

**PEGUIS FIRST NATION**

**Consolidated  
Financial Statements  
For the year ended March 31, 2018**

# **PEGUIS FIRST NATION**

## **Consolidated Financial Statements** For the year ended March 31, 2018

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## Management's Responsibility for Financial Reporting

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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 Professional 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. BDO Canada LLP has presented these statements to the Finance Committee prior to approval.



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Chief Glenn Hudson

## 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, 2018, 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 \$11,415,502 the valuation and collectability of which is not susceptible of satisfactory audit verification as at the year end. During the current year, additional claims of \$1,060,949 were recorded as recoverable. 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 other revenues, annual deficit, and cash flows from operations for the years ended March 31, 2018 and 2017, financial assets as at March 31, 2018 and 2017, and accumulated surplus as at March 31, 2018 and 2017. Our audit opinion on the consolidated financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

#### **Qualified Opinion**

In our opinion, except for the possible effects of matter 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, 2018 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**

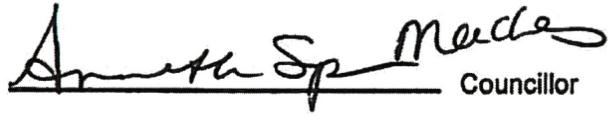
Chartered Professional Accountants

Winnipeg, Manitoba  
December 6, 2018

**PEGUIS FIRST NATION**  
**Consolidated Statement of Financial Position**

<u>March 31</u>	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash and bank	\$ 6,118,772	\$ -
Restricted cash (Note 3)	5,652,191	3,012,513
Accounts receivable (Note 4)	2,098,603	2,527,048
Due from government and government organizations (Note 5)	13,437,741	12,229,756
Long-term investments (Note 6)	1,069,974	1,069,974
	<u>28,377,281</u>	<u>18,839,291</u>
<b>Liabilities</b>		
Bank indebtedness	- -	12,927,279
Demand loans (Note 7)	43,918,105	9,185,128
Accounts payable (Note 8)	8,494,475	11,378,655
Accrued termination entitlement (Note 9)	2,047,966	1,912,000
Unexpended funding (Note 10)	12,076,261	7,926,783
Long-term debt (Note 11)	6,492,354	12,489,600
	<u>73,029,161</u>	<u>55,819,445</u>
<b>Net debt</b>	<u>(44,651,880)</u>	<u>(36,980,154)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 12)	91,257,687	87,996,812
Inventories	45,163	28,558
Prepaid expenses	30,413	35,313
	<u>91,333,263</u>	<u>88,060,683</u>
<b>Accumulated surplus (Note 13)</b>	<b>\$ 46,681,383</b>	<b>\$ 51,080,529</b>
<b>Commitments and contingency (Note 15)</b>		

Approved by the First Nation:

 \_\_\_\_\_ Chief \_\_\_\_\_ Councillor  
 \_\_\_\_\_ Councillor  \_\_\_\_\_ Councillor  
 \_\_\_\_\_ Councillor

