

**Birdtail Sioux First Nation**  
**Consolidated Financial Statements**  
*March 31, 2022*

# Birdtail Sioux First Nation

## Contents

For the year ended March 31, 2022

---

	Page
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
<b>Notes to the Consolidated Financial Statements.....</b>	<b>5</b>
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	15
Schedule 2 - Consolidated Schedule of Expenses by Object.....	17
Schedule 3 - Consolidated Summary Schedule of Segment Operations.....	18
Schedule 4 - Governance .....	19
Schedule 5 - Infrastructure.....	20
Schedule 6 - Social Assistance.....	21
Schedule 7 - Health.....	22
Schedule 8 - Community Wellness.....	23
Schedule 9 - Land Management and Resource Development.....	24
Schedule 10 - Education.....	25
Schedule 11 - Employment, Training and Daycare.....	26
Schedule 12 - Subsidized Housing.....	27
Schedule 13 - Economic Enterprises.....	28
Schedule 14 - Other.....	29
Schedule 15 - General Store.....	30

---

## Management's Responsibility

---

To the Members of Birdtail Sioux First Nation:

The accompanying consolidated financial statements of Birdtail Sioux First Nation are the responsibility of management and have been approved by Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

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

MNP LLP an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.



---

Financial Advisor

## Independent Auditor's Report

---

To the Members of Birdtail Sioux First Nation:

### Opinion

We have audited the consolidated financial statements of Birdtail Sioux First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and consolidated schedules of segment operations.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

#### MNP LLP

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Winnipeg, Manitoba

January 16, 2023


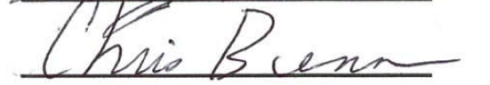

*MNP LLP*

Chartered Professional Accountants

**Birdtail Sioux First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2022*

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	2,597,825	3,626,923
Accounts receivable (Note 4)	682,759	127,533
Inventory	63,457	27,117
Restricted cash (Note 5)	77,721	76,360
Portfolio investments (Note 6)	-	510
	<b>3,421,762</b>	<b>3,858,443</b>
<b>Liabilities</b>		
Accounts payable and accruals	428,183	1,083,872
Deferred revenue (Note 7)	2,776,223	2,327,916
Notes payable (Note 8)	633,409	742,619
Due to Indigenous Services Canada (Note 9)	343,926	377,723
Long-term debt (Note 10)	1,783,602	1,900,774
	<b>5,965,343</b>	<b>6,432,904</b>
<b>Net debt</b>	<b>(2,543,581)</b>	<b>(2,574,461)</b>
<b>Contingent liabilities</b> (Note 11)		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	17,355,124	15,720,667
Prepaid expenses	26,455	-
	<b>17,381,579</b>	<b>15,720,667</b>
<b>Accumulated surplus</b> (Note 12)	<b>14,837,998</b>	<b>13,146,206</b>




Approved on behalf of the Chief and Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

# Birdtail Sioux First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2022*

	Schedules	2022 Budget	2022	2021
<b>Revenue</b>				
Indigenous Services Canada (Note 13)		10,085,500	10,171,279	9,639,949
Sales		-	1,563,173	788,205
Other revenue		-	1,059,548	922,498
First Peoples Development Inc.		-	272,106	312,958
Canada Mortgage and Housing Corporation		-	124,715	124,915
Rental income		-	94,257	92,765
Revenue deferred in prior year (Note 7)		-	2,327,916	908,432
Revenue deferred to subsequent year (Note 7)		-	(2,776,223)	(2,327,916)
<b>Total revenue</b>		<b>10,085,500</b>	<b>12,836,771</b>	<b>10,461,806</b>
<b>Segment expenses</b>				
Governance	4	1,435,005	1,272,052	1,390,997
Infrastructure	5	1,260,529	1,441,579	1,305,916
Social Assistance	6	1,338,590	1,661,832	1,847,585
Health	7	2,998,759	2,456,152	2,399,847
Community Wellness	8	88,968	47,019	34,593
Land Management and Resource Development	9	773,171	848,873	304,660
Education	10	247,702	237,902	260,040
Employment, Training and Daycare	11	-	315,857	378,226
Subsidized Housing	12	-	464,397	250,456
Economic Enterprises	13	-	36,534	24,663
Other	14	-	802,090	523,215
General Store	15	1,805,750	1,543,782	665,507
<b>Total segment expenses (Schedule 2)</b>		<b>9,948,474</b>	<b>11,128,069</b>	<b>9,385,705</b>
<b>Surplus before other items</b>		<b>137,026</b>	<b>1,708,702</b>	<b>1,076,101</b>
<b>Other items</b>				
Funding recovery from ISC for Guidance and Counselling		-	(20,065)	-
Loss on sale of tangible capital assets		-	(27,426)	-
Gain on disposal of portfolio investment		-	30,581	-
		-	(16,910)	-
<b>Surplus</b>		<b>137,026</b>	<b>1,691,792</b>	<b>1,076,101</b>
<b>Accumulated surplus, beginning of year</b>		<b>13,146,206</b>	<b>13,146,206</b>	<b>12,070,105</b>
<b>Accumulated surplus, end of year</b>		<b>13,283,232</b>	<b>14,837,998</b>	<b>13,146,206</b>

