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**RED EARTH CREE NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2016**

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**RED EARTH CREE NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

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## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Red Earth Cree Nation are the responsibility of management and have been approved by the First Nation's Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The First Nation's Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation's Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and external auditor's report. Council also considers the engagement or re-appointment of the external auditors.

The external auditors, NeuPath Group Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Earth Cree Nation and meet when required.

  
Chief Miller Nawakayas

  
Don Morin, Financial Manager

Red Earth, Saskatchewan  
July 04, 2017

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Red Earth Cree Nation

We have audited the accompanying consolidated financial statements of Red Earth Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

We were unable to obtain satisfactory audit evidence pertaining to expenditures made. Specifically, there is a lack of documents supporting the nature of expenditures.

**Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

**Emphasis of Matter**

Note 2 describes the First Nation's accounting policy with respect to Tangible Capital Assets. The note also indicates that the First Nation has not implemented Public Sector Accounting Handbook Section PS 3150. Therefore, balances for Tangible Capital Assets and Accumulated Surplus are incorrect. Additionally, balances for Amortization of Capital Assets, Expenses, Annual Surplus (Deficit) and Accumulated Surplus at the beginning of the year are also incorrect. Amortization expense includes only amortization of the tangible capital assets that the First Nation has recognized in the Consolidated Statement of Financial Position.

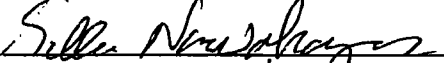
Nipawin, Saskatchewan  
July 4, 2017

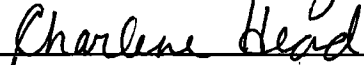
  
Chartered Accountants

**RED EARTH CREE NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2016**


	2016	2015
<b>Financial Assets</b>		
Accounts receivable (Note 3)	\$ 104,830	\$ 74,457
Due from government and other government organizations (Note 4)	313,925	1,684,388
Investments in government business enterprises (Note 5)	2,146,984	2,181,100
Portfolio investments (Note 6)	5,000	5,000
Trust funds held by federal government (Note 7)	89,814	69,351
Restricted cash (Note 8)	1,403,302	2,918,393
	4,063,855	6,932,689
<b>Liabilities</b>		
Bank indebtedness (Note 9)	1,171,637	506,581
Accounts payable and accrued liabilities (Note 10)	1,256,967	3,386,873
Due to government and other government organizations (Note 11)	990,125	590,734
Deferred revenue (Note 12)	1,471,303	3,309,013
Long term debt (Note 13)	6,064,941	5,173,231
	10,954,973	12,966,432
<b>Net Debt</b>	(6,891,118)	(6,033,743)
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 15)	41,096,680	38,763,842
Prepaid expenses	389,651	54,610
	41,486,331	38,818,452
<b>Accumulated Surplus (Note 16)</b>	\$ 34,595,213	\$ 32,784,709
<b>CONTINGENT LIABILITY (Note 17)</b>		

ON BEHALF OF THE FIRST NATION

 Chief

 Councillor

 Councillor

 Councillor

**RED EARTH CREE NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2016**

	Budget 2016	2016	2015
<b>REVENUE</b>			
INAC - operating	\$ 8,627,210	\$ 8,613,365	\$ 8,346,523
INAC - capital	-	3,399,490	5,244,142
Prince Albert Grand Council	2,255,813	2,457,538	2,375,532
Other revenue - operating	312,147	527,466	358,752
Other revenue - capital	-	7,890	491,675
Health Canada - operating	205,882	209,034	203,817
Health Canada - capital	-	-	465,403
Canada Mortgage and Housing Corporation	-	371,612	380,420
Rental revenue	38,000	280,034	267,749
NLCDC - operating	100,000	175,083	142,297
NLCDC - capital	-	15,000	4,450
Income from investment in government business enterprises (Note 18)	-	38,348	133,895
Amounts earned and held in trust by federal government	-	20,463	2,186
	11,539,052	16,115,323	18,416,841
<b>EXPENDITURES</b>			
Social Development	2,667,764	2,685,471	2,847,985
Band Government	923,192	1,100,266	1,303,009
Public Works	531,249	820,540	660,180
Education	5,364,438	5,794,690	5,325,105
Housing and Capital	140,540	493,585	533,809
CMHC Rental Housing	-	307,826	279,866
Health	699,041	784,501	625,784
Other Programs	307,200	986,081	691,698
Economic Development	152,300	245,889	160,377
Amortization	-	1,085,970	776,553
Loss (gain) on disposal of tangible capital assets	-	-	(25,625)
	10,785,724	14,304,819	13,178,741
Annual Surplus (Deficit)	753,328	1,810,504	5,238,100
Accumulated surplus at beginning of year	27,546,609	32,784,709	27,546,609
<b>Accumulated surplus at end of year</b>	<b>\$ 28,299,937</b>	<b>\$ 34,595,213</b>	<b>\$ 32,784,709</b>