**PEGUIS FIRST NATION**  
**Consolidated Statement of Operations**

**For the year ended March 31**

		<b>2018</b>	<b>2017</b>
		Budget	Actual
<b>Revenue</b>			
First Peoples Development Inc.	\$ 1,770,000	\$ 1,964,014	\$ 1,884,770
Gaming revenue	4,298,345	4,810,869	5,028,580
Federal Government Transfers - Operating (Note 14)	36,000,000	48,230,292	48,131,957
Federal Government Transfers - Capital (Note 14)	-	3,170,731	3,645,933
Provincial Government Transfers - Operating (Note 14)	200,000	2,617,157	982,038
Rental and tuition recoveries	-	1,083,560	1,283,725
Other income (Note 17)	54,562	8,856,039	5,388,025
	<b>42,322,907</b>	<b>70,732,662</b>	66,345,028
<b>Expenses</b>			
Social Services	5,300,880	6,603,470	6,639,891
School Operations	6,949,766	6,678,103	7,783,393
Band Administration	3,791,794	7,493,976	10,053,387
PHP, PS and Special Programs	4,055,000	3,400,489	4,262,933
VLT Operation o/a Peguis Gaming Commission	2,795,622	3,787,323	3,149,802
Medical Services Set Programs	1,537,678	3,760,828	3,898,511
Medical Services Flexible Funding Model	1,776,000	2,369,182	1,754,562
Set Funded Programs - Education	1,600,000	4,033,462	3,713,904
Capital Housing	1,694,584	2,580,112	5,171,601
McPherson Local Roads	-	173,020	288,479
Tobacco Tax	-	1,003,181	351,426
Treaty Committee	1,043,212	2,343,456	2,594,941
Training and Employment	1,870,000	2,353,862	2,033,176
Personal Care Home	1,782,047	1,888,395	1,943,255
AI-Care Treatment Centre	-	1,799,212	1,884,735
Roads and Public Works	973,373	995,624	1,234,690
Plant and Teacherages	1,166,000	1,730,281	1,983,713
Student Transportation	1,275,000	1,458,732	1,636,685
Emergency Operations Centre	200,000	897,405	1,100,826
TLE Office	-	715,303	991,361
Set Funded Programs - Band	-	737,978	1,823,673
CMHC RRAP	-	547,433	834,359
Fisher Ambulance Service	304,532	599,948	691,903
Institutional Care - Type 1	-	465,736	445,763
CMHC Projects	375,000	947,172	861,184
Lands and Membership	3,541	381,779	439,219
Sump Pump	-	301,479	-
Fire Hall	-	128,592	102,304
Cultural	-	139,840	102,000
Community Services	-	2,532,610	3,071,820
Summer Work Experience	-	276,233	285,529
Skills Link	-	7,765	6,735
Radio Payroll	-	82,977	79,576
Policing and Security	-	204,574	209,671
Women's Project	-	83,819	58,170
Structured Mitigation	-	-	185,054
Traditional Health - Trust	-	126,986	180,146
Elderly Persons Home	-	123,772	15,685
Moveable Asset Reserve	-	23,401	22,720
Housing	-	78,237	1,042,780
HIP Program	-	13,280	-
Economic Development	420,000	413,604	438,118
PIPDI	-	97,813	5,000
Financing initiative	-	10,226,541	-
Elders Gathering	-	245,967	-
Enhanced Medical Travel	-	156,346	292,403
Map and Prevention	-	35,593	28,593
Keeyask Training	-	35,158	66,333
DPMP Fin/Mgmt Pilot Project	-	24,600	10,000
Community Garden	-	18,277	36,550
S500 Project	-	7,123	487,301
End of Life Research	-	2,398	1,076
Business Planning	-	405	(376)
Geothermal Project	-	(1,044)	726
Fuel Tank Decommissioning	-	-	86,089
DPMP Pilot Project	-	-	35,109
Renovation and Additions	44,653	-	-
	<b>39,003,335</b>	<b>75,131,808</b>	74,416,484
<b>Annual surplus (deficit)</b>	<b>\$ 3,319,572</b>	<b>(4,399,146)</b>	(8,071,456)
<b>Accumulated surplus, beginning of year</b>		<b>51,080,529</b>	59,151,985
<b>Accumulated surplus, end of year</b>	<b>\$ 46,681,383</b>	<b>\$ 51,080,529</b>	

**PEGUIS FIRST NATION**  
**Consolidated Statement of Changes in Net Debt**

<u>For the year ended March 31</u>	<u>2018</u>	<u>2017</u>
	Budget	Actual
<b>Annual surplus (deficit)</b>	<b>\$ 3,319,572</b>	<b>\$ (4,399,146)</b>
<b>Acquisition of tangible capital assets</b>	<b>-</b>	<b>(7,445,823)</b>
<b>Inventories</b>	<b>-</b>	<b>(16,605)</b>
<b>Prepaid expenses</b>	<b>-</b>	<b>4,900</b>
<b>Amortization of tangible capital assets</b>	<b>-</b>	<b>4,184,948</b>
<b>(Increase) decrease in net debt</b>	<b><u>\$ 3,319,572</u></b>	<b><u>(7,671,726)</u></b>
<b>Net debt, beginning of year</b>	<b><u>(36,980,154)</u></b>	<b><u>(31,267,421)</u></b>
<b>Net debt, end of year</b>	<b><u>\$ (44,651,880)</u></b>	<b><u>\$ (36,980,154)</u></b>

**PEGUIS FIRST NATION**  
**Consolidated Statement of Cash Flows**

**For the year ended March 31** **2018** **2017**

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

**Operating Activities**

Annual deficit	\$ (4,399,146)	\$ (8,071,456)
Adjustments for items not affecting cash		
Amortization of capital assets	<u>4,184,948</u>	4,273,140
	<u>(214,198)</u>	(3,798,316)
Net change in non-cash working capital balances (Note 18)	<u>610,019</u>	6,855,943
Cash provided by operating activities	<u>395,821</u>	3,057,627