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

**Birdtail Sioux First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2022*

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
<b>Annual surplus</b>	137,026	<b>1,691,792</b>	1,076,101
Purchases of tangible capital assets	-	<b>(2,765,974)</b>	(1,714,075)
Amortization of tangible capital assets	-	<b>849,824</b>	764,212
Proceeds on disposal of tangible capital assets	-	<b>254,267</b>	-
Loss on sale of tangible capital assets	-	<b>27,426</b>	-
Increase in prepaid expenses	-	<b>(26,455)</b>	-
<b>Decrease in net debt</b>	<b>137,026</b>	<b>30,880</b>	126,238
<b>Net debt, beginning of year</b>	<b>(2,574,461)</b>	<b>(2,574,461)</b>	(2,700,699)
<b>Net debt, end of year</b>	<b>(2,437,435)</b>	<b>(2,543,581)</b>	(2,574,461)

*The accompanying notes are an integral part of these consolidated financial statements*



**Birdtail Sioux First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash receipts from contributors	12,639,110	12,672,265
Cash paid to suppliers	(8,434,084)	(6,003,389)
Cash paid to employees	(2,468,064)	(1,925,977)
Interest on long-term debt	(57,701)	(48,391)
	<b>1,679,261</b>	<b>4,694,508</b>
<b>Financing activities</b>		
Repayment of long-term debt	(117,172)	(114,931)
Repayment of notes payable	(109,210)	(244,995)
	<b>(226,382)</b>	<b>(359,926)</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,765,974)	(1,714,075)
Proceeds on disposal of tangible capital assets	254,267	-
	<b>(2,511,707)</b>	<b>(1,714,075)</b>
<b>Investing activity</b>		
Proceeds on disposal of investment	31,091	-
Increase in restricted cash	(1,361)	(660)
	<b>29,730</b>	<b>(660)</b>
<b>Increase (decrease) in cash resources</b>	<b>(1,029,098)</b>	<b>2,619,847</b>
<b>Cash resources, beginning of year</b>	<b>3,626,923</b>	<b>1,007,076</b>
<b>Cash resources, end of year</b>	<b>2,597,825</b>	<b>3,626,923</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**1. Operations**

Birdtail Sioux First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its Members.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

Birdtail Sioux First Nation includes the First Nation government and all related entities that are either owned or controlled by the First Nation. Trusts administered on behalf of third parties by Birdtail Sioux First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following incorporated entities and limited partnerships:

- Birdtail Sioux General Store Inc.
- Birdtail Sioux Housing Authority Inc.
- Birdtail Sioux Construction Ltd.
- 5503800 Manitoba Ltd.
- Birdtail Dakota Ltd.
- Birdtail Sioux Enterprises Ltd.
- Assiniboine Valley Cattle Ranch Inc.
- Birdtail Fox Enterprises Ltd.
- Birdtail Sioux Bud Ltd.
- Birdtail Sioux Bud Limited Partnership
- Birdtail Sioux Construction Limited Partnership
- Birdtail Sioux Enterprises Limited Partnership

All inter-entity balances and transactions have been eliminated on consolidation.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash and cash equivalents***

