



**SASKNATIVE ECONOMIC  
DEVELOPMENT CORPORATION**

May 15, 2000

**2000 REPORT TO THE  
METIS NATION OF SASKATCHEWAN  
February 29, 2000**

In Saskatchewan, the Metis business sector consists primarily of family owned and operated small businesses in the service, retail and forestry sectors. Increasingly, Metis people are expanding their horizons and seeking out new opportunities in sectors such as construction, transportation, tourism and forestry.

**SNEDCO's MANDATE**

The Sasknative Economic Development Corporation, or SNEDCO, is a Saskatchewan Metis owned business development corporation designed to finance and assist in the creation or enhancement of viable businesses owned by Metis and Non-Status Indians for the purpose of wealth and job creation.

SNEDCO was formed in 1987 when it received a \$5 million capital base through the Native Economic Development Program and is licensed as a Class "B" Loans Corporation.

From 1991 to 1994, SNEDCO received \$890,000 in additional capital from Aboriginal Business Canada under the Supplementary Equity Program.

In 1995, SNEDCO received a \$50,000 grant from the Province of Saskatchewan Economic Development department to assist Metis entrepreneurs with equity financing.

SNEDCO has had a very significant impact on the Metis communities of Saskatchewan. It has disbursed **859** loans totalling **\$17.6** million for **479** Metis-owned businesses in Saskatchewan. These businesses created or maintained employment for approximately **1403** Metis people within Saskatchewan.

The Corporation has assets of approximately \$4 million of which \$3,552,225 is currently outstanding in loans to 152 Metis businesses. The businesses are involved in many areas including forestry, general service and retail, transportation, tourism, and agriculture.

In order to be eligible for SNEDCO services, an applicant must be an individual of Metis ancestry or a corporation or other approved entity, controlled or owned by Metis. Depending on the type of service requested, other criteria may apply.

## **SNEDCO PROGRAMS**

SNEDCO services are delivered on the basis of prudent and sound business principles. This is necessary to protect the integrity of SNEDCO's capital base and to ensure the continued delivery of its services. Since resources are limited, SNEDCO programs are often used to lever financial assistance from other public and private sources.

SNEDCO has designed three programs for the Metis business community:

### Small Business Loans Program

The Small Business Loans Program provides a variety of small business loans to finance the start-up, purchase and/or expansion of Metis-owned small business. Types of loans include direct capital loans, working capital loans, bridge financing and loan guarantees. The current loan maximum is \$100,000 per applicant.

### Supplementary Equity Loans Program

The Supplementary Equity Loans Program, begun in late 1991, provides equity loans to increase the viability of new and existing businesses. These loans can be used to access the Aboriginal Business Development Program and other public and private financing sources.

Through the Supplementary Equity Loans Program SNEDCO may participate in a business by linking loan repayments to business performance and by providing business support services to help the venture succeed. Loans can be for amounts up to a maximum of \$40,000 per applicant. The maximum term for repayment is 5 years.

### Business Advisory Services Program

Since the Business Advisory Service opened its doors in February 1992, it has received 2534 inquiries, mostly from Metis people wanting information about getting into business for the first time. Thousands of hours of consulting and counselling services have been provided. Many of the inquiries have led to the completion of business plans or financing proposals and many other are currently underway.

Inquiries	2534
Business Plans/Financial Proposals	555
Workshops delivered	45
Total Project Financing	\$22,307,396

## SNEDCO Financial Summary and Loan Activity (February 29, 2000)

For the fiscal year ending Feb. 29/2000, total revenue was \$524,951 with expenses of \$621,850 resulting in an operating loss of \$96,899, before loan loss provisions of \$319,716. Included in operating expenses is a legal claim of \$71,300 that is an unusual expense.

The Business Advisory Services continues to receive support in the form of an operating grant from Western Economic Diversification Canada. This has allowed SNEDCO to continue to offer this valuable service.

During the year 66 loans were disbursed for \$1,402,655. As of February 29/2000, the total cash reserve stood at \$550,807. Approximately \$500,000 in additional financing was approved but not disbursed at year-end. As an interim measure, SNEDCO has entered into a repayable contribution agreement with the Clarence Campeau Development Fund to increase its loan capital. An application will be made with National Aboriginal Capital Corporation Association (NACCA) under the Interest Rate Buy-Down Program to assist with the costs of this arrangement.

