

FOX LAKE CREE NATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

FOX LAKE CREE NATION
MARCH 31, 2014

COUNCIL

Chief
Councillor
Councillor
Councillor - Former
Councillor - Former
Councillor - Former

Walter Spence
Francis Neepin
Shawna Henderson
Conway Arthurson
George Neepin
Lena Spence

FIRST NATION ADMINISTRATION

First Nation Administrator
Health Director
Social Service Administrator

Victoria Henderson
Marie Henderson
Gordon Anderson

FOX LAKE CREE NATION
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FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

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FOX LAKE CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014 AND 2013

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Fox Lake Cree Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members. Holukoff Chiarella have full and free access to Council.

Walter J. Apence CHIEF

S. Henderson COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)

Ralph Orr, B.Comm. (Hons), C.A.
(Practising as Ralph Orr Chartered Accountant Ltd.)

Wayne H. Chiarella, B.A., C.A. (Retired 2011)

Sam Holukoff, C.A. (Retired 2005)

101 - 1180 Pembina Highway
Winnipeg, Manitoba R3T 2A4
Telephone (204) 452-6449
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INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of
Fox Lake Cree Nation

We have audited the accompanying financial statements of Fox Lake Cree Nation, which comprise the consolidated statements of financial position as at March 31, 2014 and the consolidated statements of accumulated surplus, consolidated statements of operations, consolidated statements of revenue and expenses, consolidated statements of changes in net debt and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 overall presentation of the financial statements.

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

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
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INDEPENDENT AUDITORS' REPORT - continued

Basis for Qualified Opinion

Fox Lake Cree Nation Negotiations derives revenue from Manitoba Hydro that has certain conditions that have to be met in order to recognize the revenue as earned. As the completeness of this revenue was not susceptible of satisfactory audit verification, we were not able to determine whether adjustments to deferred revenue, revenues, annual deficit and accumulated deficit might be necessary.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary as a result of the matters in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Fox Lake Cree Nation as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The consolidated financial statements of Fox Lake Cree Nation as at and for the year ended March 31, 2013, excluding the restatement described in Note 19 to the consolidated financial statements, were audited by another auditor who expressed an unqualified opinion on those statements on July 21, 2014.



WINNIPEG, MANITOBA
February 5, 2015.

CHARTERED ACCOUNTANTS

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
FINANCIAL ASSETS		
Cash, Note 3	\$ 573,196	639,207
Restricted cash and trust funds, Note 4	829,937	93,954
Accounts receivable, Note 5	13,598,722	13,721,508
Loans and advances receivable, Note 6	6,918	1,473
Due from related party, Note 7	33,152	
Investments, Note 8	<u>4,051,101</u>	<u>3,982,237</u>
	<u>19,093,026</u>	<u>18,438,379</u>
LIABILITIES		
Account payable and accrued liabilities, Note 9	1,184,196	1,173,990
Deferred revenue, Note 10	17,211,657	17,396,780
Capital lease obligation, Note 11	12,758	20,457
Long term debt, Note 12	3,100,020	2,676,340
Reserve Funds, Note 13	<u>167,713</u>	<u>149,313</u>
	<u>21,676,344</u>	<u>21,416,880</u>
NET DEBT, Exhibit "F"	<u>(2,583,318)</u>	<u>(2,978,501)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 14	10,968	34,283
Tangible capital assets, Note 15	<u>20,610,541</u>	<u>20,831,633</u>
	<u>20,621,509</u>	<u>20,865,916</u>
ACCUMULATED SURPLUS, Exhibit "C"	\$ <u>18,038,191</u>	<u>17,887,415</u>
CONTINGENT LIABILITY, Note 20		

APPROVED ON BEHALF OF FIRST NATION COUNCIL

Walter Spence CHIEF

S. Denison COUNCILLOR

EXHIBIT "C"

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
BALANCE AT BEGINNING OF YEAR	\$ 17,887,415	18,604,087
ADD: CONTRIBUTED CAPITAL - CMHC		460,902
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>150,776</u>	<u>(1,177,574)</u>
BALANCE AT END OF YEAR	\$ <u>18,038,191</u>	<u>17,887,415</u>