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**2. Significant accounting policies** *(Continued from previous page)*

***Inventory***

Inventory consists of purchased goods held for resale in the Birdtail Sioux General Store Inc. Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2022, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

***Portfolio investments***

Investments in entities that are not controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Net debt***

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***Non-financial assets***

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized using methods and rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the rates below:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Buildings	declining balance	4 %
Vehicles	declining balance	20 %
Equipment	declining balance	20 %
Infrastructure	declining balance	2.5 %
Houses	straight-line	25 years

**2. Significant accounting policies** *(Continued from previous page)*

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying value exceeds the residual value of the asset's service potential to the First Nation. Any impairment is included in the consolidated statement of operations in the year in which the asset becomes impaired.

***Revenue recognition***

Government transfer revenue, which includes Indigenous Services Canada and Canada Mortgage and Housing Corporation is recognized as the funding becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is recognized as revenue in the year to which it was designated. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Sales are recognized when the services are provided or the goods are shipped and subsequent collection is reasonably assured.

Rent revenue is recorded in the period it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collection is reasonably assured.

***Employee future benefits***

The First Nation's employee future benefit programs consist of a defined contribution pension plan. First Nation contributions to the defined contribution plan are expensed as incurred.

***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Provisions are made for slow moving or obsolete inventory when estimating the net realizable value. Amortization is based on the estimated useful lives of the related tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Provisions for funding recoveries and site rehabilitation costs are recorded in accordance with management's estimates of future costs.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the period in which they become known.

**2. Significant accounting policies** *(Continued from previous page)*

**Segments**

The First Nation conducts its operations through 12 reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segment. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

*Governance*

Activities include the band support administration function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

*Infrastructure*

Activities include the provision of residential housing opportunities for community members as well as planning, managing and delivery of large scale infrastructure and capital projects to the community.

*Social Assistance*

Activities include satisfying the economic, social or health related needs of members of the community who require assistance.

*Health*

Activities include the delivery of programs to promote community-based health and to address environmental issues and non-insured health benefits.

*Community Wellness*

Activities include meeting emergency needs and seeking to advance the holistic needs of community members.

*Land Management and Resource Development*

Activities include managing the natural resources of the First Nation.

*Education*

Activities include provision of post-secondary educational opportunities for community members.

*Employment, Training and Daycare*

Activities include increasing community members' capacity in terms of their job skills and availability, with a view to improving the employability of each person.

*Subsidized Housing*

Activities include provision of residential housing opportunities for community members.

*Economic Enterprises*

Reports on the activities of controlled for-profit corporations and limited partnerships other than the Birdtail Sioux General Store Inc.

*Birdtail General Store*

Birdtail Sioux General Store Inc. operates the convenience store, and gas bar located on reserve for the benefit of members and visitors.

*Other*

Reports on transactions not included in the other segments.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**3. Cash and cash equivalents**

Birdtail Sioux First Nation has an available operating line of credit, secured by a general security agreement, with a financial institution to a maximum of \$75,000 (2021 - \$75,000). Interest on this line of credit is charged at a rate of prime (2.70% 2021 - 2.45%) plus 3% (2021 - 3%) per annum. In addition, Birdtail Sioux First Nation has available several letters of credit with a financial institution totaling \$108,000 (2021 - \$108,000). These letters of credit act as a guarantee of payment to a designated beneficiary. None of the letters of credit were in use as at March 31, 2022.

**4. Accounts receivable**

	<b>2022</b>	2021
General*	<b>519,662</b>	-
Receivable from sale of houses	<b>24,713</b>	33,130
Canada Mortgage and Housing Corporation	<b>10,396</b>	10,360
First Peoples Development Inc.	-	74,586
Loans to First Nation members and advances to employees	<b>3,112</b>	9,457
Assembly of Manitoba Chiefs	<b>124,876</b>	-
	<b>682,759</b>	127,533

\*Included in Accounts Receivable - General is \$50,000 from Indigenous Services Canada.

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**5. Restricted cash**

	2022	2021
<b>Ottawa Trust Funds</b>		
Band Capital account	63,910	63,910
Band Revenue account	12,548	11,007
	<b>76,458</b>	<b>74,917</b>
<b>CMHC Replacement Reserve</b>		
Bank account balance	1,263	1,443
	<b>77,721</b>	<b>76,360</b>

*Ottawa Trust Funds*

The Ottawa Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

Revenue earned in the Band Capital account amounted to \$0 (2021 - \$0).