The following is a summary of loan activity:

LOAN ACTIVITY AND STATUS REPORT TO FEBRUARY 29, 2000				
	CURRENT YEAR		SINCE INCEPTION	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Received	142	6,101,153	1,549	47,442,735
Approved	77	2,123,001	863	23,585,072
Declined	46	1,803,291	301	10,622,223
Withdrawn/Other	30	1,567,928	450	13,947,886
Pending			-	-
Loans Disbursed	66	1,402,655	859	17,567,184

	<u>NUMBER</u>	<u>AMOUNT</u>
LOANS OUTSTANDING FEBRUARY 28, 1999	189	3,580,910
Loans Disbursed During Year	66	1,402,655
Loan Principal Repaid During Year		1,345,428
Loans Written-Off During Year	14	85,966
LOANS OUTSTANDING FEBRUARY 29, 2000	169	3,552,225

In the future, there is an increasing need to secure new sources of affordable capital. The funding arrangement with CCDF will be useful in meeting loan demand for the current year.

SNEDCO must continue to operate in a fiscally responsible manner, assisting viable Metis business to become established, to expand and to prosper.

As mentioned previously, SNEDCO was able to replace the operating grant for Business Advisory Services previously received through Aboriginal Business Canada, with a three year operating contribution from Western Economic Diversification Canada. We will be working closely with WD in the future to enhance services to Metis business.

SNEDCO continues to work with other sources of financing for business, including the Clarence Campeau Development Fund, Aboriginal Business Canada, Community Futures Business Development Centres, Saskpower Northern Enterprise Fund, and the Northern Development Fund. The joint financing arrangements available with these organizations has allowed SNEDCO to utilize its loan capital to a greater extent than if it were the sole lender to a business.

SNEDCO remains, for many Metis entrepreneurs, the only source of loan capital and management services available to assist them in their business ventures, contributing to wealth and job creation.

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Guy Bouvier  
Chairman

**NON-CONSOLIDATED  
FINANCIAL STATEMENTS**

**SASKNATIVE ECONOMIC  
DEVELOPMENT CORPORATION**

**February 29, 2000**

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## AUDITORS' REPORT

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To the Shareholders of  
**The Saskatchewan Native Economic Development Corporation**

We have audited the non-consolidated statement of financial position of **Sasknative Economic Development Corporation** as at February 29, 2000 and the non-consolidated statements of operations and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at February 29, 2000 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Canada, except that they are prepared on a non-consolidated basis as explained in note 2.

Saskatoon, Canada,  
March 31, 2000

*Ernst & Young LLP*  
Chartered Accountants

**Sasknative Economic Development Corporation**  
(Incorporated under the laws of Saskatchewan)

**NON-CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**

	February 29 2000 \$	February 28 1999 \$
<b>ASSETS</b>		
Cash	550,807	587,155
Accounts receivable [note 4]	35,399	40,148
Grant revenue receivable	35,717	20,830
Prepaid expenses	1,884	2,235
Loans [note 5]	2,885,913	3,148,400
Capital assets [note 6]	12,411	22,067
Investment in and advances to subsidiary [note 7]	175,842	175,842
Other investments	9,000	9,000
	<b>3,706,973</b>	<b>4,005,677</b>
<b>LIABILITIES, CONTRIBUTED CAPITAL AND DEFICIT</b>		
Accounts payable	12,273	61,142
Advances from subsidiary [note 8]	194,901	28,121
<b>Total liabilities</b>	<b>207,174</b>	<b>89,263</b>
<b>Contributed capital and deficit</b>		
Contributed capital [note 9]	5,956,021	5,956,021
Operating deficit	(2,456,222)	(2,039,607)
<b>Total contributed capital and deficit</b>	<b>3,499,799</b>	<b>3,916,414</b>
	<b>3,706,973</b>	<b>4,005,677</b>

*See accompanying notes*

On behalf of the Board:

Director

Director



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Sasknative Economic Development Corporation