**Capital Activities**

Purchase of capital assets	<u>(7,445,823)</u>	(1,926,747)
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**Investing Activities**

Capital removed from limited partnerships	<u>-</u>	530,026
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**Financing Activities**

Demand loan proceeds	43,918,105	-
Long-term debt repayment	(5,997,246)	(909,584)
Demand loans repayment	<u>(9,185,128)</u>	(456,819)
Cash used in (provided by) financing activities	<u>28,735,731</u>	(1,366,403)

**Increase in cash and cash equivalents**

21,685,729 294,503

**Bank indebtedness, beginning of year**

(9,914,766) (10,209,269)

**Cash (bank indebtedness), end of year**

\$ 11,770,963 \$ (9,914,766)

**Represented by**

Cash and bank	\$ 6,118,772	\$ (12,927,279)
Restricted cash	<u>5,652,191</u>	3,012,513
	<u>\$ 11,770,963</u>	\$ (9,914,766)

**Supplementary Information**

Interest paid	<u>\$ 1,111,716</u>	\$ 1,524,054
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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2018

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### 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 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
Peguis Housing Authority Inc.	

#### 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.

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

For the year ended March 31, 2018

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### 1. Summary of Significant Accounting Policies (continued)

#### 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 and bank, bank indebtedness, restricted cash, accounts receivable, due from government and 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.

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### 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 INAC 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 and remeasures.

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### **2. 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 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 is managed and controlled by an independently elected Board of Trustees.

#### **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. The Trust owns the shares of Peguis Development Corporation, Chief Peguis Investment Corporation and general partners of Peguis Foods Limited Partnership, Peguis Hardware Limited Partnership, and Peguis Midway Limited Partnership.

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### **3. Restricted Cash**

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$59,623 (\$79,440 in 2015) 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 items restricted by agreement:

	<b>2018</b>	<b>2017</b>
<u><b>Externally Restricted Reserves:</b></u>		
BMO treasury accounts for housing (i)	\$ 1,019,032	\$ 1,008,258
PEM Hospital	4,371,992	2,000,000
CMHC Replacement Reserve	257,571	2,951
INAC Trust (ii)	3,596	1,304
	<hr/>	<hr/>
	<b>\$ 5,652,191</b>	<b>\$ 3,012,513</b>

#### **(i) BMO treasury accounts for housing**

Under the terms of the Funding direction with the Peguis Surrender Trust, \$3,500,000 was to be placed into a treasury account for future project development. Subsequent removal of funds were approved by the Trustees and BMO.

#### **(ii) INAC Funds Held in Trust**

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

	<b>2018</b>	<b>2017</b>
Trust balance, beginning of year	\$ 1,304	\$ 36
Interest earned	<hr/>	<hr/>
Trust balance, end of year	<b>\$ 3,596</b>	<b>\$ 1,304</b>

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### **4. Accounts Receivable**

	<b>2018</b>	<b>2017</b>
Chief Peguis Investment Corporation	\$ 2,088,433	\$ 1,909,221
Health Services	66,178	69,219
Band Administration	274,478	171,037
School Board	223,580	208,794
Senior Centre	23,978	9,254
Gaming Commission	1,926	40,992
Treaty Committee	220,750	220,000
AI-Care Treatment Centre	983	-
Training and Employment	982,210	391,202
Fisher Ambulance Service	243,534	215,942
TLE Implementation Services	-	1,087
Allowance for doubtful accounts	<u>(2,027,447)</u>	<u>(709,700)</u>
	<b>\$ 2,098,603</b>	<b>\$ 2,527,048</b>

### **5. Due from Government and Government Organizations**

	<b>2018</b>	<b>2017</b>
GST receivable	\$ 268,113	\$ 218,635
Indigenous and Northern Affairs Canada		
Current funding received after year-end	583,956	433,375
Kapyong court costs	886,912	886,912
Province of Manitoba tobacco tax rebates	283,258	336,281
Flooding receivables	<u>11,415,502</u>	<u>10,354,553</u>
	<b>\$ 13,437,741</b>	<b>\$ 12,229,756</b>

### **6. Long-term Investments**

The investment balance reported represents the investments in loans:

	<b>2018</b>	<b>2017</b>
<u>Loans receivable:</u>		
Demand promissory notes receivable, unsecured, non-interest bearing, repayable upon demand in 24 monthly instalments of principal.	<u>\$ 1,069,974</u>	<u>\$ 1,069,974</u>

In 2014, three businesses: 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, 2018**

### **7. Demand Loans**

	<b>2018</b>	<b>2017</b>
Royal Bank of Canada demand loan	\$ 388,768	\$ 408,186
Bridge Finance Inc. (including accrued interest)	<u>43,529,337</u>	-
Bank of Montreal demand loans	-	2,083,709
Bank of Montreal demand construction loan	-	6,693,233
	<hr/> <u>\$ 43,918,105</u>	<hr/> <u>\$ 9,185,128</u>

The Royal Bank of Canada bank overdrafts and demand facilities are due on demand and bear interest at 3.09%. They are secured by a Directional Payment Agreement acknowledged by the Federal Government agencies covering all funding.

The Bridge Finance Inc. demand loan is due on demand and bears interest at the bank of Montreal Prime Rate plus 11%. The facility may be prepaid in full or partially at any time. The demand loan is secured by a general security agreement, registered mortgage on land, assignment of leases and rents, assignment of all property and perils insurance.

### **8. Accounts Payable**

	<b>2018</b>	<b>2017</b>
Band Administration	\$ 4,636,819	\$ 6,064,863
Source deductions and pension payable	114,823	184,354
Related party payables	791,294	441,500
Health Services	435,099	507,703
School Board	509,881	656,560
Senior Centre	136,248	1,302,144
Gaming Commission	20,554	196,270
Treaty Committee	25,614	23,819
AI-Care Treatment Centre	19,251	50,922
Training and Employment	637,841	124,971
Fisher Ambulance Service	19,383	16,292
TLE Implementation Services	73,337	115,332
Provision for on-reserve member mortgages	<hr/> 1,074,331	<hr/> 1,693,925
	<hr/> <u>\$ 8,494,475</u>	<hr/> <u>\$ 11,378,655</u>

### **9. Employee Future Benefits**

#### Accrued Termination Entitlement

Accrued termination obligations are based on an actuarial valuation as at March 31, 2018.

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.

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## PEGUIS FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### **9. Employee Future Benefits (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 4.5% (5.0% in 2017), a rate of salary increase of 4.5% (3.5% in 2017) 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:

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	<b>\$ 1,912,000</b>	\$ 2,051,750
Net increase (decrease) in termination entitlements	<b>135,966</b>	(139,750)
Balance, end of year	<b>\$ 2,047,966</b>	\$ 1,912,000

#### Pension Plan

The expense for the First Nation's pension plan for the year was \$692,269 (\$744,387 in 2017). 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.

### **10. Unexpended Funding**

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

	<b>2018</b>	<b>2017</b>
Deferred revenue - opening	<b>\$ 7,926,783</b>	\$ 4,373,721
Add: current deferral	<b>7,613,335</b>	7,623,329
Less: Deferred revenue recognized	<b>(3,463,857)</b>	(4,070,267)
	<b>\$ 12,076,261</b>	\$ 7,926,783

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### **10. Unexpended Funding (continued)**

The balance of deferred revenue consists of the following:

	<b>2018</b>	<b>2017</b>
Indigenous and Northern Affairs Canada		
Flood advances recoverable (i) below	\$ 1,635,600	\$ 2,930,800
Business Planning	62,823	62,823
Wastewater	3,480,000	-
NTR3 Recovery	89,050	40,350
Natural Resources Canada	18,000	13,500
Flood Recovery	247,856	247,856
McPherson Bridge - Ab's Crossing	-	1,953,000
Trust Funding from Lands Management	45,000	45,000
Renovations and Additions	250,000	250,000
Sump Pump Diverter	295,773	-
Health Canada		
Trust Capital Funding	80,000	80,000
Percy E. Moore Hospital and Renovation	4,629,385	2,000,000
Other		
Peguis Senior Centre	87,797	87,797
Peguis Soil Remediation Project	620,469	-
Training & Employment	12,554	-
Treaty Land Entitlement Office Funds	-	99,021
Peguis Al-Care Treatment Centre	160,474	116,636
Trust monies - Community Services	135,000	-
Trust monies - Housing	226,480	-
	<b>\$ 12,076,261</b>	<b>\$ 7,926,783</b>