Revenue earned in the Band Revenue account amounted to \$1,541 (2021 - \$1,172).

*CMHC Replacement Reserve*

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The First Nation is not in compliance with the CMHC requirements, as disclosed in Note 15.

**6. Portfolio investments**

During the year, Birdtail Sioux First Nation disposed of their investment in Birdtail Oakland Limited partnership for a gain of \$30,581. Formerly, the investment consisted of 510 units in Birdtail Oakland Limited Partnership (the "Partnership"), purchased at \$510. The First Nation was a limited partner with no control over the entity and was entitled to 51% of the profits.

**7. Deferred revenue**

	2022	2021
Governance	120,174	173,992
Infrastructure	90,000	50,040
Social Assistance	200,131	-
Community Wellness	103,179	97,577
Health	2,026,427	1,690,320
Land Management and Resource Development	62,608	167,908
Education	13,513	31,958
Employment, Training and Daycare	160,191	116,121
	<b>2,776,223</b>	<b>2,327,916</b>

**8. Notes payable**

*Gaming Centre*

During the year ended March 31, 2008, a private company loaned money to the First Nation in order to facilitate the development of a gaming centre in Foxwarren, Manitoba. Amounts owed to the private company are unsecured, non-interest bearing and have no agreed upon terms of repayment. The balance due from the First Nation to the private company as at March 31, 2022 was \$130,545 (2021 - \$193,545).

*Professional Services*

An amount is owed to a professional services firm which provided services to Birdtail Sioux First Nation in previous years. Amounts owed to the professional services firm are secured by an agreement dated May 15, 2017 and signed on October 3, 2018. The First Nation is in default of the repayment terms outlined in the agreement. Management of the First Nation has determined that it is unlikely that this liability will be settled at an amount greater than the value of the liability recorded in these consolidated financial statements, which is \$245,432 (2021 - \$271,405).

*Cattle and Farm Equipment*

A previous corporate business partner (the "Vendor") is requesting payment from the First Nation in accordance with an agreement dated May 31, 2017 and signed on October 3, 2018. The Vendor is stating that during the year ended March 31, 2009, the First Nation took possession of cattle and farm equipment for which the required payment as outlined in the purchase agreement was not provided to the Vendor. The First Nation is in default of the repayment terms outlined in the agreement. Management of the First Nation has determined that it is unlikely that this liability will be settled at an amount greater than the value of the liability recorded in these consolidated financial statements which is \$257,432 (2021 - \$277,669).

**9. Due to Indigenous Services Canada**

The First Nation has recorded a financial liability as at March 31, 2022 for an amount owing to Indigenous Services Canada (ISC) of \$343,926 (2021 - \$377,723). The First Nation has recorded this amount in order to agree its financial records with formal correspondence received from ISC. However, the First Nation expects to come to an agreement with ISC to settle the balance at an amount lower than the recorded amount of the liability.



**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**10. Long-term debt**

	<b>2022</b>	<b>2021</b>
CMHC mortgage (Phase 1, Post 1996), payments of \$1,302 per month including interest at 1.69%, maturing December 2028, with a scheduled renewal date of September 2024, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>99,588</b>	113,403
CMHC mortgage (Phase 2, Post 1996), payments of \$1,146 per month including interest at 1.22%, maturing October 2029, with a scheduled renewal date of May 2026, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>99,596</b>	112,126
CMHC mortgage (Phase 3, Post 1996), payments of \$1,447 per month including interest at 1.08%, maturing June 2030, with a scheduled renewal date of August 2025, secured by a Ministerial guarantee for a five-unit rental housing project and an assignment of fire insurance.	<b>135,202</b>	151,592
CMHC mortgage (Phase 4, Post 1996), payments of \$2,402 per month including interest at 2.49%, maturing July 2032, with a scheduled renewal date of May 2023, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	<b>262,502</b>	284,519
CMHC mortgage (Phase 5, Post 1996), payments of \$2,388 per month including interest at 2.49%, maturing September 2032, with a scheduled renewal date of May 2023, secured by a Ministerial guarantee for a seven-unit rental housing project and an assignment of fire insurance.	<b>264,665</b>	286,465
CMHC mortgage (Phase 6, Post 1996), payments of \$1,533 per month including interest at 1.69%, maturing February 2034, with a scheduled renewal date of September 2024, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	<b>199,690</b>	214,582
CMHC mortgage (Phase 8, Post 1996), payments of \$1,608 per month including interest at 1.30%, maturing June 2037, with a scheduled renewal date of June 2022, secured by a Ministerial guarantee for a three-unit rental housing project and an assignment of fire insurance.	<b>266,919</b>	282,647
First Peoples Economic Growth Fund, repayable in monthly instalments of \$5,412 including interest at 6%, secured by a general security agreement, maturing November 2026.	<b>455,440</b>	455,440
	<b>1,783,602</b>	1,900,774