**NON-CONSOLIDATED STATEMENT OF  
OPERATIONS AND DEFICIT**

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	Year ended February 29, 2000 \$	Year ended February 28, 1999 \$
<b>REVENUE</b>		
Grant revenue	85,439	54,025
Investment income	31,271	30,693
Loan interest	350,073	345,788
Consulting income	30,698	31,040
Other	27,470	33,462
	<u>524,951</u>	<u>495,008</u>
<b>EXPENSES</b>		
Administrative expenses [schedule 3]	319,480	276,523
Salaries and benefits	302,370	274,794
	<u>621,850</u>	<u>551,317</u>
Operating loss before the following	(96,899)	(56,309)
Provision for loan losses [note 5]	(319,716)	(203,629)
<b>Excess of expenses over revenue</b>	<b>(416,615)</b>	<b>(259,938)</b>
Operating deficit, beginning of year	(2,039,607)	(1,779,669)
<b>Operating deficit, end of year</b>	<b>(2,456,222)</b>	<b>(2,039,607)</b>

*See accompanying notes*





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**Sasknative Economic Development Corporation**

**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**

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	Year ended February 29, 2000 \$	Year ended February 28, 1999 \$
<b>OPERATING ACTIVITIES</b>		
Excess of expenses over revenues	(416,615)	(259,938)
Add charges to operations not requiring a current cash payment		
Amortization	11,742	12,263
Provision for loan losses	319,716	203,629
	(85,157)	(44,046)
Net change in non-cash balances related to operations <i>[note 10]</i>	(58,656)	(14,191)
<b>Cash used in operating activities</b>	<b>(143,813)</b>	<b>(58,237)</b>
<b>INVESTING ACTIVITIES</b>		
Loans disbursed	(1,402,655)	(1,485,117)
Loans repaid	1,345,428	1,029,679
Increase in advances from subsidiary	166,780	20,287
Acquisition of capital assets	(2,088)	(9,879)
<b>Cash provided by (used in) investing activities</b>	<b>107,465</b>	<b>(445,030)</b>
<b>Decrease in cash during the year</b>	<b>(36,348)</b>	<b>(503,267)</b>
Cash, beginning of year	587,155	1,090,422
<b>Cash, end of year</b>	<b>550,807</b>	<b>587,155</b>

*See accompanying notes*



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**Sasknative Economic Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**1. ORGANIZATION**

The Corporation is a non-profit organization and was incorporated under The Business Corporations Act [Saskatchewan] on March 11, 1987. The Corporation was beneficially owned by the Metis Society of Saskatchewan Inc. through the Saskatchewan Native Economic Development Trust. The Trust has been dissolved and the Corporation is now owned by the Metis Nation of Saskatchewan Secretariat Inc.

**2. BASIS OF PRESENTATION**

These financial statements have been prepared for statutory purposes and are in accordance with generally accepted accounting principles except that the Corporation's investment in its subsidiary has not been accounted for by the consolidation method. This investment has been accounted for by the cost method whereby income is taken into the accounts only to the extent that dividends are receivable. All information pertinent to the resources and results of operations of the Corporation and its subsidiary is available to the shareholders. However, because these financial statements have not been prepared for general purposes, some users may require further information.

The operations the Corporation are comprised of two programs as follows:

Sasknative Economic Development Corporation (SNEDCO) Loan Program  
Business Advisory Services Program

A statement of financial position and statement of operations and deficit is presented in schedules 1 and 2 respectively for each program.

**3. ACCOUNTING POLICIES**

**Capital assets**

Capital assets are recorded at cost. Expenditures for normal maintenance and repairs are charged to operations as incurred.

Amortization is recorded in the accounts on the following basis:

Equipment	straight line over 5 years
Software	straight line over 3 years



**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**3. ACCOUNTING POLICIES (continued)**

**Loans**

Loans are stated at their principal amount, net of anticipated losses. Provisions for anticipated losses are estimated and set quarterly by the Board of Directors by review of repayment history and security held.

A loan is classified as being in arrears if one or more scheduled payments are 30 or more days late. All loan arrears are reviewed at least quarterly by the Board of Directors. Specific collection activity is initiated by management with legal action requiring Board approval.

All loans in arrears are handled on a case-by-case basis and are written off after all reasonable restructuring/collection activities have taken place and the possibility of further recovery is considered to be remote.

A loan is classified as non-performing when management has determined that there is a reasonable doubt as to the ultimate collectability of principal or interest. The provision is established on a loan-by-loan basis.