**RED EARTH CREE NATION**  
**Consolidated Statement of Change in Net Debt**  
**Year Ended March 31, 2016**

	Budget 2016	2016	2015
Annual surplus (deficit)	753,328	1,810,504	5,238,100
Acquisition of tangible capital assets	-	(3,418,807)	(6,885,289)
Amortization of tangible capital assets	-	1,085,970	776,553
Loss (gain) on sale of tangible capital assets	-	-	(25,625)
Proceeds on disposal of tangible capital assets	-	-	25,625
Use (purchase) of prepaid expenses	-	(335,042)	(35,933)
<b>Change in net debt</b>	-	(857,375)	(906,569)
<b>Net debt at beginning of year</b>	(6,033,743)	(6,033,743)	(5,127,174)
<b>Net debt at end of year</b>	<b>\$ (5,280,415)</b>	<b>\$ (6,891,118)</b>	<b>\$ (6,033,743)</b>

**RED EARTH CREE NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 1,810,504	\$ 5,238,100
Items not affecting cash:		
Amortization	1,085,970	776,553
Loss (gain) on disposal of tangible capital assets	-	(25,625)
Income from government business enterprises	(38,348)	(133,895)
	<b>2,858,126</b>	<b>5,855,133</b>
Changes in non-cash working capital:		
Accounts receivable	(30,373)	169,563
Due from government and other government organizations	1,370,463	(1,571,109)
Prepaid expenses	(335,041)	(35,933)
Accounts payable and accrued liabilities	(2,129,907)	784,992
Due to governments and other government organizations	399,391	442,132
Deferred revenue	(1,837,710)	979,152
	<b>(2,563,177)</b>	<b>768,797</b>
Cash flow from operating activities	<b>294,949</b>	<b>6,623,930</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(3,418,807)	(6,885,289)
Proceeds on disposal of tangible capital assets	-	25,625
Increase in trust funds held by federal government	(20,463)	(2,186)
Distributions from government business enterprises	72,464	50,000
Decrease (increase) in restricted cash	1,515,091	1,095,044
Cash flow used by investing activities	<b>(1,851,715)</b>	<b>(5,716,806)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	2,055,000	-
Repayment of long term debt	(1,163,290)	(546,737)
Cash flow from (used by) financing activities	<b>891,710</b>	<b>(546,737)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(665,056)</b>	<b>360,387</b>
Cash resources (deficiency) - beginning of year	<b>(506,581)</b>	<b>(866,968)</b>
<b>CASH RESOURCES (DEFICIENCY) - END OF YEAR</b>	<b>\$ (1,171,637)</b>	<b>\$ (506,581)</b>



**RED EARTH CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

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**1. NATURE OF OPERATIONS**

The Red Earth Cree Nation (the "First Nation") is located in the province of Saskatchewan and provides various essential services to its members.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada.

Reporting entity

The Red Earth Cree Nation reporting entity includes the Red Earth Cree Nation government and all related entities that are either owned or controlled by the First Nation.

Principles of Consolidation

All controlled entities are fully consolidated on a line by line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Interorganizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Red Earth Cree Nation's investment in the government business enterprise and the enterprise's net income and other change in equity are recorded. No adjustments are made for accounting policies of the enterprise that are different from those of Red Earth Cree Nation.

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

Red Earth Cree Nation Section 95 Social Housing Operation  
Red Earth Cree Nation Health Operation

Organizations accounted for on a modified equity basis include:

	<u>% Ownership</u>
Red Earth Cree Developments Inc. (operating as Lionel Head Memorial Store)	100.00%
Red Earth Development Corporation	100.00%
Red Earth Developments Limited Partnership	100.00%
Prince Albert Development Corporation	8.33%
Prince Albert First Nations Business Development Limited Partnership	8.33%
Eastern Sector Community Development Corporation	33.33%
Eastern Sector Community Development Limited Partnership	33.33%

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)****Cash Resources**

Cash resources include cash on hand and bank balances.

**Restricted Cash**

Restricted cash consists of funds held in the CMHC replacement reserve and operating reserve bank accounts and the funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC replacement and operating reserves are used to pay eligible expenditures of the CMHC housing units.

**Trust Funds Held by Federal Government**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund consist of:

- a) capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation capital assets; and
- b) revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust monies are recognized when measurable, earned and collection is reasonably assured. These monies are reported on by the Government of Canada.

**Portfolio Investments**

Portfolio investments consist of investments held by the First Nation in separate legal entities over which the First Nation does not have the ability to exercise control. Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss that is other than a temporary decline. Entities included in portfolio investments are as follows:

Nipawin Biomass Ethanol New Generation Co-operative Ltd.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

In previous years, certain tangible capital assets acquired subsequent to April 1, 1996 by the First Nation, have been recorded on the Consolidated Statement of Financial Position at acquisition cost less amortization. Commencing in 2010, all current year purchases of tangible capital assets in use have been included in the Consolidated Statement of Financial Position. However, the First Nation has not fully implemented Public Sector Accounting Handbook Section PS 3150. Accordingly, infrastructure assets which have not previously been recognized are not included in the Consolidated Statement of Financial Position. Notwithstanding that fact, the First Nation believes PS 3150 does not appropriately value reserve lands or the inherent rights contained within. Accordingly, the First Nation sees little benefit to adopting PS 3150 and has no intentions of doing so. It is the First Nation's belief that the lack of adoption of PS 3150 should not result in a qualified audit opinion.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Leases that transfer substantially all the benefits and risk of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Red Earth Cree Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance basis over the expected useful life of the assets in the table that follows. Assets under construction are not amortized.