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
REVENUE		
Federal Government		
AANDC	\$ 2,796,047	2,763,273
Health Canada	828,022	726,039
Canada Mortgage and Housing Corporation	72,954	85,220
Public Service		22,711
Government of Canada	172	
Provincial government	4,072,471	3,939,393
Other	<u>3,499,982</u>	<u>2,288,985</u>
	<u>11,269,648</u>	<u>9,825,621</u>
EXPENSES		
First Nation Management	658,055	804,390
Social Services	866,406	745,439
Economic Development	87,313	80,904
Public Works	227,606	511,750
Education	1,211,327	1,449,878
Health Services	844,450	838,805
Capital	448,905	101,622
Band Housing	471,648	363,221
CMHC Housing Operations	151,818	251,474
Operating Programs	823,946	802,077
Negotiations Office	3,997,155	2,735,610
Business Enterprise	7,753	
Trust Funds	<u>311,481</u>	<u>409,850</u>
	<u>10,107,863</u>	<u>9,095,020</u>
ANNUAL SURPLUS BEFORE OTHER ITEMS	1,161,785	730,601
OTHER ITEMS		
Transfer to tangible capital assets	183,440	
Amortization	(1,333,247)	(769,163)
Amortization recorded in operations	138,798	94,765
Restatement, Note 19	<u> </u>	<u>(1,233,777)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>150,776</u>	<u>(1,177,574)</u>

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>			<u>2013</u>
	<u>Revenue</u>	<u>Expenses</u>	<u>Annual Surplus (Deficit)</u>	<u>Annual Surplus (Deficit) (Restated)</u>
Operating Fund, Exhibit "E"	\$ 10,806,177	9,644,564	1,161,613	529,456
CMHC Housing	151,818	151,818		(87,391)
Trust Fund, Exhibit "E"	<u>311,653</u>	<u>311,481</u>	<u>172</u>	<u>288,536</u>
	\$ <u>11,269,648</u>	<u>10,107,863</u>	1,161,785	730,601
OTHER ITEMS				
Transfer to tangible capital assets, Note 15			183,440	
Amortization			(1,333,247)	(769,163)
Amortization recorded in operations			138,798	94,765
Restatement, Note 19				<u>(1,233,777)</u>
ANNUAL SURPLUS (DEFICIT)			\$ <u>150,776</u>	<u>(1,177,574)</u>

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF OPERATIONS REVENUE AND EXPENSES
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013
(Unaudited)

		2014				2013
						Annual
						Surplus
						(Deficit)
OPERATIONS	Schedule	AANDC	Revenue Other	Total	Expenses	
First Nations Management	1	429,268	1,685,841	2,115,109	658,055	1,457,054
Social Services	2	866,362	44	866,406	866,406	646,891
Economic Development	3	73,595		73,595	87,313	107,439
Public Works	4	180,048	21,802	201,850	227,606	(8,454)
Education	5	797,869	363,475	1,161,344	1,211,327	(246,140)
Health Services	6		828,022	828,022	844,450	(445,709)
Capital	7	448,905		448,905	448,905	(90,237)
Band Housing	8		410,723	410,723	471,648	340,296
Operating Programs	10		949,691	949,691	823,946	56,901
Negotiations Office	12		3,750,397	3,750,397	3,997,155	250,340
Business Enterprise	13		135	135	7,753	(81,871)
		2,796,047	8,010,130	10,806,177	9,644,564	529,456
CMHC HOUSING OPERATING						
CMHC Housing	9		151,818	151,818	151,818	(87,391)
TRUST FUND						
Nikanihk Itapowin (Future Vision) Trust	11		311,481	311,481	311,481	288,388
Ottawa Trust Fund	14		172	172		148
			311,653	311,653	311,481	288,536
TOTAL		2,796,047	8,473,601	11,269,648	10,107,863	730,601
AANDC FUNDING PER CONFIRMATION						

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ 150,776	(1,177,574)
Acquisition of tangible capital assets	(1,112,155)	(87,408)
Amortization of tangible capital assets	1,333,247	1,532,003
Change in prepaid expenses	<u>23,315</u>	<u>(32,193)</u>
(INCREASE) DECREASE IN NET DEBT	395,183	234,828
NET DEBT AT BEGINNING OF YEAR	<u>(2,978,501)</u>	<u>(3,213,329)</u>
NET DEBT AT END OF YEAR	<u>\$ (2,583,318)</u>	<u>(2,978,501)</u>

FOX LAKE CREE NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u> (Restated)
OPERATING TRANSACTIONS		
Annual surplus (deficit), Exhibit "D"	\$ 150,776	(1,177,574)
Add non-cash items		
Amortization	1,333,247	1,506,674
Replacement reserve	18,400	149,313
Net change in financial assets/liabilities, and prepaid expenses		
Restricted cash and trust funds	(735,983)	36,569
Accounts receivable	122,786	283,766
Prepaid expenses	23,315	(6,864)
Accounts payable	10,206	(147,781)
Advances	(5,445)	
Due from related party	(33,152)	
Deferred revenue	<u>(185,123)</u>	<u>(1,666,498)</u>
	<u>699,027</u>	<u>(1,022,395)</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(226,353)	(87,408)
Change in capital assets under construction	<u>(885,802)</u>	
	<u>(1,112,155)</u>	<u>(87,408)</u>
FINANCING TRANSACTIONS		
Advances of capital lease obligations		24,508
Repayment of capital lease obligations	(7,699)	(4,054)
Proceeds from long term debt	685,739	322,013
Principal repayments on long term debt	<u>(262,059)</u>	<u>(177,690)</u>
	<u>415,981</u>	<u>164,777</u>
INVESTING TRANSACTIONS		
Increase in long term investments	<u>(68,864)</u>	<u>864,653</u>
NET CHANGE IN CASH POSITION	(66,011)	(80,373)
CASH POSITION AT BEGINNING OF YEAR	<u>639,207</u>	<u>719,580</u>
CASH POSITION AT END OF YEAR	\$ <u>573,196</u>	<u>639,207</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

1. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Canadian Institute of Chartered Accountants.

a) Nature and Purpose of Organization

The purpose of the organization is the management and administration of all aspects of the Fox Lake Cree Nation. The organization operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

b) Reporting Entity and Principles of Financial Reporting

Fox Lake Cree Nation reporting entity includes the Fox Lake Cree Nation Government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for these entities, which all use accounting principles which lend themselves to consolidations.

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

Incorporated and unincorporated business entities, which are owned or controlled by the Fox Lake Cree Nation Council have been reported using the modified equity method of consolidation for profit-oriented and government business partnerships.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The First Nation follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated balance sheet. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Tangible Capital Assets

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artefacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

2. SIGNIFICANT ACCOUNTING POLICIES, continued

c) Amortization

Tangible capital assets are recorded at cost and are amortized annually as a charge against operations. Assets are amortized over their expected useful life using the straight line method at the following rates:

Infrastructure	5%
Buildings	5%
Band Housing	5%
CMHC Housing	5%
Heavy equipment	10%
IT equipment	25%
Vehicles	20%

Amortization commences in the following year after acquisition.

d) Reserves

The reserves accounts are funded by an annual charge against operations as opposed to an appropriation of surplus.

e) Financial Instruments

The organization's financial instruments consist of cash, restricted cash and trust funds, accounts receivable, loans and advances receivable, investments, accounts payable, accrued liabilities, advances from Manitoba Hydro and long term debt. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

f) Net Debt/Net Financial Assets

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

g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

3. CASH

Cash consist of cash on hand and balances with banks. Cash included in the cash flows statement comprise the following balance sheet amounts:

	<u>2014</u>	<u>2013</u>
CASH AT BANK		
Administration - Operations	\$ (33,324)	142,627
Social Services	41,329	3,964
Health	3,993	
Band Housing	6,218	10,965
CMHC - Replacement reserve	51	14
- Construction	78	
Nikanihk (Future Vision) Trust	816,919	81,145
Negotiation Office	<u>554,902</u>	<u>481,651</u>
	1,390,166	720,366
 LESS: Amount allocated to restricted cash, Note 4	 <u>(816,970)</u>	 <u>(81,159)</u>
 CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS)	 \$ <u>573,196</u>	 <u>639,207</u>

4. RESTRICTED CASH AND TRUST FUNDS

	<u>2014</u>	<u>2013</u>
Restricted cash		
CMHC replacement reserve fund	\$ 51	14
Nikanihk (Future Vision) Trust	<u>816,919</u>	<u>81,145</u>
	816,970	81,159
Trust Fund - Ottawa Trust Accounts	<u>12,967</u>	<u>12,795</u>
	\$ <u>829,937</u>	<u>93,954</u>

Cash is subject to the restrictions imposed upon by outside parties and can only be used for the purposes specified.

The Nikanihk Itapowin (Future Vision) Trust is a separately maintained fund of the Fox Lake Cree Nation. The Trust is the result of negotiations, in 2004, with Manitoba Hydro and the Province of Manitoba on past grievances. These funds are deemed by the Fox Lake Cree Nation Council to be used for assisting in the development of current and future generations of the Fox Lake Cree Nation membership.

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

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

4. RESTRICTED CASH AND TRUST FUNDS, continued

OTTAWA TRUST FUND

	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
Balance at beginning of year	\$ 11,160	1,635	12,795
Amounts placed on deposit during the year	<u>172</u>	<u>—</u>	<u>172</u>
Balance at end of year	\$ <u>11,332</u>	<u>1,635</u>	<u>12,967</u>

5. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Administration		
AANDC	\$ 127,390	285,710
Manitoba Hydro	40,000	13,907
CRA - GST	(10,328)	10,847
Trade receivables	<u>223,369</u>	<u>908</u>
	380,431	311,372
Allowance for doubtful accounts	<u>(11,890)</u>	<u>—</u>
	<u>368,541</u>	<u>311,372</u>
Social Services		
AANDC	<u>63,516</u>	<u>—</u>
Health		
FNIHB	<u>80,607</u>	<u>4,054</u>
CMHC		
Subsidy	<u>6,080</u>	<u>—</u>
Nikanihk Itapowin Trust		
Manitoba Hydro	<u>12,235,705</u>	<u>12,435,705</u>
Negotiation Office		
Manitoba Hydro	709,500	861,860
CRA - GST	100,631	66,949
Source deductions		35,673
Trade and other	<u>34,142</u>	<u>5,895</u>
	<u>844,273</u>	<u>970,377</u>
 TOTAL ACCOUNTS RECEIVABLE	 <u>\$13,598,722</u>	 <u>13,721,508</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