The Corporation evaluates each borrower's creditworthiness on a case-by-case basis. Further, the Corporation is required to ensure aboriginal ancestry when granting a loan. The amount of collateral obtained, if deemed necessary, by the Corporation upon extension of credit is based on management's credit evaluation of the borrower. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income producing commercial properties.

The Corporation's lending activity is generally centered in Central and Northern Saskatchewan. The Corporation maintains a diversified portfolio with no significant industry concentrations of credit risk. Loans are extended under the Corporation's normal credit standards, controls, and monitoring features. Most credit commitments are short term in nature, and maturities generally do not exceed five years. Credit terms typically provide for fixed rates of interest and are generally not set for more than three to five years.

*Concentration of Credit Risk* - Financial instruments which potentially subject the Corporation to concentrations of credit risk consist principally of loans receivable. Management is not aware of any concentrations of loans to classes of borrowers or industries that would be similarly affected by economic conditions. Although the Corporation's loan portfolio is diversified, a substantial portion of its borrowers' ability to honor the terms of their loans is dependent on business and economic conditions in Saskatchewan.

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**Sasknative Economic Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**3. ACCOUNTING POLICIES (continued)**

**Interest rate policy**

Interest rates on all loans are fixed at the time of approval, with the Board of Directors reserving the right to change the rate to a floating rate on specific loans when reassessing payment record, risk and security positions.

There is no further accrual of interest on loans when there is doubt by management regarding the collectability of principal or interest. At that time, the reversal of any accrued and unpaid interest is reported as a reduction of current year earnings. Subsequent collection of amounts due are reported as interest income only when management determines the collectability of the loan is no longer in doubt.

**Revenue recognition**

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year related expense is incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Contributed capital**

Contributed capital for the provision of loans is recognized as a direct increase to capital.

**Income taxes**

As a non-profit organization, the Corporation is not subject to income tax under the provisions of paragraph 149(1)(L) of the Income Tax Act.

**4. ACCOUNTS RECEIVABLE**

	February 29, 2000 \$	February 28, 1999 \$
Trade accounts receivable	13,470	12,441
Accrued interest receivable	21,929	27,707
	<u>35,399</u>	<u>40,148</u>



Sasknative Economic Development Corporation

NOTES TO FINANCIAL STATEMENTS

February 29, 2000

5. LOANS

	February 29, 2000 \$	February 28, 1999 \$
Equity enhancement and supplementary equity loans	103,581	154,144
Standard loans	2,630,940	2,830,529
Shared/joint loans	652,120	467,651
Bridge financing loans	154,389	114,978
Economic development loans	11,195	13,661
	<b>3,552,225</b>	<b>3,580,963</b>

Loans are classified as follows:

	February 29, 2000 \$	February 28, 1999 \$
Loans receivable - performing	2,728,885	3,042,843
Loans receivable - non-performing	823,340	538,120
	<b>3,552,225</b>	<b>3,580,963</b>
Less provision for doubtful loans	(666,312)	(432,563)
	<b>2,885,913</b>	<b>3,148,400</b>

The maturity dates and average effective interest rates for the loan portfolio are as follows:

	Maturity Dates					Total	1999 Total
	2000						
	2000	2001	2002	2003	2004 & thereafter	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Effective rate	11.68%	11.82%	11.52%	11.00%	10.52%	11.42	12.19%
Carrying value	355,528	494,411	586,563	444,209	1,671,514	3,552,225	3,580,963



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**Sasknative Economic Development Corporation****NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**5. LOANS (continued)**

The change in the provision for anticipated losses during the year is as follows:

	February 29, 2000 \$	February 28, 1999 \$
Provision for anticipated losses, beginning of year	432,562	411,506
Provision for loan losses	319,716	203,629
Loans written off	(85,966)	(182,572)
Provision for anticipated losses, end of year	<u>666,312</u>	<u>432,563</u>

At the year end, loans of \$475,554 (1999 - \$85,603) were approved but not disbursed.

