



Consolidated Financial Statements

Cross Lake Band of Indians

March 31, 2014

Cross Lake Band of Indians

Contents

	Page
Management's Responsibility for Financial Reporting	1
Auditors' Report	2-3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Accumulated Surplus	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9-29

Cross Lake Band of Indians

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Management's Responsibility for Financial Reporting

The accompanying March 31, 2014, consolidated financial statements of the Cross Lake Band of Indians and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of the Cross Lake Band of Indians:

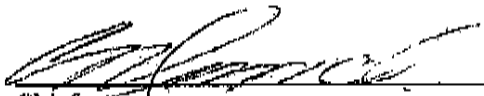
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Band maintains appropriate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

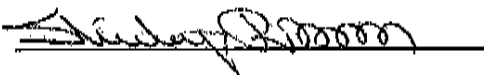
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

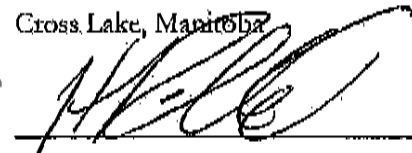
The March 31, 2014 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

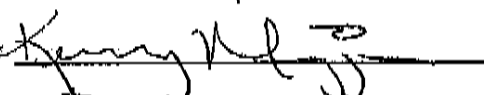

Chief

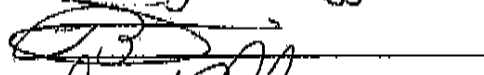
Cross Lake, Manitoba

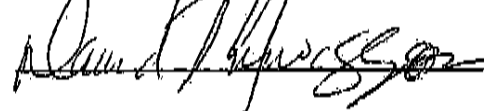
Council













Independent Auditors' Report

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To the Chief and Council of
Cross Lake Band of Indians

We have audited the accompanying consolidated financial statements of Cross Lake Band of Indians, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, changes in accumulated surplus, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Band's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for qualified opinion**

We were unable to obtain sufficient appropriate audit evidence for the thirty-four unit family housing project (Phase 19) in the amount of \$4,370,839 for capital construction costs. Of this amount, \$316,063 of the costs were incurred in the 2011 fiscal year, while \$4,054,776 of the costs were incurred in the 2008 fiscal year. The additions were traced to bank statements and cleared cheques, however we were unable to obtain invoices to support these additions.

Prior periods have not been restated to reflect the above mentioned changes and the effect on the prior or current year annual surplus and accumulated surplus is unknown.

The Band has equity investments in government business enterprises and other government organizations for which audited financial statements have not been prepared. We were not able to satisfy ourselves concerning the existence and valuation of the recorded amounts of the business enterprise equity and the other government organizations net assets. Accordingly, we were not able to determine whether any adjustments might be necessary to investment in government business enterprises, annual (deficit) surplus and accumulated surplus.

Qualified opinion

In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Cross Lake Band of Indians** as at March 31, 2014, and the consolidated results of its operations, changes in accumulated surplus, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other explanatory material

Supplemental information presented in the schedules on pages 30-54 are not a part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied to the audit of the basic consolidated financial statements taken as a whole.

