior year overstated AANDC recoveries	695,200	695,200
Plus: First Charges	-	695,200
Plus: Private Housing (S500) deferral 2013	-	300,600
Less: Current year deferral of Roads and Bridges funds	(850,000)	-
Less: Current year deferral of S500 funds	(7,000,000)	(8,375,943)
Less: Current year deferral of Recovery funds	(247,856)	-
Less: Current year deferral of Business Planning funds	(11,656)	-
Plus: Prior years Institutional Care - Type I - 2013	-	446,485
Plus: AANDC recovery recoveries and adjustments	-	228,500
Total AANDC revenue reported	\$ 42,483,660	\$ 41,008,852

The First Nation is party to a multi-year Canada First Nation Funding arrangement which expires and is due for renewal by April 1, 2019.

PEGUIS FIRST NATION Notes to Consolidated Financial Statements

For the year ended March 31, 2015

15. Government Transfers (continued)

Peguis First Nation allocated its block funding across other programs as follows:

	2015	2014
<u>Post-Secondary:</u>		
Band Based Capital	\$ -	\$ 2,000,000
Post-secondary and Special Programs	- -	3,908,752
	<hr/>	<hr/>
	<hr/>	<hr/>
<u>Operating & Maintenance:</u>		
Roads and Public Works	\$ -	\$ 725,398
Fire Hall	- -	85,342
	<hr/>	<hr/>
	<hr/>	<hr/>
<u>Indian Government Services - Band:</u>		
Band Support	\$ 2,055,603	\$ 2,735,293
School Operations	570,849	554,460
	<hr/>	<hr/>
	<hr/>	<hr/>

16. Commitments

The First Nation has guaranteed on-reserve mortgages for its members. As at March 31, 2015 \$3,560,914 (\$3,740,834 in 2014) has been guaranteed by the First Nation. Of this amount \$621,000 of the loans were in default at year end and as the First Nation no longer has security on these balances a provision for this amount has been recorded in the First Nation's records.

The First Nation has guaranteed a line of credit of \$75,000 for Peguis Hardware LP. At March 31, 2015, the limited partnership had \$75,000 of undrawn capacity under this facility. (\$75,000 in 2014).

The First Nation has guaranteed a line of credit of \$100,000 for Peguis Midway LP. At March 31, 2015, the limited partnership had \$10,000 of undrawn capacity under this facility. (\$5,000 in 2014).

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

17. Other Income

	2015	2014
Administration fees	\$ -	\$ 336,616
Ambulance fees	413,071	394,002
Community trust funding	4,325,421	31,762,347
Concessions	117,206	110,617
Hockey, arena, and fundraising	607,025	-
Interest revenue	87,678	-
Income from business partnerships	-	200,000
Sundry - interchanges, cost recoveries, tobacco sales	<u>3,072,828</u>	<u>2,624,135</u>
	\$ 8,623,229	\$ 35,427,717

18. Net Change in Non-cash Working Capital Balances

	2015	2014
Accounts receivable, including receivables due from government	\$ (5,101,633)	\$ (7,050,381)
Prepaid expenses	(38,235)	(25,015)
Inventories	68,450	(69,295)
Account payable and accrued liabilities	2,960,954	123,454
Unexpended funding	269,228	6,260,573
Accrued termination benefits	<u>(69,800)</u>	<u>(6,890)</u>
	\$ (1,911,036)	\$ (767,554)

19. Budget

The Management Action Plan (Budget) adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net debt represent the Financial Plan adopted by Council with adjustments as follows:

	2015
Management Action Plan (Budget) surplus for the year	\$ 3,724,179
Less:	
Amortization	<u>(1,450,900)</u>
Budget surplus per statement of operations	\$ 2,273,279

PEGUIS FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

20. Expenses by Object

Expenses by object comprise the following:

	2015	2014
Salaries and benefits	\$ 23,878,114	\$ 22,968,777
Repairs and maintenance	3,510,038	9,814,465
Contractors	11,974,367	7,488,588
Social assistance	6,813,535	6,430,226
Amortization	4,281,560	2,956,574
Office and administration	2,699,998	2,463,037
Interest and bank changes	1,097,248	775,328
Donations, travel, equipment rentals, professional fees, & other	<u>24,772,001</u>	20,060,205
	<hr/> \$ 79,026,861	<hr/> \$ 72,957,200

21. Segmented Information

First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Peguis First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

The services are provided by the several entities of Peguis First Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Public Works

Public Works contains all activities that relate to the maintenance of buildings and land of the First Nation.