**6. CAPITAL ASSETS**

	February 29, 2000 \$			February 28, 1999 \$
	COST	ACCUMULATED AMORTIZATION	NET	NET
Equipment	130,296	118,267	12,029	19,955
Software	13,838	13,456	382	2,112
	<u>144,134</u>	<u>131,723</u>	<u>12,411</u>	<u>22,067</u>

**7. INVESTMENT IN AND ADVANCES TO SUBSIDIARY**

	February 29, 2000 \$	February 28, 1999 \$
100 Class A shares	100	100
Non-interest bearing advance with no specified repayment terms	675,742	675,742
	<u>675,842</u>	<u>675,842</u>
Provision for anticipated loss	(500,000)	(500,000)
	<u>175,842</u>	<u>175,842</u>

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**Sasknative Economic Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**8. ADVANCES FROM SUBSIDIARY**

Advances from subsidiary are non-interest bearing with no specified terms of repayment.

**9. CONTRIBUTED CAPITAL**

	February 29, 2000 \$	February 28, 1999 \$
Contributed under Aboriginal Development Program	5,890,000	5,890,000
Net book value of equipment contributed by predecessor corporation	16,020	16,020
Share capital issued to Metis Nation of Saskatchewan Secretariat Inc.	1	1
Contribution from the Saskatchewan Department of Economic and Co-operative Development	50,000	50,000
<b>Balance, end of year</b>	<b>5,956,021</b>	<b>5,956,021</b>

Under prior agreements between the Corporation and Industry, Science and Technology Canada, the Corporation received \$5,890,000 in capital grants for the provision of loans. The Corporation also received certain operating grants under the terms of the above agreements in prior years. In order to obtain the funding in the agreements, the Corporation had to comply with certain conditions and restrictions of the agreements which included restrictions on dividend payments and restrictions on expenditures. The last agreement expired on March 31, 1997, thus these conditions have been removed.

**10. NET CHANGE IN NON-CASH BALANCES RELATED TO OPERATIONS**

	Year ended February 29, 2000 \$	Year ended February 28, 1999 \$
Decrease in accounts receivable	4,749	9,297
Increase in grant revenue receivable	(14,887)	(20,830)
Decrease in prepaid expenses	351	376
Decrease in accounts payable	(48,869)	(3,034)
	<b>(58,656)</b>	<b>(14,191)</b>



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**Sasknative Economic Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**11. LEASE COMMITMENTS**

The corporation is committed to lease payments over the next year, under an operating lease for a vehicle and a lease for office space in Saskatoon.

The minimum lease payments are as follows:

	Vehicle \$	Premises \$	Total \$
2001	7,668	36,288	43,956

**12. RELATED PARTY TRANSACTIONS**

At year end three loans receivable were outstanding with organizations affiliated with the Corporation. A loan in the amount of \$121,230 (1999 - \$155,291) was outstanding to the Gabriel Dumont Institute Community Training Residence Inc., a loan in the amount of \$98,128 (1999 - \$100,000) was outstanding to a company controlled by a member of the Board, and a loan in the amount of \$31,975 (1999 - \$31,500) was outstanding to the Metis Nation of Saskatchewan Local #31 Inc.

**13. LEGAL CLAIM**

In a prior year, the Corporation was named in a wrongful dismissal suit in the amount of \$50,000, and an accrual of this amount was made for the potential loss. During the year, judgment was received on the lawsuit, and the Corporation was required to pay the \$50,000 previously accrued to the claimant in addition to paying the claimant's legal fees of \$71,300 which were expensed in the current year.

**14. COMPARITIVE FIGURES**

Certain of the comparative figures for 1999 have been reclassified to conform with the current year's presentation.





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**Sasknative Economic Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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February 29, 2000

**15. THE YEAR 2000 ISSUE**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date to the year 2000 has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.