Winnipeg, Canada
October 24, 2014

Grant Thornton LLP
Chartered Accountants

Cross Lake Band of Indians **Consolidated Statement of Operations**

Year Ended March 31

	2014 <u>Budget</u> (Note 23)	2014 <u>Actual</u>	2013 <u>Actual</u>
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 18)	\$ 31,907,624	\$ 34,274,471	\$ 34,569,744
Administration fees (Schedule 1)	199,800	520,894	571,925
Canada Mortgage and Housing Corporation (Schedule 8)	948,324	1,210,602	1,290,475
Canada – Band Constable Program (Schedule 11)	102,986	92,704	92,704
Daycare program (Schedule 4)	615,996	636,061	655,086
Health Canada (Schedule 13)	5,034,136	5,275,711	4,855,507
Manitoba Hydro	220,000	204,250	5,906,174
Human Resource and Development Canada (Schedule 7)	1,449,876	1,407,220	1,407,220
Miscellaneous	573,007	2,042,255	337,960
Province of Manitoba	9,996	22,957	25,051
Rent	199,620	174,153	227,401
Tobacco sales, rebates and other	2,163,192	2,476,432	2,310,662
	<u>43,424,567</u>	<u>48,337,710</u>	<u>52,249,909</u>
Expenditures			
Administration (Schedule 1)	3,883,888	6,037,225	6,114,404
Cultural grant (Schedule 3)	60,000	41,666	8,050
Daycare (Schedule 4)	575,676	568,901	639,417
Economic development (Schedule 5)	191,000	394,939	208,410
Education Authority (Schedule 6)	14,645,651	15,288,254	14,806,037
Employment and job creation (Schedule 7)	1,443,807	1,443,521	1,432,247
Housing operations and maintenance (Schedule 8)	3,834,868	5,713,208	5,279,527
Miscellaneous (Schedule 9)	743,022	1,195,723	1,284,509
Northern Hydro Training Initiative (Schedule 10)			3,115
Policing (Schedule 11)	340,293	459,792	421,241
Public Works (Schedule 12)	2,841,605	4,658,150	3,859,888
Health Services (Schedule 13)	5,410,021	6,038,802	4,729,693
Social Services (Schedule 15)	12,076,589	11,590,020	11,223,663
Recreation (Schedule 16)			137
	<u>46,046,520</u>	<u>55,431,201</u>	<u>50,008,338</u>
	<u>(2,621,953)</u>	<u>(7,093,491)</u>	<u>2,241,571</u>
Other revenues (expenses), net			
Midnorth Development Corporation (Schedule 17)	(35,025)	(35,025)	(938,162)
Multi-Channel System (Schedule 18)	10,753	10,753	81,980
Pimikamaciwan Technical Services (unaudited)	1,795	1,795	7,391
Pontoon Service Station (1977) Ltd. (Schedule 19)	188,277	188,277	(119,689)
My's Est. 98 Ltd. (Schedule 20)	(58,655)	(58,655)	
	<u>107,145</u>	<u>107,145</u>	<u>(968,470)</u>
Annual (deficit) surplus	<u>\$ (2,514,808)</u>	<u>\$ (6,986,346)</u>	<u>\$ 1,273,101</u>

Segment Disclosure (Note 24)

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians
Consolidated Statement of Changes in Accumulated Surplus
 Year Ended March 31

	<u>Replacement Reserve</u>	<u>Ottawa Trust</u> (Note 16)	<u>Surplus</u>	<u>2014 Total</u>	<u>2013 Total</u>
Balance, beginning of year	\$ 1,696,454	\$ 11,826	\$52,877,520	\$54,585,799	\$53,253,316
Annual (deficit) surplus		865	(6,987,201)	(6,986,340)	1,273,101
Replacement reserve					
Contributions	184,578			184,578	196,578
Approved repairs	(187,435)			(187,435)	(137,196)
Transfer of Phase 9 replacement reserve to surplus	<u>(95,611)</u>	<u> </u>	<u>95,611</u>	<u> </u>	<u> </u>
	<u>(98,468)</u>	<u>865</u>	<u>(6,891,590)</u>	<u>(6,986,203)</u>	<u>1,332,483</u>
Balance, end of year	<u>\$ 1,597,986</u>	<u>\$ 12,690</u>	<u>\$45,985,930</u>	<u>\$47,596,596</u>	<u>\$54,585,799</u>

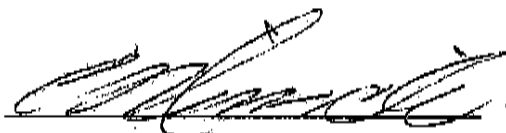
See accompanying notes to the consolidated financial statements.

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Cross Lake Band of Indians **Consolidated Statement of Financial Position**