6. LOANS AND ADVANCES

	<u>2014</u>	<u>2013</u>
Member loans and advances		
Administration	\$ 15,303	91
Health	1,438	
Band Housing		400
Negotiation Office	<u>1,654</u>	<u>982</u>
	18,395	1,473
Allowance for doubtful accounts	<u>(11,477)</u>	<u> </u>
TOTAL	\$ <u>6,918</u>	<u>1,473</u>

7. RELATED PARTY TRANSACTIONS

The following summarizes the organization's related party transactions during the year:

	<u>2014</u>	<u>2013</u>
REVENUE		
Nikanihk Itapowin (Future Vision) Trust	\$ 112,582	50,605

These transactions with commonly controlled entities are in the normal course of operations and are measured at the exchange amount.

At the end of the year, the amounts due (to) from related parties were as follows:

Fox Lake Gathering Centre Limited Partnership	\$ 47,337
Makeso Land Limited Partnership	65,519
Fox Lake Concrete Limited Partnership	(101)
Fox Lake Land Limited Partnership	(101)
Nikanihk Itapowin (Future Vision) Trust	<u>(79,502)</u>
	\$ <u>33,152</u>

These balances are interest-free, payable on demand and have arisen from transactions in the normal course of operations.

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

8. INVESTMENTS

- i) Fox Lake Cree Nation has entered into a limited partnership agreement with Fox Lake Ventures Ltd., as limited partner in Fox Lake Ventures Limited Partnership. Revenue is recognized as earned.

Fox Lake Ventures Ltd., a corporation incorporated under the laws of the Province of Manitoba, is the general partner and is wholly owned by Fox Lake Cree Nation.

Fox Lake Ventures Limited Partnership was formed for the purpose of providing goods and services in relation to hydro-electric development projects.

- Fox Lake Ventures Limited Partnership	<u>2014</u>
Long-term investment, at cost	\$ <u>444,475</u>
- Fox Lake Ventures Ltd.	<u>2014</u>
Long-term investment, at cost	\$ <u>71</u>

- ii) Fox Lake Cree Nation has entered into a limited partnership agreement with Makeso Land Corporation, as limited partner in Makeso Land Limited Partnership. Revenue is recognized as earned.

Makeso Land Corporation, a corporation incorporated under the laws of the Province of Manitoba, is the general partner and is wholly owned by Fox Lake Cree Nation.

Makeso Land Limited Partnership was formed for the purpose of acquiring, owning, developing, managing and maintaining lands.

- Makeso Land Limited Partnership	<u>2014</u>
Long-term investment, at cost	\$ <u>639,266</u>
- Makeso Land Corporation	<u>2014</u>
Long-term investment, at cost	\$ <u>64</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

8. INVESTMENTS, continued

- iii) Fox Lake Cree Nation has entered into a limited partnership agreement with Fox Lake Land Corporation, as limited partner in Fox Lake Land Limited Partnership. Revenue is recognized as earned.

Fox Lake Land Corporation, a corporation incorporated under the laws of the Province of Manitoba, is the general partner and is wholly owned by Fox Lake Cree Nation.

Fox Lake Land Limited Partnership was formed for the purpose of owning, developing, managing and maintaining real property.

- Fox Lake Land Limited Partnership	<u>2014</u>
Long-term investment, at cost	\$ <u>(1,400)</u>

- iv) Fox Lake Cree Nation has entered into a limited partnership agreement with Fox Lake Concrete Ltd., as limited partner in Fox Lake Concrete Limited Partnership. Revenue is recognized as earned.

Fox Lake Concrete Ltd., a corporation incorporated under the laws of the Province of Manitoba, is the general partner and is wholly owned by Fox Lake Cree Nation.

Fox Lake Concrete Limited Partnership was formed for the purpose of manufacturing and supplying industrial readimix concrete and cement. Revenue is recognized as earned.

- Fox Lake Concrete Limited Partnership	<u>2014</u>
Long-term investment, at cost	\$ <u>(400)</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

8. INVESTMENTS, continued

- v) Fox Lake Cree Nation has entered into a limited partnership agreement with Fox Lake Cree Nation Gathering Centre Inc., as limited partner in Fox Lake Cree Nation Gathering Centre Limited Partnership. Revenue is recognized as earned.

Fox Lake Cree Nation Gathering Centre Inc., a corporation incorporated under the laws of the Province of Manitoba, is the general partner and is wholly owned by Fox Lake Cree Nation.