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2023	116,300
2024	118,600
2025	121,000
2026	123,400
2027	126,100

**Birdtail Sioux First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**11. Contingent liabilities**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2022 might be recovered by these agencies. No liability has been recorded in these consolidated financial statements for this contingency.

**12. Accumulated surplus**

	<b>2022</b>	<b>2021</b>
Operating accumulated deficit	<b>(936,882)</b>	(1,085,434)
Invested in tangible capital assets	<b>15,571,522</b>	13,819,893
Ottawa Trust	<b>76,458</b>	74,917
CMHC replacement reserve required amount	<b>126,900</b>	336,830
	<b>14,837,998</b>	13,146,206

**13. Indigenous Services Canada revenue reconciliation**

The amounts recognized as revenue from Indigenous Services Canada agree to the confirmed amounts from this federal department of the Government of Canada as follows:

	<b>2022</b>	<b>2021</b>
Per ISC funding confirmation	<b>10,171,279</b>	9,639,949

**14. Economic dependence**

Birdtail Sioux First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**15. Compliance with laws and regulations**

*First Nations Financial Transparency Act*

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2022. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

*The Manitoba Environmental Protection Act*

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance. As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these financial statements.

*CMHC replacement reserve*

The First Nation is not in compliance with its agreement with CMHC. The agreement requires that the First Nation maintain a separate bank account to fund the full amount of the CMHC replacement reserve. At year end the replacement reserve bank account was underfunded by an amount of \$125,637 (2021 - \$335,387).

**16. Budget**

The budget presented in the financial statements is the budget approved by the Chief and Council.

**17. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**Birdtail Sioux First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2022*

	<i>Land</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	59,400	16,136,034	1,421,059	356,856	8,190,239	26,163,588
Acquisition of tangible capital assets	-	393,787	266,966	9,152	125,220	795,125
Disposal of tangible capital assets	(59,400)	-	-	-	-	(59,400)
Balance, end of year	-	16,529,821	1,688,025	366,008	8,315,459	26,899,313
<b>Accumulated amortization</b>						
Balance, beginning of year	-	6,984,904	951,994	199,196	4,978,281	13,114,375
Annual amortization	-	491,890	112,298	13,060	12,898	630,146
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, end of year	-	7,476,794	1,064,292	212,256	4,991,179	13,744,521
<b>Net book value of tangible capital assets</b>	-	9,053,027	623,733	153,752	3,324,280	13,154,792
2021 - Net book value of tangible capital assets	59,400	9,151,130	469,065	157,660	3,211,958	13,051,234

**Birdtail Sioux First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2022*

	<i>Subtotal</i>	<i>Houses</i>	<i>2022</i>	<i>2021</i>
<b>Cost</b>				
Balance, beginning of year	26,163,588	12,104,831	38,268,419	36,554,344
Acquisition of tangible capital assets	795,125	1,970,849	2,765,974	1,714,075
Disposal of tangible capital assets	(59,400)	(381,600)	(441,000)	-
Balance, end of year	26,899,313	13,694,080	40,593,393	38,268,419
<b>Accumulated amortization</b>				
Balance, beginning of year	13,114,375	9,433,377	22,547,752	21,783,540
Annual amortization	630,146	219,678	849,824	764,212
Accumulated amortization on disposals	-	(159,307)	(159,307)	-
Balance, end of year	13,744,521	9,493,748	23,238,269	22,547,752
<b>Net book value of tangible capital assets</b>	<b>13,154,792</b>	<b>4,200,332</b>	<b>17,355,124</b>	<b>15,720,667</b>
2021 - Net book value of tangible capital assets	13,051,234	2,671,454	15,720,667	

