

# Fortius Foundation

## Statement of Financial Position

As at

|   | September 30<br>2016 | September 30<br>2015 |
|---|----------------------|----------------------|
| <b>Assets</b>                                     |                      |                      |
| <b>Current assets:</b>                            |                      |                      |
| Cash and cash equivalents                         | \$ 253,987           | \$ 504,367           |
| Short-term investments                            | 2,208                | 960                  |
| Accounts receivable                               | 2,616                | -                    |
| Prepaid expenses                                  | -                    | -                    |
| Deposits  | -                    | 106,955              |
| Due from related parties                          | 8,353,374            | 2,980,500            |
| Prepaid interest to related party                 | -                    | -                    |
|   | 8,612,185            | 3,592,782            |
| Deposits  | -                    | -                    |
| Prepaid land lease                                | 816,641              | 884,693              |
| Capital assets                                    | 47,910,608           | 50,532,423           |
| <b>Total assets</b>                               | <b>\$ 57,339,434</b> | <b>\$ 55,009,898</b> |
| <b>Liabilities and Shareholders' equity</b>       |                      |                      |
| <b>Current liabilities:</b>                       |                      |                      |
| Accounts payable and accrued liabilities          | \$ 248,540           | \$ 71,482            |
| Current portion of obligation under capital lease | -                    | -                    |
| Current portion of mortgage loans                 | 479,974              | 473,124              |
| Current portion of long-term debt                 | 60,000               | 60,000               |
|   | 788,514              | 604,606              |
| <b>Long-term liabilities:</b>                     |                      |                      |
| Obligation under capital lease                    | -                    | -                    |
| Mortgage loans                                    | 37,362,127           | 37,615,936           |
| Long-term debt                                    | 16,089,149           | 9,367,995            |
| Asset retirement obligation                       | 647,865              | 618,009              |
| Notes payable to related parties                  | 31,385,678           | 30,109,298           |
| <b>Total Liabilities</b>                          | <b>86,273,333</b>    | <b>78,315,844</b>    |
| <b>Deficiency in net assets</b>                   | <b>(28,933,899)</b>  | <b>(23,305,946)</b>  |
| <b>Total liabilities and net assets</b>           | <b>\$ 57,339,434</b> | <b>\$ 55,009,898</b> |

## Fortius Foundation

### Statement of Operations and Deficiency In Net Assets

Eleven-months period ended August 31, 2016 and year ended September 30, 2015

|   | Year ended<br>September 30<br>2016 | Year ended<br>September 30<br>2015 |
|---|------------------------------------|------------------------------------|
| <b>Revenue:</b>                                     |                                    |                                    |
| Donations   | \$ 38,184                          | \$ 207,997                         |
| Rental and other income                             | 2,600,000                          | 2,366,667                          |
| Interest and other income                           | 40,540                             | 73                                 |
|   | <u>2,678,724</u>                   | <u>2,574,737</u>                   |
| <b>Expenses:</b>                                    |                                    |                                    |
| Interest and loan fees                              | 5,041,571                          | 4,861,629                          |
| Amortization  | 2,722,125                          | 2,763,515                          |
| Consulting and professional fees                    | -                                  | -                                  |
| Accounting and legal fees                           | 215,586                            | 35,202                             |
| Salaries and benefits                               | 128,619                            | 152,000                            |
| Insurance   | 144,352                            | 144,020                            |
| Administration                                      | 7,044                              | 28,065                             |
| Field lease   | 68,052                             | 68,052                             |
| Accretion of asset retirement obligation            | 29,856                             | 28,480                             |
| Repair and maintenance                              | -                                  | 5,000                              |
| Donations   | 700                                | -                                  |
| Bad debt  | -                                  | 2,485,157                          |
| Miscellaneous (recovery)                            | (49,980)                           | (46,340)                           |
|   | <u>8,307,925</u>                   | <u>10,524,780</u>                  |
| Gain (loss) on marketable securities                | 1,248                              | (576)                              |
| Gain (loss) on foreign exchange                     | -                                  | -                                  |
| <b>Excess (deficiency) of revenue over expenses</b> | <u>(5,627,953)</u>                 | <u>(7,950,619)</u>                 |
| Deficiency in net assets, beginning of period       | (23,305,946)                       | (15,355,327)                       |
| <b>Deficiency in net assets, end of period</b>      | <u>\$ (28,933,899)</u>             | <u>\$ (23,305,946)</u>             |

See accompanying notes to financial statements.