(i) The First Nation had received advances to assist with Flood expenditures in previous years from the Department of Indigenous and Northern Affairs Canada. As at March 31, 2018, these advances outstanding amounted to \$1,635,600 (\$2,930,800 in 2017). These advances have been included in INAC unearned revenues, are non-interest bearing and will be deducted from future annual entitlements as follows:

2019	<u>\$ 1,635,600</u>
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**PEGUIS FIRST NATION**  
**Notes to Consolidated Financial Statements**

**For the year ended March 31, 2018**

**11. Long-term Debt**

	<b>2018</b>	<b>2017</b>
Debt repaid during the year.	\$ -	\$ 413,107
Debt repaid during the year.	- -	350,000
CMHC mortgage payable at 1.92%, due April 2019, monthly payments of \$7,560 principal and interest, secured by an INAC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	<b>887,032</b>	960,273
CMHC mortgage payable at 1.01%, due February 2031, monthly payments of \$6,921 principal and interest, secured by an INAC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.	<b>1,005,425</b>	1,078,154
Demand mortgage payable at 2.65%, due January 2021, monthly payments of \$7,268 principal and interest, secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	<b>196,317</b>	277,160
Debt repaid during the year.	- -	23,653
\$100,000 advance provided by CMHC as Proposal Development Funding for constructing a new affordable personal care home on the Peguis First Nation.	<b>99,862</b>	100,000
Mortgage payable at 1.71%, due September 2032, monthly payments of \$4,090 principal and interest, secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	<b>627,145</b>	665,010
CMHC mortgage payable at 1.30%, due December 2040, monthly payments of \$5,370 principal and interest, secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement, and an assignment of fire insurance.	<b>1,268,931</b>	1,317,033
Debt repaid during the year.	- -	4,025,001
Debt repaid during the year.	- -	877,200
Debt repaid during the year.	- -	218,465
Mortgage payable at 0.00%, due September 2038, one time balloon payment of \$7,000,000 due at maturity. Secured by a mortgage on land. Recorded at initial present value and remeasured annually.	<b>1,998,840</b>	1,883,034
Vehicle loan payable at 6.89%, due August 2019, monthly payments of \$582 principal and interest.	<b>2,910</b>	11,993
Vehicle loan payable at 5.69%, due August 2019, monthly payments of \$1,275 principal and interest.	<b>3,785</b>	18,773
Carried forward	<b>\$ 6,090,247</b>	\$ 12,218,856

**PEGUIS FIRST NATION**  
**Notes to Consolidated Financial Statements**

**For the year ended March 31, 2018**

**11. Long-term Debt (continued)**

	<b>2018</b>	<b>2017</b>
Brought forward	\$ 6,090,247	\$ 12,218,856
Vehicle loan payable at 5.50%, due November 2019, monthly payments of \$1,065 principal and interest.	20,314	31,640
Vehicle loan payable at 5.50%, due January 2020, monthly payments of \$1,293 principal and interest.	26,995	40,613
Vehicle loan payable at 5.50%, due June 2019, monthly payments of \$2,729 principal and interest.	39,460	60,137
Vehicle loan payable at 6.50%, due December 2020, monthly payments of \$3,632.42 principal and interest.	100,738	138,354
Vehicle loan payable at 6.50%, due December 2020, monthly payments of \$3,632.42 principal and interest.	<u>214,600</u>	-
	<u>\$ 6,492,354</u>	<u>\$ 12,489,600</u>
Interest expense for the year on long-term debt	\$ 341,472	\$ 612,008
The future minimum payments for the next five years and thereafter assuming callable debt is not demanded are:		
2019	\$ 487,612	
2020	585,413	
2021	317,783	
2022	277,260	
2023	196,580	
Thereafter	<u>4,627,706</u>	
	<u>\$ 6,492,354</u>	

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### **12. Tangible Capital Assets**

Included in capital assets is a total of \$12,241,248 of assets under construction. These capital assets will be amortized once they are in use.