**Birdtail Sioux First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Consolidated expenses by object</b>		
Amortization	<b>849,824</b>	764,212
Bad debts	<b>36,880</b>	-
Bank charges and interest	<b>22,501</b>	14,173
Community events (including emergency assistance)	<b>1,049,228</b>	620,449
Consulting	<b>44,884</b>	5,565
Dues and membership	<b>23,773</b>	309
Honoraria	<b>164,092</b>	309,117
Insurance	<b>255,380</b>	294,133
Interest on long-term debt	<b>57,701</b>	48,391
Miscellaneous	<b>37,646</b>	-
Office	<b>78,647</b>	160,636
Professional fees	<b>539,047</b>	492,129
Program education	<b>93,150</b>	-
Program expense	<b>72,368</b>	-
Repairs and maintenance	<b>563,734</b>	413,909
Workshops	<b>794,603</b>	1,124,982
Salaries and benefits	<b>2,468,064</b>	1,925,977
Social assistance	<b>1,500,065</b>	1,833,621
Supplies	<b>597,528</b>	430,287
Telephone	<b>122,299</b>	38,442
Training	<b>103,829</b>	-
Travel	<b>362,720</b>	128,014
Utilities	<b>60,275</b>	115,852
Advertising	<b>1,742</b>	-
Cost of sales	<b>1,228,089</b>	665,507
	<b>11,128,069</b>	9,385,705

# Birdtail Sioux First Nation

## Schedule 3 - Consolidated Summary Schedule of Segment Operations

*For the year ended March 31, 2022*

	<i>Schedule #</i>	<i>Revenue and other items</i>	<i>Expenses</i>	<i>2022 Surplus (Deficit)</i>	<i>2021 Surplus (Deficit)</i>
<b>Segments</b>					
Governance	4	928,647	1,272,052	(343,405)	(7,173)
Infrastructure	5	3,300,654	1,441,579	1,859,075	650,174
Social Assistance	6	1,570,153	1,661,832	(91,679)	-
Health	7	2,775,511	2,456,152	319,359	294,285
Community Wellness	8	129,756	47,019	82,737	83,529
Land Management and Resource Development	9	867,904	848,873	19,031	(30,131)
Education	10	237,902	237,902	-	3,799
Employment, Training and Daycare	11	352,912	315,857	37,055	-
Subsidized Housing	12	218,074	464,397	(246,323)	(37,232)
Economic Enterprises	13	4,063	36,534	(32,471)	(20,186)
Other	14	870,937	802,090	68,847	16,338
General Store	15	1,563,348	1,543,782	19,566	122,698
<b>Total</b>		<b>12,819,861</b>	<b>11,128,069</b>	<b>1,691,792</b>	<b>1,076,101</b>

**Birdtail Sioux First Nation**  
**Governance**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Indigenous Services Canada	602,224	1,534,316
Other revenue	272,605	-
Revenue deferred in prior year	173,992	23,500
Revenue deferred to subsequent year	(120,174)	(173,992)
	<b>928,647</b>	<b>1,383,824</b>
<b>Expenses</b>		
Bank charges and interest	15,349	13,693
Dues and membership	22,744	309
Honoraria	145,073	-
Insurance	94,067	125,391
Interest on long-term debt	33,139	21,510
Miscellaneous	37,646	-
Office	5,939	47
Professional fees	114,924	123,931
Program expense	4,500	-
Repairs and maintenance	-	9,107
Salaries and benefits	464,019	110,892
Supplies	79,170	35,083
Telephone	115,305	38,442
Travel	683	777
Utilities	18,505	53,697
Workshops	120,989	858,118
	<b>1,272,052</b>	<b>1,390,997</b>
<b>Deficit</b>	<b>(343,405)</b>	<b>(7,173)</b>