Dams and water structures	50 years
Subdivision development	40 years
Schools	40 years
Gravel roads	40 years
Housing	25 years
Commercial buildings	20 years
Water and waste system equipment	10 years
Equipment and vehicles	5 years
Computer equipment	3 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to Red Earth Cree Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net writedowns are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized on the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Measurement uncertainty

In preparing the consolidated financial statements for Red Earth Cree Nation, management is required to make estimates and assumptions that affect the reported amount 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 period. Items requiring the use of significant estimate include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

Basis of Segmentation

The First Nation has adopted the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment.

The segments (functions) are as follows:

**Social Services:** The social services segment is comprised of adult care, home care, day care, headstart, basic needs, special needs, social administration and the National Child Benefit program.

**Band Government:** The band government segment provides for the administration of the First Nation.

**Public Works:** The public works segment provides for the delivery of water, collecting and treating of wastewater, collection and disposal of solid waste, maintenance of community buildings and roads, fire protection and fire suppression.

**Education:** The education segment provides for the delivery of educational services, student transportation services, maintenance of teacherages, and post secondary support.

**Housing:** The housing segment provides for the maintenance of band-owned housing as well as houses operated under the Section 95 Social Housing CMHC Program.

**Health:** The health segment delivers health services including prevention projects, medical transportation, mental health, solvent abuse, prenatal nutrition and oral health, among others.

**Economic Development:** The economic development segment delivers services aimed at stimulating economic development.

**Other Programs:** The other programs segment includes investment income earned from government business enterprises, income earned from trust funds held by the federal government, and the delivery of assistance and community services from the utilization of First Nations Trust gaming revenues.

Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Net debt

The First Nation's 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. Accumulated surplus is comprised of two components, financial assets and non-financial assets.

Recent accounting pronouncementsFinancial Instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives.

The implementation date has been deferred to years beginning on or after April 1, 2019.

Related Party Disclosures and Inter-Entity Transactions

In March 2015, the PSAB issued PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions. These new sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity.

The standards are effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Restructuring Transactions

In June 2015, the PSAB issued PS 3430 Restructuring Transactions. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration. Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments. The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense. The financial position and results of operations prior to the restructuring date are not restated.

The section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier adoption is encouraged.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Assets**

In June 2015, the PSAB issued PS 3210 Assets. The new section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained. An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**Contractual Rights**

In June 2015, the PSAB issued PS 3380 Contractual Rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right. Disclosures should include descriptions about nature, extent and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**Contingent Assets**

In June 2015, the PSAB issued PS 3320 Contingent Assets. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset. Disclosures should include existence, nature and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made. When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts, unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**Portfolio Investments**

In March 2012, the PSAB issued PS 3041 Portfolio Investments. This new standard has removed the distinction between temporary and portfolio investments. It was amended to conform to PS 3450 Financial Instruments, and will include pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, PS 3030 Temporary Investments will no longer apply.

The standard is effective for fiscal years beginning on or after April 1, 2019.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial Statement Presentation

In June 2011 the PSAB issued PS 1201 Financial Statement Presentation. This standard was amended to conform to PS 3450 Financial Instruments, and requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

The standard is effective for fiscal years beginning on or after April 1, 2019.

Foreign Currency Translation

In May 2012 the PSAB issued PS 2601 Foreign Currency Translation. This standard requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item.

The standard is effective for fiscal years beginning on or after April 1, 2019.

**3. ACCOUNTS RECEIVABLE**

	2016	2015
Northern Inter-Tribal Health Authority Inc. (NITHA)	\$ 569	\$ -
Northern Lights Community Development Corporation (NLCDC)	21,000	37,799
Other	25,340	11,258
Prince Albert First Nations Business Development LP	22,464	-
Prince Albert Grand Council	35,457	25,400
	<b>\$ 104,830</b>	<b>\$ 74,457</b>

**4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

	2016	2015
Indigenous and Northern Affairs Canada (INAC)	\$ -	\$ 1,650,000
Canada Mortgage and Housing Corporation (CMHC)	308,771	31,702
Government of Canada - GST rebates	4,317	2,686
First Nations and Inuit Health Branch (FNIHB)	837	-
	<b>\$ 313,925</b>	<b>\$ 1,684,388</b>

## 5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Red Earth Cree Nation's investments in government business enterprises consists of the following:

	2016	2015
Red Earth Cree Developments Inc. (Lionel Head Memorial Store)	\$ 338,651	\$ 339,582
Prince Albert Development Corporation	24,456	24,246
Prince Albert First Nations Business Development LP	1,858,245	1,893,347
Eastern Sector Community Development Corporation	(44,522)	(44,522)
Eastern Sector Community Development LP	(26,672)	(26,672)
Red Earth Development Corporation	(3,149)	(3,078)
Red Earth Development Limited Partnership	(25)	(1,803)
	<b>\$ 2,146,984</b>	<b>\$ 2,181,100</b>

Summarized financial information for Red Earth Cree Development Inc. for the year ending November 30, 2015 is as follows:

Total assets	445,896	489,607
Total liabilities	107,246	150,025
Shareholders' equity	338,650	339,582
Sales	2,666,416	3,005,735
Cost of sales	2,052,904	2,362,816
Expenses	651,555	710,648
Net income (loss)	(932)	(47,015)

Red Earth Cree Developments Inc. (Operating as Lionel Head Memorial Store) operates a grocery/confectionary/gas bar retail outlet on the Red Earth First Nation reserve.

Summarized financial information for Prince Albert Development Corporation for the year ending March 31, 2016 is as follows:

Total assets	298,989	302,175
Total liabilities	5,513	11,225
Shareholder's equity	293,476	290,950
Income	4,526	25,762
Expenses	2,000	12,363
Net earnings	2,526	13,399

Summarized financial information for Prince Albert First Nations Business Development Limited Partnership for the year ending March 31, 2016 is as follows:

Total assets	22,973,343	23,122,361
Total liabilities	375,413	100,022
Partners' capital	22,597,930	23,022,339
Income	795,967	2,879,500
Expenses	343,097	303,006
Net earnings	452,870	2,576,398

(continues)



**5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (continued)**

Financial statements for Eastern Sector Development Corporation have not been prepared for the year ending March 31, 2016. It is anticipated that little change occurred during the year as the corporation was inactive. Summarized financial information for Eastern Sector Development Corporation for the year ending March 31, 2015 is as follows:

Total assets	-	80,045
Total liabilities	-	213,610
Shareholders' equity (deficiency)	-	(133,565)
Expenses	-	1,200
Net income (loss)	-	(1,200)

Financial statements for Eastern Sector Development LP have not been prepared for the year ending March 31, 2016. It is anticipated that little change occurred during the year as the partnership was inactive. Summarized financial information for Eastern Sector Development LP for the year ending March 31, 2015 is as follows:

Total assets	-	876
Total liabilities	-	1,500
Partners' equity (deficiency)	-	(624)
Expenses	-	875
Net income (loss)	-	(875)

Summarized financial information for Red Earth Cree Development Corporation for the year ending March 31, 2016 is as follows:

Total assets	-	100
Total liabilities	3,149	3,178
Shareholders' equity (deficiency)	(3,149)	(3,078)
Revenue	845	-
Expenses	916	933
Net income (loss)	(71)	(933)

Summarized financial information for Red Earth Development Limited Partnership for the year ending March 31, 2016 is as follows:

Total assets	1,451	251
Total liabilities	3,001	3,680
Partners' equity (deficiency)	(1,550)	(3,329)
Revenues	121,414	121,250
Expenses	119,635	152,419
Net income (loss)	1,779	(31,166)

**6. PORTFOLIO INVESTMENTS**

Portfolio investments consist of 1 Class A share and 5 Class C shares of Nipawin Biomass Ethanol New Generation Co-operative Ltd. There is no active trading market for these shares.

**7. TRUST FUNDS**

The 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. The management of these funds are primarily governed by Sections 63 to 69 of the *Indian Act*.

	Capital	Revenue	2016	2015
Balance, beginning of year	\$ 48,250	\$ 21,101	\$ 69,351	\$ 67,165
Increases - interest	-	1,866	1,866	1,249
Increases - other revenue	-	937	937	937
Increases - RCMP lease	-	17,660	17,660	-
	\$ 48,250	\$ 41,564	\$ 89,814	\$ 69,351

**8. RESTRICTED CASH**

	2016	2015
DNCU - CMHC Operating reserve	\$ 11,320	\$ 11,484
RBC - CMHC Replacement Reserve chequing account	54	454
RBC - CMHC Replacement Reserve GIC	330,119	233,068
DNCU - CMHC Replacement Reserve chequing account	1	1
TD Canada Trust - School addition capital project	52,288	21,633
TD Canada Trust - School addition holdback account	5,045	1,340,479
TD Canada Trust - Raw Water Reservoir capital project	249,252	251,652
TD Canada Trust - Lagoon capital project	88,535	99,223
TD Canada Trust - Water Supply capital project	7,022	38,662
TD Canada Trust - Emergency Bridge Repair capital project	652,997	918,468
TD Canada Trust - Band Based Capital projects	6,669	3,269
	\$ 1,403,302	\$ 2,918,393