	<b>2018</b>				
	<b>Land and Infrastructure</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Automotive</b>	<b>Total</b>
Cost, beginning of year	\$ 43,378,928	\$ 89,180,027	\$ 4,866,092	\$ 9,654,636	\$ 147,079,683
Additions	115,807	6,743,762	102,833	483,421	7,445,823
Cost, end of year	<b>43,494,735</b>	<b>95,923,789</b>	<b>4,968,925</b>	<b>10,138,057</b>	<b>154,525,506</b>
Accumulated amortization, beginning of year	(16,182,586)	(31,662,687)	(4,464,379)	(6,773,219)	(59,082,871)
Amortization	(289,558)	(3,059,949)	(189,500)	(645,941)	(4,184,948)
Accumulated amortization, end of year	<b>(16,472,144)</b>	<b>(34,722,636)</b>	<b>(4,653,879)</b>	<b>(7,419,160)</b>	<b>(63,267,819)</b>
Net carrying amount, end of year	<b>\$ 27,022,591</b>	<b>\$ 61,201,153</b>	<b>\$ 315,046</b>	<b>\$ 2,718,897</b>	<b>\$ 91,257,687</b>
	<b>2017</b>				
	<b>Land and Infrastructure</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Automotive</b>	<b>Total</b>
Cost, beginning of year	\$ 43,269,831	\$ 87,734,017	\$ 4,803,838	\$ 9,345,250	\$ 145,152,936
Additions	109,097	1,446,010	62,254	309,386	1,926,747
Cost, end of year	<b>43,378,928</b>	<b>89,180,027</b>	<b>4,866,092</b>	<b>9,654,636</b>	<b>147,079,683</b>
Accumulated amortization, beginning of year	(15,896,176)	(28,605,704)	(4,228,568)	(6,079,283)	(54,809,731)
Amortization	(286,410)	(3,056,983)	(235,811)	(693,936)	(4,273,140)
Accumulated amortization, end of year	<b>(16,182,586)</b>	<b>(31,662,687)</b>	<b>(4,464,379)</b>	<b>(6,773,219)</b>	<b>(59,082,871)</b>
Net carrying amount, end of year	<b>\$ 27,196,342</b>	<b>\$ 57,517,340</b>	<b>\$ 401,713</b>	<b>\$ 2,881,417</b>	<b>\$ 87,996,812</b>

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### **13. Accumulated Surplus**

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

	<b>2018</b>	<b>2017</b>
Investment in tangible capital assets	<b>\$ 84,765,333</b>	\$ 75,507,212
Current funds	<b>(38,558,558)</b>	(24,855,016)
Replacement Reserve funds		
CMHC	<b>430,680</b>	388,297
Health Canada MAR (First Nation and Al-Care)	<b>43,928</b>	40,036
	<b>\$ 46,681,383</b>	\$ 51,080,529

#### **Replacement reserves:**

	<b>CMHC</b>	<b>FNIHB MAR</b>	<b>2018</b>	<b>2017</b>
Balance, beginning of year	\$ 388,297	\$ 40,036	\$ 428,333	\$ 462,582
Allocations	59,623	34,655	94,278	118,589
Adjustment to reserves	7,000	-	7,000	(5,717)
Expenses	(24,240)	(30,763)	(55,003)	(147,121)
Balance, end of year	<b>\$ 430,680</b>	<b>\$ 43,928</b>	<b>\$ 474,608</b>	<b>\$ 428,333</b>

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).

### **14. Government Transfers**

	<b>Operating</b>	<b>Capital</b>	<b>Total</b>	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal Government Transfers:</b>						
INAC	\$ 39,016,084	\$ 3,170,731	\$ 42,186,815	\$ 40,106,287	\$ 2,875,000	\$ 42,981,287
Health Canada	8,114,073	-	8,114,073	7,105,325	770,933	7,876,258
HRSDC	-	-	-	-	-	-
CMHC	1,032,935	-	1,032,935	853,145	-	853,145
Public Safety Canada	-	-	-	-	-	-
RCMP Housing	67,200	-	67,200	67,200	-	67,200
	<b>48,230,292</b>	<b>3,170,731</b>	<b>51,401,023</b>	<b>48,131,957</b>	<b>3,645,933</b>	<b>51,777,890</b>
<b>Provincial government transfers</b>						
	<b>2,617,157</b>	-	<b>2,617,157</b>	982,038	-	982,038
	<b>\$ 50,847,449</b>	<b>\$ 3,170,731</b>	<b>\$ 54,018,180</b>	<b>\$ 49,113,995</b>	<b>\$ 3,645,933</b>	<b>\$ 52,759,928</b>

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### 14. Government Transfers (continued)