Fox Lake Concrete Limited Partnership was formed for the purpose of acquiring, owning, developing, managing and maintaining the Gathering Centre lands.

- Fox Lake Gathering Centre Limited Partnership	<u>2014</u>	
Long-term investment, at cost	\$ <u>(24,435)</u>	
- Fox Lake Gatherine Centre Inc.	<u>2014</u>	
Long-term investment, at cost	\$ <u>(3)</u>	

vi) Nikanihk Itapowin (Future Vision) Trust	<u>2014</u>	<u>2013</u>
CI Private managed assets	\$ <u>2,692,210</u>	<u>3,681,229</u>

CI Investments: Market value as at December 31, 2013 - \$2,737,669 (2012 - \$2,338,308).
Market value of the CI Investments is reflected net of fees.

vii) Negotiations Office	<u>2014</u>	<u>2013</u>
Sun Life Financial - NBC Mortgage Funds	186,168	186,168
Peace Hills Trust - GIC (revolving 30 day maturity earning interest at 0.20%)	<u>115,085</u>	<u>114,840</u>
	<u>301,253</u>	<u>301,008</u>

Market value of NBC Mortgage Funds is \$188,211 (2013 - \$188,893).

The Sun Life Financial investments are restricted for the Conawapa Advance Agreement deferred revenue and the Peace Hills Trust GIC are restricted for the Fox Lake Cree Nation Keeyask Adverse Effects Agreement deferred revenue in Note 10.

TOTAL INVESTMENTS	\$ <u>4,051,101</u>	<u>3,982,237</u>
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FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

EXHIBIT "H"

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Administration		
Manitoba Hydro	\$ 251,430	251,430
Wages and benefits	32,734	93,837
Receiver General	90,020	29,978
Trade	<u>336,823</u>	<u>477,897</u>
	<u>711,007</u>	<u>853,142</u>
Social Services		
Manitoba Hydro	<u>3,384</u>	—
Health		
FNIHB		26,025
Receiver General	2,561	
Trade	<u>32,335</u>	—
	<u>34,896</u>	<u>26,025</u>
Band Housing		
Manitoba Hydro	5,827	
Trade	<u>21,959</u>	<u>9,555</u>
	<u>27,786</u>	<u>9,555</u>
Nikanihk Itapowin (Future Vision) Trust		
Trade	<u>6,012</u>	—
Negotiation Office		
Wages	15,602	18,238
Trade	<u>377,759</u>	<u>267,030</u>
	<u>393,361</u>	<u>285,268</u>
Fox Lake Ventures Ltd.		
Trade	<u>1,000</u>	—
Makeso Land Corporation		
Trade	<u>2,500</u>	—
FLCN Gathering Centre Inc.		
Trade	<u>1,500</u>	—
Fox Lake Concrete Ltd.		
Trade	<u>500</u>	—
Fox Lake Land Corp.		
Trade	<u>2,250</u>	—
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ <u>1,184,196</u>	<u>1,173,990</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

10. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Nikanihk Itapowin (Future Vision) Trust		
Manitoba Hydro	\$ <u>15,451,853</u>	<u>15,725,262</u>

As embodied in the Trust Indenture dated December 6, 2004, an agreement called the Impact Settlement Agreement was formed whereby the Province of Manitoba and Manitoba Hydro committed themselves to make payments to the Fox Lake Cree Nation for the Trust. These funds are used for assisting in the development of current and future generations of the Fox Lake Cree Nation membership.

Fox Lake Cree Nation Keeyask Adverse Effects Agreement		
Manitoba Hydro	\$ 735,099	735,099
Conawapa Advance Agreement		
Manitoba Hydro	969,451	936,419
Traditional Knowledge Aski Agreement		
Manitoba Hydro	43,910	
Harmonized Gillam Development - CLO revenue		
Manitoba Hydro	<u>11,344</u>	<u> </u>
	\$ <u>1,759,804</u>	<u>1,671,518</u>

On May 28, 2009 Fox Lake Cree Nation and Manitoba Hydro entered into an agreement for the purposes of addressing the adverse effects of building the Keeyask Project, a hydro generating station on Gull Rapids on the Nelson River. Manitoba Hydro and Fox Lake Cree Nation have reached an agreement on Offsetting Programs which are designed to address the anticipated Keeyask adverse effects including, without limitation, impacts of the Keeyask Project on the exercise of Aboriginal and Treaty rights by Fox Lake and citizens. The programs require reporting on the progress of the Offsetting Programs by Fox Lake Cree Nation to Manitoba Hydro and an approval process is undertaken by Manitoba Hydro to access Offsetting Program funding.