**9. BANK INDEBTEDNESS**

Bank indebtedness consists of cheques issued in excess of deposits. The First Nation does not have an authorized line-of-credit.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2016	2015
Accounts payable and accrued liabilities	\$ 1,256,967	\$ 1,521,386
Construction payables	-	1,865,487
	\$ 1,256,967	\$ 3,386,873

**11. DUE TO GOVERNMENTS AND OTHER GOVERNMENT ORGANIZATIONS**

	2016	2015
INAC	\$ 519,229	\$ 348,142
Federal government - source deductions	470,896	242,592
	<b>\$ 990,125</b>	<b>\$ 590,734</b>

**12. DEFERRED REVENUE**

	2016	2015
INAC - capital projects	\$ 1,432,579	\$ 3,156,329
INAC - operating	25,224	60,406
NLCDC	13,500	92,278
	<b>\$ 1,471,303</b>	<b>\$ 3,309,013</b>

**13. LONG TERM DEBT**

	2016	2015
Royal Bank loan bearing interest at prime plus 3.15% per annum, repayable in monthly blended payments of \$27,500. The loan matures on April 10, 2017 and is secured by accounts receivable and irrevocable letter of direction to INAC.	\$ 1,109,507	\$ -
Royal Bank loan bearing interest at 5% per annum, repayable in monthly blended payments of \$67,449. The loan matures on June 30, 2020 and is secured by accounts receivable and irrevocable letter of direction to INAC.	640,031	-
Royal Bank loan repaid during the year.	-	750,165
CMHC loan bearing interest at 2.35% per annum, repayable in monthly blended payments of \$7,040. The loan matures on September 1, 2018 and is guaranteed by the Government of Canada.	1,231,163	1,258,453
CMHC loan bearing interest at 2.67% per annum, repayable in monthly blended payments of \$5,745. The loan matures on June 1, 2020 and is guaranteed by the Government of Canada.	901,948	922,578
CMHC loan bearing interest at 2.35% per annum, repayable in monthly blended payments of \$3,474. The loan matures on September 1, 2018 and is guaranteed by the Government of Canada.	622,696	625,586
		(continues)

**RED EARTH CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

**13. LONG TERM DEBT (continued)**

	<b>2016</b>	<b>2015</b>
CMHC loan bearing interest at 1.92% per annum, repayable in monthly blended payments of \$3,110. The loan matures on April 1, 2019 and is guaranteed by the Government of Canada.	<b>456,630</b>	460,385
CMHC loan bearing interest at 1.05% per annum, repayable in monthly blended payments of \$3,139. The loan matures on April 1, 2020 and is guaranteed by the Government of Canada.	<b>348,527</b>	357,176
CMHC loan bearing interest at 2.56% per annum, repayable in monthly blended payments of \$2,757. The loan matures on May 1, 2016 and is guaranteed by the Government of Canada.	<b>307,550</b>	310,773
CMHC loan bearing interest at 1.65% per annum, repayable in monthly blended payments of \$2,255. The loan matures on June 1, 2017 and is guaranteed by the Government of Canada.	<b>267,493</b>	272,131
CMHC loan bearing interest at 1.92% per annum, repayable in monthly blended payments of \$1,292. The loan matures on April 1, 2019 and is guaranteed by the Government of Canada.	<b>124,000</b>	128,074
CMHC loan bearing interest at 5.34% per annum, repayable in monthly blended payments of \$1,793. The loan matures on March 1, 2018 and is guaranteed by the Government of Canada.	<b>55,396</b>	59,669
Peace Hills Trust loan repaid during the year.	-	28,241
	<b>\$ 6,064,941</b>	<b>\$ 5,173,231</b>

Principal repayment terms are approximately:

2017	\$ 586,491
2018	611,252
2019	632,374
2020	560,351
2021	325,916
Thereafter	3,348,558
	<u><b>\$ 6,064,942</b></u>

**14. CONTRACTUAL OBLIGATIONS**

The First Nation has entered into a lease arrangement with RBC for the lease of a 72 passenger school bus. The lease arrangement requires monthly payments of \$1,587 commencing Sept 17, 2015 and continuing for a five year term. The First Nation has the option to purchase the school bus for the amount of \$1 on September 16, 2020.

## 15. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Dams and water structures	\$ 4,336,013	\$ 203,074	\$ 4,132,939	\$ 853,259
Subdivision development	3,474,396	521,159	2,953,237	3,040,097
Buildings	897,413	418,973	478,440	512,811
Housing	10,340,512	2,915,237	7,425,275	7,552,009
Schools	21,300,828	588,626	20,712,202	264,495
Equipment and vehicles	4,735,223	2,458,247	2,276,976	1,552,470
Computer equipment	31,788	31,788	-	1,433
Gravel roads	145,464	25,456	120,008	123,644
Capital projects under construction	2,997,603	-	2,997,603	24,863,624
	<b>\$ 48,259,240</b>	<b>\$ 7,162,560</b>	<b>\$ 41,096,680</b>	<b>\$ 38,763,842</b>

## 16. ACCUMULATED SURPLUS

	2016	2015
Invested in tangible capital assets	\$ 36,141,245	\$ 33,640,776
CMHC reserves	1,695,049	1,543,123
Invested in government business enterprises	2,146,984	2,181,100
Operating deficit	(5,388,065)	(4,580,290)
	<b>\$ 34,595,213</b>	<b>\$ 32,784,709</b>

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation has established a replacement reserve of \$997,407 (2015 - \$898,093) to ensure replacement of capital equipment and for major repairs to CMHC housing units. An operating reserve of \$801,880 (2015 - \$645,029) has also been established for housing units under the post 1996 Fixed Subsidy Program which requires surpluses to be deposited to an operating reserve bank account to offset future operating losses. At March 31, 2016 \$341,495 (2015 - \$245,007) has been set aside to fund these two reserves.