March 31	2014	2013
Financial Assets		
Receivables (Note 3)	\$ 3,077,439	\$ 3,649,430
Pimicikamak Okimawin Trust receivable	2,141,023	2,141,023
Investment in government business enterprises (Note 6)	4,065,120	3,928,825
Restricted cash (Note 5)	<u>12,680</u>	<u>13,256</u>
Total financial assets	<u>9,296,262</u>	<u>9,732,534</u>
Liabilities		
Bank indebtedness (Note 7)	3,504,088	3,538,553
Payables and accruals (Note 8)	8,787,762	9,058,359
Long-term debt (Note 9)	11,952,590	13,271,569
Obligations under capital lease (Note 10)	445,503	601,189
Deferred revenue (Note 11)	5,425,000	
Joint venture liabilities	<u>130,291</u>	<u>128,572</u>
Total liabilities	<u>30,245,214</u>	<u>26,598,242</u>
Net debt	<u>(20,948,952)</u>	<u>(16,865,708)</u>
Non-financial assets		
Tangible capital assets (Note 4)	68,537,896	71,430,853
Inventory	5,000	5,000
Prepays	<u>2,652</u>	<u>15,654</u>
Total non-financial assets	<u>68,545,548</u>	<u>71,451,507</u>
Accumulated surplus (Page 5)	<u>\$ 47,596,596</u>	<u>\$ 54,585,799</u>
Contingencies (Note 14)		

On behalf of the Chief and Council

 Chief

 Councillor

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians **Consolidated Statement of Changes in Net Debt**

March 31	Budget (Note 23)	2014	2013
Annual (deficit) surplus	\$ (2,514,808)	\$ (6,986,346)	\$ 1,273,101
Acquisition of tangible capital assets	(756,991)	(808,216)	(2,166,168)
Loss (gain) on disposal of assets		49,428	(138,299)
Proceeds on sale of capital assets		1,075	594,212
Amortization of tangible capital assets (depreciation)	3,645,747	3,650,670	3,663,527
(Decrease) Increase in replacement reserve		(2,857)	59,382
	<u>371,948</u>	<u>(4,096,246)</u>	<u>3,285,757</u>
Acquisition of inventory		(5,000)	(5,000)
Acquisition of prepaids		(2,652)	(16,654)
Use of inventory		5,000	5,000
Use of prepaids		<u>16,654</u>	<u>16,788</u>
		<u>13,002</u>	<u>1,134</u>
Increase (decrease) in net debt	371,948	(4,083,244)	3,286,891
Net debt at beginning of year	<u>(16,865,708)</u>	<u>(16,865,708)</u>	<u>(20,152,599)</u>
Net debt at end of year	<u>\$(16,493,760)</u>	<u>\$(20,948,952)</u>	<u>\$(16,865,708)</u>

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians **Consolidated Statement of Cash Flows**

Year Ended March 31

2014

2013

Increase (decrease) in cash and cash equivalents

Operating		
Annual (deficit) surplus	\$ (6,986,346)	\$ 1,273,101
Net (income) loss from government business enterprises	(129,622)	119,689
Amortization	3,660,670	3,663,527
Loss (gain) on disposal of assets	49,428	(138,299)
Replacement reserve, net of approved repairs	(2,857)	59,392
	(3,418,727)	4,977,400
Change in non-cash operating working capital		
Receivables	571,991	(2,248,057)
Pimickamak Okimawin Trust receivable		(1,209,688)
Prepays	13,002	1,134
Payables and accruals	(270,597)	4,001,444
Deferred revenue	5,425,000	
	2,320,669	5,522,233
Financing		
Proceeds from long-term debt	1,547,774	1,853,585
Repayment of long-term debt	(2,866,751)	(3,209,069)
Obligations under capital lease, net	(155,686)	601,188
Increase in joint venture liabilities	1,719	7,095
Repayment of bank indebtedness	(34,485)	(3,199,316)
	(1,507,429)	(3,948,517)
Investing		
Investment in government business enterprises	(6,675)	(2,383)
Proceeds on sale of capital assets	1,075	594,212
Purchase of capital assets	(808,216)	(2,168,166)
	(813,816)	(1,574,337)
Net (decrease) increase in cash and cash equivalents	(576)	1,379
Cash and cash equivalents		
Beginning of year	13,256	11,877
End of year	\$ 12,680	\$ 13,256
Cash and cash equivalents consist of:		
Restricted cash (Note 5)	\$ 12,680	\$ 13,256

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2014

1. Nature of entity

Cross Lake Band of Indians is a non-profit, non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Cross Lake Band of Indians at Cross Lake, Manitoba.

2. Summary of significant accounting policies

Basis of accounting

These financial statements were prepared in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Investment in subsidiary operations

These consolidated financial statements include the General Operating Fund, Education Authority, Social Services, Health Services, Multi-Channel System and NFA Implementation Office, which have a net investment cost of nil.