**Birdtail Sioux First Nation**  
**Infrastructure**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Indigenous Services Canada	3,318,834	2,006,130
Other revenue	21,780	-
Revenue deferred in prior year	50,040	-
Revenue deferred to subsequent year	(90,000)	(50,040)
	<b>3,300,654</b>	<b>1,956,090</b>
<b>Expenses</b>		
Amortization	716,968	632,272
Consulting	24,884	-
Dues and membership	357	-
Honoraria	15,669	7,975
Insurance	63,308	50,991
Office	31,999	2,547
Professional fees	40,622	-
Program expense	24,730	-
Repairs and maintenance	170,197	259,058
Salaries and benefits	245,060	198,304
Supplies	73,330	7,901
Travel	3,056	4,513
Utilities	31,279	47,915
Workshops	120	94,440
	<b>1,441,579</b>	<b>1,305,916</b>
<b>Surplus</b>	<b>1,859,075</b>	<b>650,174</b>

**Birdtail Sioux First Nation**  
**Social Assistance**  
**Schedule 6 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>1,770,284</b>	1,691,406
Revenue deferred in prior year	-	156,179
Revenue deferred to subsequent year	<b>(200,131)</b>	-
	<b>1,570,153</b>	1,847,585
<b>Expenses</b>		
Salaries and benefits	-	13,964
Social assistance	<b>1,500,065</b>	1,833,621
Workshops	<b>161,767</b>	-
	<b>1,661,832</b>	1,847,585
<b>Surplus (deficit)</b>	<b>(91,679)</b>	-

**Birdtail Sioux First Nation**  
**Health**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>2,998,759</b>	3,553,849
Other revenue	<b>112,859</b>	201,535
Revenue deferred in prior year	<b>1,690,320</b>	629,068
Revenue deferred to subsequent year	<b>(2,026,427)</b>	(1,690,320)
	<b>2,775,511</b>	2,694,132
<b>Expenses</b>		
Community events	<b>728,583</b>	620,449
Insurance	<b>23,664</b>	25,398
Office	<b>39,193</b>	157,248
Professional fees	<b>-</b>	59,288
Repairs and maintenance	<b>11,140</b>	92,744
Salaries and benefits	<b>1,072,556</b>	973,095
Supplies	<b>311,423</b>	364,307
Travel	<b>158,045</b>	51,963
Utilities	<b>7,550</b>	7,274
Workshops	<b>103,998</b>	48,081
	<b>2,456,152</b>	2,399,847
<b>Surplus</b>	<b>319,359</b>	294,285

**Birdtail Sioux First Nation**  
**Community Wellness**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>155,422</b>	136,014
Revenue deferred in prior year	<b>97,577</b>	79,685
Revenue deferred to subsequent year	<b>(103,179)</b>	(97,577)
	<b>149,820</b>	118,122
<b>Expenses</b>		
Program education	<b>4,650</b>	-
Salaries and benefits	<b>40,786</b>	31,593
Supplies	<b>1,523</b>	3,000
Travel	<b>60</b>	-
	<b>47,019</b>	34,593
<b>Surplus before other items</b>	<b>102,801</b>	83,529
<b>Other items</b>		
Funding recovery from ISC for Guidance and Counselling	<b>(20,064)</b>	-
<b>Surplus</b>	<b>82,737</b>	83,529

**Birdtail Sioux First Nation**  
**Land Management and Resource Development**  
**Schedule 9 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Indigenous Services Canada	762,604	422,437
Revenue deferred in prior year	167,908	20,000
Revenue deferred to subsequent year	(62,608)	(167,908)
	<b>867,904</b>	<b>274,529</b>
<b>Expenses</b>		
Community events	320,645	-
Consulting	20,000	-
Office	1,276	-
Professional fees	165,568	290,660
Program education	88,500	-
Program expense	27,123	-
Repairs and maintenance	50,000	-
Salaries and benefits	60,261	-
Supplies	500	-
Training	90,000	-
Travel	25,000	14,000
	<b>848,873</b>	<b>304,660</b>
<b>Surplus (deficit)</b>	<b>19,031</b>	<b>(30,131)</b>