**NON-CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

	Sasknative Economic Development Corporation Loan Program \$	Business Advisory Services Program \$	February 29, 2000 Total \$	February 28, 1999 Total \$
<b>ASSETS</b>				
Cash	550,807	—	550,807	587,155
Accounts receivable	26,910	8,489	35,399	40,148
Grant revenue receivable	—	35,717	35,717	20,830
Prepaid expenses	393	1,491	1,884	2,235
Intra-program receivable	98,846	(98,846)	—	—
Loans	2,885,913	—	2,885,913	3,148,400
Capital assets	12,411	—	12,411	22,067
Investment in and advances to subsidiary	175,842	—	175,842	175,842
Other investments	9,000	—	9,000	9,000
	<b>3,760,122</b>	<b>(53,149)</b>	<b>3,706,973</b>	<b>4,005,677</b>
<b>LIABILITIES, CONTRIBUTED CAPITAL AND DEFICIT</b>				
Accounts payable	12,273	—	12,273	61,142
Advances from subsidiary	194,901	—	194,901	28,121
<b>Total liabilities</b>	<b>207,174</b>	<b>—</b>	<b>207,174</b>	<b>89,263</b>
<b>Contributed capital and deficit</b>				
Contributed capital	5,956,021	—	5,956,021	5,956,021
Operating deficit	(2,403,073)	53,149	(2,456,222)	(2,039,607)
<b>Total contributed capital and deficit</b>	<b>3,552,948</b>	<b>53,149</b>	<b>3,499,799</b>	<b>3,916,414</b>
	<b>3,760,122</b>	<b>53,149</b>	<b>3,706,973</b>	<b>4,005,677</b>

*See accompanying notes*

## STATEMENT OF OPERATIONS AND DEFICIT

	Sasknative Economic Development Corporation Loan Program \$	Business Advisory Services Program \$	Year ended February 29, 2000 Total \$	Year ended February 28, 1999 Total \$
<b>REVENUE</b>				
Grant revenue	—	85,439	85,439	54,025
Investment income	31,271	—	31,271	30,693
Loan interest	350,073	—	350,073	345,788
Consulting income	—	30,698	30,698	31,040
Other	27,470	—	27,470	33,462
	<b>408,814</b>	<b>116,137</b>	<b>524,951</b>	<b>495,008</b>
<b>EXPENSES</b>				
Administrative expenses [schedule 3]	300,920	18,560	319,480	276,523
Salaries and benefits	216,931	85,439	302,370	274,794
	<b>517,851</b>	<b>103,999</b>	<b>621,850</b>	<b>551,317</b>
Operating (loss) income before the following	(109,037)	12,138	(96,899)	(56,309)
Provision for loan losses	(319,716)	—	(319,716)	(203,629)
<b>(Deficiency) excess of revenues over expenses</b>	<b>(428,753)</b>	<b>12,138</b>	<b>(416,615)</b>	<b>(259,938)</b>
Operating deficit, beginning of year	(1,974,320)	(65,287)	(2,039,607)	(1,779,669)
<b>Operating deficit, end of year</b>	<b>(2,403,073)</b>	<b>(53,149)</b>	<b>(2,456,222)</b>	<b>(2,039,607)</b>

See accompanying notes

## SCHEDULE OF ADMINISTRATIVE EXPENSES

	Sasknative Economic Development Corporation Loan Program \$	Business Advisory Services Program \$	Year ended February 29, 2000 Total \$	Year ended February 28, 1999 Total \$
Advertising and promotion	4,080	1,997	6,077	10,893
Amortization	11,742	—	11,742	12,263
Audit/accounting	11,565	1,248	12,813	12,281
Automobile	9,578	—	9,578	9,360
Bank charges and interest	637	—	637	940
Board meeting costs	55,722	—	55,722	88,290
Consulting	300	200	500	6,868
Donations	5,790	—	5,790	7,000
Insurance	470	—	470	591
Legal costs	47,135	—	47,135	29,770
Legal claim [note 13]	71,300	—	71,300	—
Loan costs	10,396	—	10,396	11,555
Membership fees/annual dues	1,475	—	1,475	1,375
Moving	—	—	—	1,554
Office equipment rent and maintenance	1,018	—	1,018	834
Office rent and office utilities	34,191	3,600	37,791	33,511
Office supplies	997	546	1,543	2,481
Postage and courier	2,998	—	2,998	2,124
Printing and duplication	2,331	300	2,631	3,161
Recruitment	—	1,348	1,348	1,925
Repairs and maintenance	1,688	—	1,688	2,289
Seminars	449	—	449	901
Subscriptions and publications	483	169	652	592
Sundry	2,463	—	2,463	2,592
Telephone	10,000	2,475	12,475	15,338
Travel	12,426	4,947	17,373	14,683
Workshop costs	1,586	1730	3,416	2,784
	<b>300,920</b>	<b>18,560</b>	<b>319,480</b>	<b>276,523</b>

See accompanying notes