## 17. CONTINGENT LIABILITY

These financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments to funding amounts could be made based on the results of their reviews. Such adjustments will be recognized in the year the adjustment is made.

**18. INCOME FROM INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

	<b>2016</b>	<b>2015</b>
Lionel Head Memorial Store	\$ (932)	\$ (47,015)
Red Earth Development Corporation	(71)	(933)
Red Earth Development Limited Partnership	1,778	(31,136)
Share of earnings - PADC	211	1,117
Share of earnings - PAFNBDLP	37,362	212,553
Share of earnings - ESCDC	-	(400)
Share of earnings - ESCDLP	-	(291)
	<b>\$ 38,348</b>	<b>\$ 133,895</b>

**19. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenues from Indigenous and Northern Affairs Canada (INAC) as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC 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.

**20. BUDGET AMOUNTS**

The First Nation's management prepares all the budget amounts disclosed in the consolidated financial statements. These amounts are presented for information purposes and have not been audited.

The disclosed budget information is required to be presented on the same basis as the actual results, therefore, \$444,925 of loan payments and \$17,073 of budgeted capital purchases have been removed from the budgeted expenses as presented on the Statement of Operations.

The First Nation did not prepare a budget for its CMHC housing program, band based capital program, amortization, and its share of earnings of government business entities.

## 21. EXPENDITURE BY OBJECT

	Budget	2016	2015
Wages and benefits	\$ 5,213,271	\$ 5,647,436	\$ 5,392,609
Assistance	2,666,849	2,734,958	3,025,264
Amortization	-	1,085,970	776,553
Travel, training and workshops	637,845	983,233	789,552
Repairs and maintenance - buildings	179,079	769,991	527,955
Contracted services	298,478	491,127	397,193
Other expenses	238,176	439,867	286,492
Program expenditures	348,191	433,125	416,221
Materials and supplies	282,850	306,701	305,841
Utilities and telephone	268,035	226,364	383,396
Bank charges and loan interest	25,200	218,191	243,038
Insurance	121,131	215,026	147,743
Tuition and books	158,623	206,214	128,574
Vehicle expenses	160,101	232,827	150,772
Board expenses	67,286	122,046	100,018
Professional fees	56,000	97,500	65,550
Rent	40,009	73,178	48,903
Repairs and maintenance - equipment	24,600	21,065	18,694
Loss (gain) on disposal	-	-	(25,625)
	<b>\$ 10,785,724</b>	<b>\$ 14,304,819</b>	<b>\$ 13,178,743</b>

## 22. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**Red Earth First Nation**  
**Schedule of Revenue and Expenses by Segment (Schedule 1)**  
**For the year ended March 31, 2016**