**Birdtail Sioux First Nation**  
**Education**  
**Schedule 10 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>219,457</b>	295,797
Revenue deferred in prior year	<b>31,958</b>	-
Revenue deferred to subsequent year	<b>(13,513)</b>	(31,958)
	<b>237,902</b>	263,839
<b>Expenses</b>		
Repairs and maintenance	<b>4,444</b>	-
Salaries and benefits	<b>156,277</b>	256,091
Supplies	<b>20,556</b>	-
Telephone	<b>2,351</b>	-
Travel	<b>4,691</b>	30
Workshops	<b>49,583</b>	3,919
	<b>237,902</b>	260,040
<b>Surplus (deficit)</b>	<b>-</b>	3,799

**Birdtail Sioux First Nation**  
**Employment, Training and Daycare**  
**Schedule 11 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Other revenue	124,876	181,389
First Peoples Development Inc.	272,106	312,958
Revenue deferred in prior year	116,121	-
Revenue deferred to subsequent year	(160,191)	(116,121)
	<b>352,912</b>	<b>378,226</b>
<b>Expenses</b>		
Bank charges and interest	5	-
Dues and membership	672	-
Insurance	5,699	2,422
Program expense	16,015	-
Repairs and maintenance	4,373	43,828
Salaries and benefits	190,584	183,813
Supplies	74,754	19,996
Telephone	3,745	-
Travel	12,104	777
Utilities	2,941	6,966
Workshops	4,965	120,424
	<b>315,857</b>	<b>378,226</b>
<b>Surplus (deficit)</b>	<b>37,055</b>	<b>-</b>

**Birdtail Sioux First Nation**  
**Subsidized Housing**  
**Schedule 12 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Canada Mortgage and Housing Corporation	<b>124,715</b>	124,915
Rental income	<b>93,349</b>	88,288
Other revenue	<b>10</b>	21
	<b>218,074</b>	213,224
<b>Expenses</b>		
Amortization	<b>116,677</b>	116,676
Bank charges and interest	<b>465</b>	480
Insurance	<b>64,862</b>	84,082
Interest on long-term debt	<b>24,562</b>	26,881
Professional fees	<b>14,700</b>	14,700
Repairs and maintenance	<b>243,131</b>	7,637
	<b>464,397</b>	250,456
<b>Deficit</b>	<b>(246,323)</b>	(37,232)



**Birdtail Sioux First Nation**  
**Economic Enterprises**  
**Schedule 13 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Other	908	4,477
<b>Expenses</b>		
Amortization	15,264	15,264
Insurance	-	5,849
Professional fees	21,270	3,550
	<b>36,534</b>	<b>24,663</b>
<b>Deficit before other items</b>	<b>(35,626)</b>	<b>(20,186)</b>
<b>Other items</b>		
Gain on sale of tangible capital assets	(27,426)	-
Gain on portfolio investment	30,581	-
	<b>3,155</b>	<b>-</b>
<b>Deficit</b>	<b>(32,471)</b>	<b>(20,186)</b>

**Birdtail Sioux First Nation**  
**Other**  
**Schedule 14 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>343,694</b>	-
Other revenue	<b>527,243</b>	539,553
	<b>870,937</b>	539,553
<b>Expenses</b>		
Bad debts	<b>36,880</b>	-
Consulting	-	5,565
Honoraria	<b>3,350</b>	301,142
Insurance	<b>3,780</b>	-
Office	<b>240</b>	794
Professional fees	<b>149,863</b>	-
Repairs and maintenance	<b>63,253</b>	1,535
Salaries and benefits	<b>863</b>	158,225
Supplies	<b>19,798</b>	-
Training	<b>13,829</b>	-
Travel	<b>157,053</b>	55,954
Workshops	<b>353,181</b>	-
	<b>802,090</b>	523,215
<b>Surplus</b>	<b>68,847</b>	16,338

**Birdtail Sioux First Nation**  
**General Store**  
**Schedule 15 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Sales	1,563,173	788,205
Other revenue	175	-
	<b>1,563,348</b>	<b>788,205</b>
<b>Expenses</b>		
Advertising	1,742	-
Amortization	915	-
Bank charges and interest	6,682	-
Cost of sales	1,228,089	665,507
Professional fees	32,100	-
Repairs and maintenance	17,196	-
Salaries and benefits	237,658	-
Supplies	16,474	-
Telephone	898	-
Travel	2,028	-
	<b>1,543,782</b>	<b>665,507</b>
<b>Surplus</b>	<b>19,566</b>	<b>122,698</b>