Social Development and Income Assistance

Social Development contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Finance & Administration

Finance & Administration contains activities that are needed to run the Peguis Indian Band organization.

Health Services

Health Services contains activities that provide medical services to band members.

PEGUIS FIRST NATION Notes to Consolidated Financial Statements

For the year ended March 31, 2015

21. Segmented Information (continued)

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Training & Development

Training & Development contains activities that provide financial support or support by other means to band members and organizations situated on the First Nation reserve that is aimed at developing personal skills and businesses.

Housing

Housing contains activities that provide housing and repairs and maintenance to band members' housing.

Gaming

Gaming contains activities that provide gaming services to both band members and non-band members.

PEGUIS FIRST NATION
Notes to Consolidated Financial Statements

For the year ended March 31

21. Segmented Information (continued)

										2015
	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	Total
Revenue										
Federal	\$ 2,734,567	\$ 7,185,991	\$ 2,200,748	\$ 10,364,752	\$ 17,592,833	\$ 969,927	\$ 10,635,435	\$ -	\$ -	\$ 51,684,253
Sundry	345,332	2,837,224	7,117,779	1,498,361	991,548	2,170,675	576,430	6,379,082	(1,878,414)	20,038,017
	3,079,899	10,023,215	9,318,527	11,863,113	18,584,381	3,140,602	11,211,865	6,379,082	(1,878,414)	71,722,270
Expenses										
General Program Expenses	2,022,499	11,009,513	9,225,158	3,535,539	6,478,149	1,726,630	13,585,984	5,162,129	(1,878,414)	50,867,187
Salaries	1,239,879	375,709	2,525,060	6,149,940	9,735,182	1,562,416	1,195,243	1,094,685	-	23,878,114
Amortization	176,515	-	1,323,478	127,956	2,114,225	-	479,044	60,342	-	4,281,560
	3,438,893	11,385,222	13,073,696	9,813,435	18,327,556	3,289,046	15,260,271	6,317,156	(1,878,414)	79,026,861
Annual surplus (deficit)	\$ (358,994)	\$ (1,362,007)	\$ (3,755,169)	\$ 2,049,678	\$ 256,825	\$ (148,444)	\$ (4,048,406)	\$ 61,926	\$ -	\$ (7,304,591)
										2014
	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	Total
Revenue										
Federal	\$ 4,586,242	\$ 7,185,992	\$ 2,858,862	\$ 7,030,748	\$ 15,313,789	\$ 2,282,096	\$ 11,264,847	\$ -	\$ -	\$ 50,522,576
Sundry	478,126	2,278,702	35,431,460	608,934	832,687	1,807,629	1,453,556	5,502,091	(1,224,529)	47,168,656
Government Business Partnerships	-	-	200,000	-	-	-	-	-	-	200,000
	5,064,368	9,464,694	38,490,322	7,639,682	16,146,476	4,089,725	12,718,403	5,502,091	(1,224,529)	97,891,232
Expenses										
General Program Expenses	3,757,781	9,439,187	5,661,593	3,193,923	5,801,628	2,460,108	13,904,210	4,249,930	(1,224,529)	47,243,831
Salaries	1,718,264	236,170	2,201,243	4,248,742	8,889,584	1,675,795	2,913,616	873,381	-	22,756,795
Amortization	665,659	-	307,231	31,968	1,472,030	-	430,007	49,679	-	2,956,574
	6,141,704	9,675,357	8,170,067	7,474,633	16,163,242	4,135,903	17,247,833	5,172,990	(1,224,529)	72,957,200
Annual surplus (deficit)	\$ (1,077,336)	\$ (210,663)	\$ 30,320,255	\$ 165,049	\$ (16,766)	\$ (46,178)	\$ (4,529,430)	\$ 329,101	\$ -	\$ 24,934,032