	Social Development			Band Government			Public Works		
	Budget			Budget			Budget		
	2016	2016	2015	2016	2016	2015	2016	2016	2015
<b>Revenues:</b>									
INAC - Operating	\$ 2,667,764	\$ 2,604,630	\$ 2,601,208	\$ 582,439	\$ 582,439	\$ 616,869	\$ 465,655	\$ 516,641	\$ 426,502
INAC- Capital	-	-	-	-	-	-	-	-	-
Prince Albert Grand Council (PAGC)	-	-	-	-	8,832	9,497	-	-	-
Other revenue	-	-	8,500	24,000	158,731	52,641	45,647	41,345	26,945
CMHC	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Health Canada (FNIHB) - operating	-	-	-	-	-	-	-	-	-
Income from government business enterprises	-	-	-	-	-	-	-	-	-
Other revenue - capital	-	-	-	-	-	-	-	-	-
Health Canada (FNIHB) - capital	-	-	-	-	-	-	-	-	-
NLCDC	-	-	-	-	-	-	-	-	-
NLCDC - capital	-	-	-	-	-	-	-	-	-
Provincial Government - operating	-	-	-	-	-	-	-	-	-
Amounts earned and held in trust	-	-	-	-	-	-	-	-	-
	2,667,764	2,604,630	2,609,708	606,439	750,002	679,007	511,302	557,986	453,447
<b>Expenses:</b>									
Amortization	-	-	1,141	-	2,575	8,815	-	307,923	325,848
Assistance, community events, donations and grants	2,243,869	1,904,786	2,299,279	-	-	-	-	-	-
Bank charges and loan interest	-	-	-	24,000	20,877	84,978	-	-	-
Board expenses	-	-	-	22,800	50,070	51,014	-	-	-
Contracted services	40,120	281,647	89,881	117,000	120,750	169,384	98,800	28,235	96,363
Election	-	-	-	-	-	-	-	-	-
Insurance and licenses	-	-	-	-	-	-	33,565	29,537	30,616
Materials, supplies and office	-	-	-	23,385	38,354	12,720	44,784	76,679	65,191
Other expenses	63,584	64,899	55,983	11,200	52,203	49,759	-	-	-
Professional fees	-	-	-	50,000	52,500	50,550	-	-	-
Program expenditures	300,191	315,741	318,289	-	-	-	-	-	-
Rent	-	-	-	12,009	3,579	7,376	-	-	-
Repairs and maintenance - buildings	-	-	-	-	8,244	8,244	27,400	165,210	36,067
Repairs and maintenance - equipment	-	-	-	9,000	450	550	-	12,792	351
Travel, training and workshops	20,000	43,539	28,935	421,692	542,526	325,022	8,800	18,922	5,048
Tuition and books	-	74,860	-	-	-	-	-	-	-
Utilities and telephone	-	-	-	24,000	18,750	18,371	101,000	101,951	172,621
Vehicle expenses	-	-	5,962	-	-	-	92,471	143,024	80,513
Wages and benefits	-	-	49,656	208,106	191,963	525,042	124,429	244,189	173,410
(Gain) loss on disposal of capital assets	-	-	-	-	-	-	-	-	-
	2,667,764	2,685,471	2,849,126	923,192	1,102,841	1,311,825	531,249	1,128,463	986,028
<b>Annual Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ (80,841)</b>	<b>\$ (239,418)</b>	<b>\$ (316,753)</b>	<b>\$ (352,839)</b>	<b>\$ (632,818)</b>	<b>\$ (19,947)</b>	<b>\$ (570,477)</b>	<b>\$ (532,581)</b>



**Red Earth First Nation**  
**Schedule of Revenue and Expenses by Segment (Schedule 1) *Cont'd***  
**For the year ended March 31, 2016**

	Education			Housing and Capital			Health		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
<b>Revenues:</b>									
INAC - Operating	\$ 4,415,784	\$ 4,371,070	\$ 4,132,154	\$ 410,540	\$ 410,540	\$ 454,110	\$ 85,028	\$ 63,026	\$ 63,026
INAC - Capital	-	-	-	-	3,399,490	5,244,142	-	-	-
Prince Albert Grand Council (PAGC)	1,164,907	1,149,781	1,164,462	-	-	-	413,406	489,056	424,493
Other revenue	217,500	183,982	207,603	-	7,779	5,418	8,000	39,116	18,425
CMHC	-	-	-	-	371,612	380,420	-	-	-
Rental revenue	38,000	54,163	50,794	-	225,871	216,955	-	-	-
Health Canada (FNIHB) - operating	-	-	-	-	-	-	205,882	209,034	203,817
Income from government business enterprises	-	-	-	-	-	-	-	-	-
Other revenue - capital	-	-	-	-	7,890	491,675	-	-	-
Health Canada (FNIHB) - capital	-	-	-	-	-	465,403	-	-	-
NLCDC	-	-	-	-	-	-	-	-	-
NLCDC - capital	-	-	-	-	-	-	-	-	-
Provincial Government - operating	-	-	-	-	-	-	-	-	-
Amounts earned and held in trust	-	-	-	-	-	-	-	-	-
	5,836,191	5,758,995	5,555,013	410,540	4,423,182	7,258,123	712,316	800,232	709,761
<b>Expenses:</b>									
Amortization	-	542,540	18,034	-	226,189	415,428	-	-	-
Assistance, community events, donations and grants	283,625	338,081	331,574	-	-	-	-	-	-
Bank charges and loan interest	-	-	-	-	95,502	111,623	1,200	1,677	-
Board expenses	34,200	31,347	41,433	-	7,473	-	6,286	8,245	6,918
Contracted services	-	-	3,750	-	-	-	42,558	40,283	37,814
Election	-	-	-	-	-	-	-	-	-
Insurance and licenses	13,366	45,542	6,484	71,610	137,022	108,230	2,590	2,925	2,413
Materials, supplies and office	162,147	117,199	110,607	-	2,152	30,867	40,534	53,387	67,309
Other expenses	15,693	63,220	38,066	-	-	-	15,699	29,456	30,297
Professional fees	-	-	-	-	15,000	15,000	6,000	10,000	-
Program expenditures	48,000	117,384	90,932	-	-	-	-	-	-
Rent	28,000	69,599	41,527	-	-	-	-	-	-
Repairs and maintenance - buildings	82,749	131,611	50,568	68,930	463,006	432,946	-	1,920	130
Repairs and maintenance - equipment	15,600	7,823	17,793	-	-	-	-	-	7,000
Travel, training and workshops	75,839	225,439	236,075	-	17,296	74,655	104,514	125,804	97,793
Tuition and books	158,623	131,354	128,574	-	-	-	-	-	-
Utilities and telephone	140,046	101,503	186,690	-	-	-	2,989	4,159	5,714
Vehicle expenses	50,468	61,241	41,208	-	-	-	8,320	10,918	7,799
Wages and benefits	4,256,082	4,353,348	3,999,824	-	63,960	40,353	468,351	495,727	362,598
(Gain) loss on disposal of capital assets	-	-	-	-	-	(25,625)	-	-	-
	5,364,438	6,337,230	5,343,139	140,540	1,027,600	1,203,477	699,041	784,501	625,785
<b>Annual Surplus (Deficit)</b>	<b>\$ 471,753</b>	<b>\$ (578,235)</b>	<b>\$ 211,874</b>	<b>\$ 270,000</b>	<b>\$ 3,395,582</b>	<b>\$ 6,054,646</b>	<b>\$ 13,275</b>	<b>\$ 15,731</b>	<b>\$ 83,976</b>