#### Indigenous and Northern Affairs Canada (INAC) Revenue Reconciliation

	2018	2017
INAC cash release confirmation	\$ 44,683,257	\$ 44,587,204
Plus: Prior year deferral of Remediation funds	-	650,933
Plus: Prior year deferral of Roads and Bridges funds	1,953,000	-
Less: Current year deferral of Renovations and Additions	-	(250,000)
Less: Current year deferral of McPherson Road funds	-	(1,953,000)
Less: Current year deferral of Recovery funds	-	(40,350)
Less: Current year deferral of Wastewater	(3,480,000)	-
Less: Current year deferral Sump Pump Diverter	(295,773)	-
Less: Current year deferral of Natural Resources Canada	(4,500)	(13,500)
Less: Current year deferral of Remediation fund	(620,469)	-
Less: Current year Road Inspection Report deferral	(48,700)	-
 Total INAC revenue reported	 \$ 42,186,815	 \$ 42,981,287

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 allocated its block funding across other programs as follows:

	2018	2017
<u>Elementary/Secondary:</u>		
Peguis School Operations	\$ 7,111,549	\$ 6,616,412
Student Transportation	1,122,880	1,481,208
 	 \$ 8,234,429	 \$ 8,097,620
<u>Post-Secondary:</u>		
Band Support	\$ 2,000,000	\$ 2,000,000
Post-secondary and Special Programs	6,306,886	6,274,636
 	 \$ 8,306,886	 \$ 8,274,636
<u>Operating &amp; Maintenance:</u>		
Roads and Public Works	\$ 1,527,085	\$ 1,500,234
Fire Hall	-	98,957
 	 \$ 1,527,085	 \$ 1,599,191

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### **15. Commitments and Contingency**

The First Nation has guaranteed on-reserve mortgages for its members. As at March 31, 2018, \$1,074,331 (\$3,248,166 in 2017) has been guaranteed by the First Nation. Of this amount \$1,074,331 of the loans were in default at year end and as the First Nation does not exercise 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, 2018, the limited partnership had \$75,000 of undrawn capacity under this facility. (\$75,000 in 2017).

The First Nation has guaranteed a line of credit of \$100,000 for Peguis Midway LP. At March 31, 2018, the limited partnership had \$75,000 of undrawn capacity under this facility. (\$75,000 in 2017).

The First Nation has been named in a countersuit with a former advisor for contingency and other billings. Legal counsel has advised that it is unlikely that the countersuit will be successful. The First Nation's claim against the advisor may provide a recovery of \$3,200,000 to \$5,000,000 of costs already paid. A provision for this claim has not been made in the financial statements as this is dependent upon future events.

### **16. Subsequent Event**

Subsequent to year end, the First Nation disbursed over \$34 million through the Bridging Financing Inc. facility to fund housing projects.

### **17. Other Income**

	<b>2018</b>	<b>2017</b>
Administration fees	\$ 2,368,110	\$ 1,086,244
Ambulance fees	471,592	531,957
Community trust funding	2,036,822	2,015,573
Concessions	122,361	137,010
Emergency operation	1,060,949	123,000
Hockey, arena and fundraising	687,977	596,098
Interest revenue	10,846	256,500
School operations	478,715	479,487
Sundry - interchanges, cost recoveries and tobacco sales	<u>1,618,667</u>	<u>162,156</u>
	<hr/> <b>\$ 8,856,039</b>	<hr/> <b>\$ 5,388,025</b>

# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

### **18. Net Change in Non-cash Working Capital Balances**

	<b>2018</b>	<b>2017</b>
Accounts receivable, including receivables due from government	\$ (779,540)	\$ 196,156
Prepaid expenses	4,900	8,906
Inventories	(16,605)	3,423
Account payable	(2,884,180)	3,234,146
Unexpended funding	4,149,478	3,553,062
Accrued termination entitlement	135,966	(139,750)
	<b>\$ 610,019</b>	<b>\$ 6,855,943</b>

### **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 were without adjustments for amortization:

	<b>2018</b>
Management Action Plan (Budget) surplus for the year	\$ 3,319,572
Less: Amortization	-
Budget surplus per statement of operations	<b>\$ 3,319,572</b>

### **20. Expenses by Object**

Expenses by object comprise the following:

	<b>2018</b>	<b>2017</b>
Salaries and benefits	\$ 25,501,553	\$ 25,262,025
Repairs and maintenance	1,860,077	2,422,969
Contractors	3,513,294	6,348,960
Social assistance	6,172,762	6,198,246
Amortization	4,229,501	4,282,115
Office and administration	1,968,009	2,375,074
Interest and bank charges	6,762,272	1,675,848
Professional fees	6,859,130	2,430,484
Travel	1,145,811	1,129,078
Donations	1,225,625	1,747,901
Post secondary	1,523,669	2,124,779
Medical travel	1,684,699	1,737,106
Other	12,685,406	16,681,899
	<b>\$ 75,131,808</b>	<b>\$ 74,416,484</b>

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# PEGUIS FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2018**

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### **21. Comparative figures**

Certain prior years' figures have been restated to conform to the current years' presentation.