Also on May 28, 2009 Fox Lake Cree Nation and Manitoba Hydro entered into an agreement whereby Manitoba Hydro would advance Fox Lake Cree Nation \$4,800,000 as a credit against adverse effects of the proposed Conawapa Project, a hydro generating station on the Nelson River. The advance will incur interest at a prescribed rate of 5.35% (2014 - \$33,032, 2013 - \$33,032) for a period of five years from the date of signing of the agreement and be adjusted annually according to the Consumer Price Index subsequent to the five year period until the advance is applied against an adverse effects agreement. The program involves reporting to Manitoba Hydro on the usage of the advance in accordance with various aspects of the agreement to gain access to advance funding.

On August 1, 2013, Fox Lake Cree Nation and Manitoba Hydro entered into an agreement (Aski Agreement) for the purpose of informing the environmental assessment process as well as the adverse effects negotiations being undertaken for the Conawapa Project.

Harmonized Gillam Development - CLO revenue is deferred as this portion of funding relates to April and May 2014.

TOTAL DEFERRED REVENUE	\$ <u>17,211,657</u>	<u>17,396,780</u>
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FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

11. CAPITAL LEASE OBLIGATIONS

	<u>2014</u>	<u>2013</u>
National Lease lease bearing interest at 13.03% per annum, repayable in monthly blended payments of \$826. The lease matures on August 1, 2015 and is secured by specific equipment with a net book value of \$12,558.	\$ 12,758	20,457
Less: current portion	<u>8,764</u>	<u>7,699</u>
	\$ 3,994	<u>12,758</u>

Minimum lease payments related to the obligation under capital lease are as follows:

2015	\$ 9,915
2016	<u>4,125</u>
	14,040
Less: imputed interest	<u>1,282</u>
Balance of obligation	12,758
Less: current portion	<u>8,764</u>
	\$ 3,994

12. LONG TERM DEBT AND ACCRUED INTEREST

	<u>2014</u>	<u>2013</u>
Frontier School Division Loan		
Interest at 4.0% per annum, repayable in blended monthly payments of \$14,600, due March 31, 2016.		
Secured by Ministerial guarantee.	\$ 335,664	493,986
GE Canada - School Bus Loan		
Interest at 7.9% per annum, repayable in blended monthly payments of \$2,328.25, maturing October 13, 2015.		
Secured by school bus.	41,454	60,439
Manitoba Hydro - Keeyask/Conowapa Project		
Interest at 5.35% per annum principal and interest, repayable on or before January 1, 2030.		
Secured by future adverse effects settlement funds.	383,200	383,200
Manitoba Hydro - Rental Advance		
Demand loan, non-interest bearing, due upon the completion of Keeyask funded projects.	100,000	100,000
Manitoba Hydro - Training Plan Loan		
Demand loan with interest at RBC prime rate. Prime rate as at March 31, 2014 was 3% (2013 - 3%).	802,178	778,875

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

12. LONG TERM DEBT AND ACCRUED INTEREST, continued	<u>2014</u>	<u>2013</u>
<p>The First Nation obtained financing to build 10 houses. Through this program the Housing Authority receives Government assistance of \$2,523.75 per month to operate the houses as rental units.</p>		
Peace Hills Trust Loan Payable	\$ 94,435	168,177
<p>Interest at 5.10% per annum repayable at \$6,478.93 per month principal and interest, due June 1, 2015. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.</p>		
<p>The First Nation obtained financing to build 4 houses. Through this program the Housing Authority receives Government assistance of \$1,159.50 per month to operate the houses as rental units.</p>		
CMHC Loan Payable	202,155	215,170
<p>Interest at 1.53% per annum repayable at \$1,372.16 per month principal and interest, due December 1, 2017. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.</p>		
<p>The First Nation obtained financing to build 2 houses. Through this program the Housing Authority receives Government assistance of \$804.25 per month to operate the houses as rental units.</p>		
CMHC Loan payable	139,602	147,272
<p>Interest at 2.61% per annum repayable at \$975.56 per month principal and interest, due September 1, 2014. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.</p>		

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

12. LONG TERM DEBT AND ACCRUED INTEREST, continued	<u>2014</u>	<u>2013</u>
The First Nation obtained financing to build 6 houses. Through this program the Housing Authority receives Government assistance of \$1,592.00 per month to operate the houses as rental units.		
CMHC Loan payable	\$ 315,593	329,221
Interest at 1.62% per annum repayable at \$1,606.05 per month principal and interest, due March 1, 2018. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.		
CMHC Construction Loan Advance		
Due on demand, interest at 3.05% per annum.		
May be converted to CMHC mortgage upon completion and approval of project.	<u>685,739</u>	<u> </u>
	3,100,020	2,676,340
Current portion	<u>1,118,164</u>	<u>88,369</u>
	\$ <u>1,918,856</u>	<u>2,587,971</u>

Estimated principal payments for the next five years are as follows:

2015	\$ 1,118,164
2016	234,688
2017	28,645
2018	433,145
2019	
Thereafter	<u>1,285,378</u>
	\$ <u>3,100,020</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

13. REPLACEMENT RESERVE

Under the terms of the Section 95 operating agreements with CMHC, the replacement reserve is to be credited with an annual allocation as follows:

	<u>2014</u>	<u>2013</u>
Post 1996 Section 95 Program		
Ten Units	\$ 8,000	8,000
Four Units	3,200	3,200
Two Units	1,200	1,200
Six Units	<u>6,000</u>	<u>6,000</u>
	\$ <u>18,400</u>	<u>18,400</u>

In accordance with the Section 95 operating agreements, these funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The reserve funds may only be used as approved by CMHC.