**Red Earth First Nation**  
**Schedule of Revenue and Expenses by Segment (Schedule 1) Cont'd**  
**For the year ended March 31, 2016**

	Other Programs			Economic Development			Consolidated Totals		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
<b>Revenues:</b>									
INAC - Operating	\$ -	\$ 65,019	\$ 52,654	\$ -	\$ -	\$ -	\$ 8,627,210	\$ 8,613,365	\$ 8,346,523
INAC - Capital	-	-	-	-	-	-	-	3,399,490	5,244,142
Prince Albert Grand Council (PAGC)	625,200	757,169	724,779	52,300	52,700	52,300	2,255,813	2,457,538	2,375,531
Other revenue	17,000	96,513	39,221	-	-	-	312,147	527,467	358,753
CMHC	-	-	-	-	-	-	-	371,612	380,420
Rental revenue	-	-	-	-	-	-	38,000	280,034	267,749
Health Canada (FNIHB) - operating	-	-	-	-	-	-	205,882	209,034	203,817
Income from government business enterprises	-	38,348	133,895	-	-	-	-	38,348	133,895
Other revenue - capital	-	-	-	-	-	-	-	7,890	491,675
Health Canada (FNIHB) - capital	-	-	-	-	-	-	-	-	465,403
NLCDC	-	1,450	15,388	100,000	173,633	126,909	100,000	175,083	142,297
NLCDC - capital	-	-	-	-	15,000	4,450	-	15,000	4,450
Amounts earned and held in trust	-	20,463	2,186	-	-	-	-	20,463	2,186
	642,200	978,962	968,123	152,300	241,333	183,659	11,539,052	16,115,323	18,416,841
<b>Expenses:</b>									
Amortization	-	-	-	-	6,743	7,287	-	1,085,970	776,553
Assistance, community events, donations and grants	137,000	488,557	392,601	2,355	3,535	1,809	2,666,849	2,734,958	3,025,263
Bank charges and loan interest	-	100,136	46,437	-	-	-	25,200	218,192	243,038
Board expenses	3,000	23,911	-	1,000	1,000	653	67,286	122,046	100,018
Contracted services	-	20,212	-	-	-	-	298,478	491,127	397,192
Election	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	121,131	215,026	147,743
Materials, supplies and office	12,000	18,931	19,011	-	-	136	282,850	306,701	305,841
Other expenses	30,000	34,448	884	102,000	195,641	111,505	238,176	439,867	286,493
Professional fees	-	20,000	-	-	-	-	56,000	97,500	65,550
Program expenditures	-	-	-	-	-	-	348,191	433,125	409,221
Rent	-	-	-	-	-	-	40,009	73,178	48,903
Repairs and maintenance - buildings	-	-	-	-	-	-	179,079	769,991	527,955
Repairs and maintenance - equipment	-	-	-	-	-	-	24,600	21,065	25,694
Travel, training and workshops	-	4,206	13,388	7,000	5,500	8,635	637,845	983,233	789,551
Tuition and books	-	-	-	-	-	-	158,623	206,214	128,574
Utilities and telephone	-	-	-	-	-	-	268,035	226,364	383,396
Vehicle expenses	8,842	17,644	15,290	-	-	-	160,101	232,827	150,772
Wages and benefits	116,358	258,036	204,088	39,945	40,213	37,638	5,213,271	5,647,436	5,392,609
(Gain) loss on disposal of capital assets	-	-	-	-	-	-	-	-	(25,625)
	307,200	986,082	691,699	152,300	252,632	167,663	10,785,724	14,304,819	13,178,741
<b>Annual Surplus (Deficit)</b>	<b>\$ 335,000</b>	<b>\$ (7,120)</b>	<b>\$ 276,424</b>	<b>\$ -</b>	<b>\$ (11,299)</b>	<b>\$ 15,996</b>	<b>\$ 753,328</b>	<b>\$ 1,810,504</b>	<b>\$ 5,238,100</b>