

FORTIUS FOUNDATION

Statements of Financial Position

As at September 30, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 504,367	\$ 36,517
Short-term investments	960	1,536
Accounts receivable	-	2,219
Prepaid expenses	-	14,629
Current portion of deposits (note 3)	106,955	131,955
Due from related parties, net of allowance (note 10(a))	3,347,469	4,560,032
Prepaid interest to related party (note 10(b))	-	-
	<u>3,959,751</u>	<u>4,746,888</u>
Deposits (note 3)	-	111,626
Prepaid land lease (note 4)	884,693	952,745
Capital assets (note 5)	50,532,423	53,317,005
	<u>\$ 55,376,867</u>	<u>\$ 59,128,264</u>
Liabilities and Deficiency in Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 71,482	\$ 213,638
Current portion of obligation under capital lease	-	877
Current portion of mortgage loans (note 7)	473,124	453,166
Current portion of long-term debt (note 8)	60,000	377,584
Due to related party (note 10(c))	-	-
	<u>604,606</u>	<u>1,045,265</u>
Long-term liabilities:		
Obligation under capital lease	-	-
Mortgage loans (note 7)	37,615,936	35,954,042
Long-term debt (note 8)	9,367,995	5,259,107
Asset retirement obligation (note 9)	618,009	589,529
Notes payable to related parties (note 10(d))	30,109,298	28,370,347
Total liabilities	<u>78,315,844</u>	<u>71,218,290</u>
Deficiency in net assets	(22,938,977)	(12,090,028)
	<u>\$ 55,376,867</u>	<u>\$ 59,128,264</u>

Nature of operations and going concern (note 1)
Subsequent events (notes 7(a), 8(b), and 13)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

FORTIUS FOUNDATION

Statement of Operations and Deficiency in Net Assets

Year ended September 30, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Contributions and donations	\$ 207,997	\$ 11,044
Rental and other income	2,366,667	2,141,667
Investment income	73	939
	<u>2,574,737</u>	<u>2,153,610</u>
Expenses:		
Interest and loan fees	4,861,629	4,423,759
Amortization	2,763,515	2,811,132
Consulting and professional fees	-	45,619
Accounting and legal fees	35,202	79,432
Salaries and benefits	162,000	168,320
Insurance	144,020	134,089
Administration	28,065	9,503
Field lease (note 4)	68,052	68,052
Rent	-	-
Property taxes	-	-
Accretion of asset retirement obligation	28,480	27,168
Computer services and supplies	-	91,453
Unrecoverable commodity taxes	-	20,283
Equipment supplies	-	-
Repairs and maintenance	5,000	-
Donations	-	123,000
Bad debt (note 10(a))	5,383,489	-
Miscellaneous (recovery)	(46,340)	(60,333)
	<u>13,423,112</u>	<u>7,941,477</u>
Deficiency of revenue over expenses before the undernoted	(10,848,415)	(5,787,867)
Loss on short-term investments	(576)	(2,135)
Loss on foreign exchange	-	(257)
	<u>(576)</u>	<u>(2,392)</u>
Deficiency of revenue over expenses	(10,848,951)	(5,790,259)
Deficiency in net assets, beginning of year	(12,090,026)	(6,299,767)
Deficiency in net assets, end of year	<u>\$ (22,938,977)</u>	<u>\$ (12,090,026)</u>

See accompanying notes to financial statements.

FORTIUS FOUNDATION

Statement of Cash Flows

Year ended September 30, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	\$(10,848,951)	\$ (5,790,259)
Items not involving cash:		
Field lease	68,052	68,052
Amortization	2,763,515	2,811,132
Accretion of asset retirement obligation	28,480	27,168
Interest and loan fees expense on mortgage loans	3,153,107	2,711,785
Interest expense on long-term debt	278,412	181,734
Interest expense on notes payable to related parties	1,151,951	974,483
Interest and loan fees paid on mortgage loans	(2,090,511)	(2,711,785)
Interest paid on long-term debt	(18,745)	(3,258)
Interest paid on notes payable to related party	-	-
Changes in non-cash operating working capital:		
Decrease in accounts receivable	2,219	83,693
Decrease (increase) in prepaid expenses	14,629	(2,775)
Decrease in deposits	136,626	232,570
Increase in due from related parties	-	(3,159,205)
Increase in prepaid interest to related party	-	175,515
Decrease in accounts payable and accrued liabilities	(142,155)	(1,482,193)
Decrease in deferred revenue and contributions	-	-
Increase (decrease) in due from related party	1,212,563	(133,393)
	(4,290,808)	(6,016,736)
Investments:		
Disposition (purchases) of capital assets	21,067	(189,539)
Decrease (increase) in short-term investments	576	2,136
	21,643	(187,403)
Financing:		
Repayment of obligation under capital lease	(877)	(3,403)
Advances on mortgage loans	1,072,147	4,171,825
Repayment of mortgage loans	(452,892)	(477,117)
Issuance of long-term debt	3,755,407	1,399,133
Repayment of long-term debt	(100,770)	(21,742)
Issuance of notes payable to related party	464,000	1,400,000
Repayment of notes payable to related party	-	(600,000)
	4,737,015	5,868,696
Decrease in cash and cash equivalents	467,850	(335,443)
Cash and cash equivalents, beginning of year	36,517	371,960
Cash and cash equivalents, end of year	\$ 504,367	\$ 36,517

See accompanying notes to financial statements.