The reserve is partially funded as at March 31, 2014.

14. PREPAID EXPENSES

	<u>2014</u>	<u>2013</u>
Administration		
Insurance - MPI	\$	26,514
Negotiation Office		
Insurance	<u>10,968</u>	<u>7,769</u>
	\$ <u>10,968</u>	<u>34,283</u>

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

15. TANGIBLE CAPITAL ASSETS

		2014			
		Cost	Additions	Cost	Accumulated
		Mar. 31/13	(Disposals)	Mar. 31/14	Amortization
					Net Book Value
Land	\$	475,000		475,000	475,000
Buildings		19,416,056		19,416,056	3,936,916
Computer		189,468	42,913	232,381	190,389
Vehicles		120,408	183,440	303,848	54,355
Equipment		4,528,959		4,528,959	2,262,400
CMHC Housing		2,163,762		2,163,762	951,207
Assets under construction			885,802	885,802	
	\$	26,893,653	1,112,155	28,005,808	7,395,267
					20,610,541

		2013			
		Cost	Additions	Cost	Accumulated
		Mar. 31/12	(Disposals)	Mar. 31/13	Amortization
					Net Book Value
Land	\$	475,000		475,000	475,000
Buildings		19,416,056		19,416,056	3,212,082
Computer		189,468		189,468	168,038
Vehicles		33,000	87,408	120,408	30,273
Equipment		4,528,959		4,528,959	1,808,608
CMHC Housing		2,163,762		2,163,762	843,019
	\$	26,806,245	87,408	26,893,653	6,062,020
					20,831,633

16. ACCUMULATED SURPLUS

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

17. ECONOMIC DEPENDENCE

The organization is economically dependent on the Government of Canada.

18. FEDERAL ASSISTANCE PAYMENTS

The projects have received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to enable the project to provide housing to low-income individuals. The amount of assistance received in 2014 was \$72,954 (2013 - \$85,220).

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

19. RESTATEMENT OF MARCH 31, 2012 AND MARCH 31, 2013 FINANCIAL STATEMENTS

- i) **March 31, 2012 Consolidated Financial Statements**
 Non-Financial assets and accumulated surplus at March 31, 2012 have been restated to account for the contributed capital by the First Nation towards the construction of CMHC homes. As a result, the tangible capital assets and accumulated surplus have increased by \$460,202.
- ii) **March 31, 2013 Consolidated Financial Statements**
 Investments, non-financial assets, net financial assets and accumulated surplus at March 31, 2013 have been restated for the following:

CMHC replacement reserve understated	\$ 149,313
Accounts receivable overstated	267,304
Prepaid expense overstated	25,329
Accounts payable understated	251,430
Investments overstated	540,184
Trust funds overstated	<u>217</u>
	\$ <u>1,233,777</u>

As a result of the above restatements, investments, non-financial assets, net financial assets and accumulated surplus at March 31, 2013 have decreased by \$1,233,777.

20. CONTINGENT LIABILITIES

The Negotiations Office is involved in a dispute over the dismissal of its former executive director. The effects of any contingent claims relating to the dispute are not determinable at the date of this report.

The Negotiations Office receives funding from Manitoba Hydro based on various funding agreements. Manitoba Hydro has the right to review the accounting records to ensure compliance with the terms and conditions of the agreement. Adjustments to the financial statements as a result of these reviews, if any, will be recorded in the period in which they become known.

21. COMMITMENTS

On February 20, 2013, community members approved Chief and Council to withdraw \$437,962 from the Sun Life Financial portfolio investment account in Note 7. The funds were used to pay outstanding obligations not covered under the Conawapa Advance Agreement, and therefore, are required to be replaced from the Fox Lake Cree Nation Profit Management account.

As at March 31, 2014, the Fox Lake Cree Nation withdrew \$144,931 from the cash resources of the Negotiations Office. As at the report date, the funds withdrawn have not been approved by Manitoba Hydro, and therefore, the funds may have to be repaid.

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

22. COMPARATIVE AND BUDGET FIGURES

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period. The budget figures are unaudited.