### **22. 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.

#### 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**

**22. Segmented Information (continued)**

	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	2018 Total
<b>Revenue</b>										
INAC	\$ 5,592,833	\$ 8,009,957	\$ 4,155,210	\$ 2,425,461	\$ 18,476,321	\$ 550,512	\$ 2,976,521	\$ -	\$ -	\$ 42,186,815
Sundry and other federal	1,455,994	762,483	6,063,197	9,136,120	843,120	2,499,081	1,437,385	7,201,032	(852,565)	28,545,847
	<b>7,048,827</b>	<b>8,772,440</b>	<b>10,218,407</b>	<b>11,561,581</b>	<b>19,319,441</b>	<b>3,049,593</b>	<b>4,413,906</b>	<b>7,201,032</b>	<b>(852,565)</b>	<b>70,732,662</b>

<b>Expenses</b>										
General program	2,792,216	9,059,817	15,563,124	4,248,552	5,480,899	1,885,720	2,493,555	5,192,265	(852,565)	45,863,583
Salaries	182,813	-	1,316,571	173,088	2,088,425	-	407,648	60,956	-	4,229,501
Amortization	701,056	288,828	3,038,898	7,217,685	9,731,743	1,285,126	1,257,830	1,517,558	-	25,038,724
	<b>3,676,085</b>	<b>9,348,645</b>	<b>19,918,593</b>	<b>11,639,325</b>	<b>17,301,067</b>	<b>3,170,846</b>	<b>4,159,033</b>	<b>6,770,779</b>	<b>(852,565)</b>	<b>75,131,808</b>
<b>Annual surplus (deficit)</b>	<b>\$ 3,372,742</b>	<b>\$ (576,205)</b>	<b>\$ (9,700,186)</b>	<b>\$ (77,744)</b>	<b>\$ 2,018,374</b>	<b>\$ (121,253)</b>	<b>\$ 254,873</b>	<b>\$ 430,253</b>	<b>\$ -</b>	<b>\$ (4,399,146)</b>

	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	2017 Total
<b>Revenue</b>										
INAC	\$ 6,600,471	\$ 7,493,466	\$ 4,244,622	\$ 2,543,983	\$ 17,325,976	\$ 645,399	\$ 4,127,370	\$ -	\$ -	\$ 42,981,287
Sundry and other federal	309,481	2,127,702	2,419,638	8,128,394	1,004,282	2,184,259	1,590,351	7,169,978	(1,570,344)	23,363,741
	<b>6,909,952</b>	<b>9,621,168</b>	<b>6,664,260</b>	<b>10,672,377</b>	<b>18,330,258</b>	<b>2,829,658</b>	<b>5,717,721</b>	<b>7,169,978</b>	<b>(1,570,344)</b>	<b>66,345,028</b>

<b>Expenses</b>										
General program	4,306,543	9,920,505	7,537,412	4,240,551	7,148,881	1,248,722	6,335,147	5,618,567	(1,570,344)	44,785,984
Salaries	736,924	307,116	2,606,764	6,844,434	10,088,949	1,638,963	1,654,156	1,471,080	-	25,348,386
Amortization	182,813	-	1,344,791	142,108	2,142,798	-	408,648	60,956	-	4,282,114
	<b>5,226,280</b>	<b>10,227,621</b>	<b>11,488,967</b>	<b>11,227,093</b>	<b>19,380,628</b>	<b>2,887,685</b>	<b>8,397,951</b>	<b>7,150,603</b>	<b>(1,570,344)</b>	<b>74,416,484</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,683,672</b>	<b>\$ (606,453)</b>	<b>\$ (4,824,707)</b>	<b>\$ (554,716)</b>	<b>\$ (1,050,370)</b>	<b>\$ (58,027)</b>	<b>\$ (2,680,230)</b>	<b>\$ 19,375</b>	<b>\$ -</b>	<b>\$ (8,071,456)</b>