

**PINEHOUSE BUSINESS NORTH DEVELOPMENT INC.**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

(Unaudited)

	<u>2011</u>	<u>2010</u>
REVENUE:		
	\$ 4,099,774	\$ 2,681,699
	196,061	71,628
	-	55,543
	<u>58,881</u>	<u>6,606</u>
	<u>4,354,716</u>	<u>2,815,476</u>
EXPENSES:		
Accounting and legal		
Advertising and promotion		
Airport shelter and other programs		
Bank charges, interest and penalties		
Board remuneration and travel		
Consulting and subcontracts		
Depreciation and amortization		
Equipment operations, maintenance and rental		
Insurance and licences		
Interest, long-term		
Materials, supplies, tools and freight		
Office supplies and postage		
Quarry lease		
Telephone and utilities		
Training		
Travel		
Wages and benefits		
	<u>3,854,561</u>	<u>2,443,410</u>
INCOME BEFORE INCOME TAXES AND OTHER	500,155	372,066
OTHER:		
Community development	<u>(96,910)</u>	<u>(211,165)</u>
INCOME BEFORE INCOME TAXES	403,245	160,901
PROVISION FOR INCOME TAXES	<u>62,677</u>	<u>-</u>
NET INCOME FOR THE YEAR	340,568	160,901
RETAINED EARNINGS AT BEGINNING OF THE YEAR	<u>179,110</u>	<u>18,209</u>
RETAINED EARNINGS AT END OF THE YEAR	<u>\$ 519,678</u>	<u>\$ 179,110</u>

The accompanying notes are an integral part of the financial statements.