23. FIRST NATIONS FINANCIAL TRANSPARENCY AND ACCOUNTABILITY ACT

The First Nation is required by the First Nations Financial Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2014. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

24. SEGMENT DISCLOSURE

	Band Government		Social Services		Economic Development	
	Budget	2014	2013	Budget	2014	2013
REVENUE						
Federal government		\$ 429,268	422,587			
Provincial government		1,611,874	7,678			
Economic activities				866,362	73,595	72,450
Net income (loss) from investments in government business enterprises		183,440				
Tangible capital asset addition						
Contributed capital - CMHC 2 units project		(1,233,777)				
Other revenue		73,967	796,660	44		
TOTAL REVENUE		2,298,549	(6,852)	866,406	73,595	72,450
EXPENSES						
Honoraria		149,500	151,190			
Wages and benefits		270,005	304,361	57,057	42,480	51,000
Amortization		1,194,449	674,398			
Debt servicing/Interest long term		36,144		809,349	44,833	29,904
Other expenses		202,406	124,483			
TOTAL EXPENSES		1,852,504	1,254,432	866,406	87,313	80,904
ANNUAL SURPLUS (DEFICIT)		\$ 446,045	(1,261,284)		(13,718)	(8,454)

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

24. SEGMENT DISCLOSURE

	Education		Public Works		Capital Projects	
	Budget	2014	2013	Budget	2014	2013
REVENUE						
Federal government		797,869	728,509			
Provincial government		363,475	140,273			
Economic activities						
Net income (loss) from investments in government business enterprises						
Tangible capital asset addition						
Contributed capital - CMHC 2 units project						
Other revenue			144,586			
TOTAL REVENUE		1,161,344	1,013,368		448,905	441,918
EXPENSES						
Honoraria						
Wages and benefits		514,747	520,943		150,552	
Amortization						
Debt servicing/Interest long term						
Other expenses		696,580	938,134		298,353	101,622
TOTAL EXPENSES		1,211,327	1,459,077		448,905	101,622
ANNUAL SURPLUS (DEFICIT)						
		(49,983)	(445,709)			340,296

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

24. SEGMENT DISCLOSURE

	Band Housing		Health		CMHC	
	Budget	2014	Budget	2014	Budget	2014
		2013		2013		2013
REVENUE						
Federal government						
Provincial government						
Economic activities						
Net income (loss) from investments in government business enterprises						
Tangible capital asset addition						
Contributed capital - CMHC 2 units project						
Other revenue		410,723		828,022		72,954
						78,864
TOTAL REVENUE		410,723		828,022		151,818
		420,122		748,564		164,083
EXPENSES						
Honoraria						
Wages and benefits		67,998		416,131		581,443
Amortization						
Debt servicing/Interest long term						
Other expenses		403,650		428,319		151,818
						251,474
TOTAL EXPENSES		471,648		844,450		151,818
		363,221		838,801		251,474
ANNUAL SURPLUS (DEFICIT)		(60,925)		(16,428)		(87,391)
		56,901		(90,237)		

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

24. SEGMENT DISCLOSURE

	Community Development		Nikanihk Itapowin Trust		Negotiations Office	
	Budget	2014	Budget	2014	Budget	2013
REVENUE						
Federal government						
Provincial government		949,691			1,068,567	3,712,579
Economic activities						
Net income (loss) from investments in government business enterprises			311,481	677,037		
Tangible capital asset addition						
Contributed capital - CMHC 2 units project						
Other revenue		1,330,357			2,681,830	(1,058,840)
TOTAL REVENUE		949,691	311,481	677,037	3,750,397	2,653,739
EXPENSES						
Honoraria		600				
Wages and benefits		419,456				
Amortization						
Debt servicing/Interest long term						
Other expenses		403,890	311,481	388,649	3,997,155	2,735,610
TOTAL EXPENSES		823,946	311,481	388,649	3,997,155	2,735,610
ANNUAL SURPLUS (DEFICIT)	\$	125,745	250,340	288,388	(246,758)	(81,871)

FOX LAKE CREE NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

24. SEGMENT DISCLOSURE

	Ottawa Trust Fund		Business Enterprises		Total	
	Budget	2014	Budget	2014	Budget	2013
REVENUE						
Federal government		172			3,697,195	3,606,762
Provincial government					4,072,471	3,939,393
Economic activities						
Net income (loss) from investments in government business enterprises					311,481	677,037
Tangible capital asset addition					183,440	
Contributed capital - CMHC 2 units project						(1,233,777)
Other revenue				135	3,188,501	1,644,007
TOTAL REVENUE		172		135	11,453,088	8,633,422
EXPENSES						
Honoraria					150,100	151,640
Wages and benefits					2,166,148	2,281,607
Amortization					1,194,449	674,398
Debt servicing/Interest long term					36,144	
Other expenses				7,753	7,755,471	6,703,351
TOTAL EXPENSES				7,753	11,302,312	9,810,996
ANNUAL SURPLUS (DEFICIT)		172		(7,618)	150,776	(1,177,574)