These consolidated financial statements also include investments in the incorporated entities Midnorth Development Corporation and Pimicikamak Technical Services which are recorded using the consolidation basis of accounting.

Government business enterprises include My's Est. 98 Ltd., Ponton Service Station (1977) Ltd., Tree Suns Junction Inc., and Cross Lake Mineral Exploration Inc. and are recorded using the modified equity basis of accounting.

Non-consolidated financial statements are reported separately.

Basis of preparation of consolidated financial statements

The band maintains a separate self-balancing set of accounts for each entity. The General Operating Fund includes the following statements of operations:

Administration	Capital
Daycare	Economic Development
Employment and Job Creation	Housing Operations and Maintenance
Miscellaneous	Operations and Maintenance
Northern Hydro Training Initiative	Recreation

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

2. Summary of significant accounting policies (continued)

Basis of preparation of consolidated financial statements (continued)

Several entities are reported and audited separately and have not been included in these financial statements. The funding for each of these entities, trusts and segregated bank accounts are restricted for the specific purposes intended. These entities are not controlled by Chief and Council and not considered appropriate for consolidation.

Pimicikamak Okimawin Trust
 Pimicikamak Arena #1 Trust
 Cross Lake Sport Complex Inc.
 Domestic Fishing Fund
 Safety and Monitoring Fund

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories or supplies.

Program surpluses

Programs funded by government agencies (Education, Health, and Social Services) may be subject to recovery by the contributing agencies in accordance with funding arrangements.

Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. Certain assets which have historical or cultural value, including works of art, historical documents and historical or cultural artifacts, are not recognized as tangible capital assets.

Tangible capital assets are reported at gross cost. Assets under construction are not amortized until the asset is available to be put into service. Amortization of tangible capital assets is recognised as an expense in the Statement of Operations.

Pension plans

The Band maintains a defined contribution pension plan for its personnel. Expenditures for this plan are equal to the Band's required contribution for the year.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

2. Summary of significant accounting policies (continued)

Amortization

Tangible capital assets recorded are amortized annually. Assets are amortized over their expected useful life using the following rates and methods:

Band housing	4% declining balance and 4% and 2.5% straight-line basis
Bridges and roads	2.5% straight-line basis
Building and improvements	4% declining balance
Heavy equipment	20% declining balance
Office equipment	20% declining balance
Playgrounds	20% declining balance
Vehicles	20% declining balance
Water treatment plant	5% declining balance
Water and sewer pipes	4% declining balance and 2.5 % straight-line basis
Site development	4% declining balance
Social housing	4% declining balance

In the year of acquisition, 50% of the normal amortization is recorded.

Bank indebtedness

Bank indebtedness includes cash on hand, balances with banks and term deposits net of bank overdraft. Bank borrowings are considered to be financing activities.

Revenue recognition

The Band follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Consolidated Contribution Agreement Funding is funding approved by Health Canada for specific programs. Any operating surpluses related to Consolidated Contribution Agreement funding are recorded on the consolidated statement of financial position as a payable to Health Canada until such time as Health Canada reviews the financial statements. At that time, Health Canada determines what portion of the approved surplus may be retained by the band, or repaid to Health Canada.

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Conversely, any operating deficits related to Consolidated Contribution Agreement funding arrangements are recorded on the consolidated statement of financial position as a receivable from Health Canada until such time as Health Canada reviews the financial statements. At that time, Health Canada determines their final funding approvals which indicate the portion of the deficit that will be paid to the band. Any unapproved costs not paid by Health Canada are absorbed by the band.

Any adjustments will be reflected in the year the final statement of recommended costs is received from Health Canada.

Inventory

Inventory is valued at the lower of cost or market. Cost is determined on a weighted average basis.

Use of estimates

In preparing the Band's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Net debt

The Band's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Band is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

3. Receivables	2014	2013
Aboriginal Affairs and Northern Development Canada	\$	\$ 765,366
Canada Mortgage and Housing Corporation	73,754	75,374
Claim 138 Article 6		326,800
Health Canada	135,436	58,125
Manitoba Hydro	1,334,478	1,146,025
Manitoba Keewatinowil Okimakanak	92,714	92,714
Province of Manitoba	459,236	316,945
Other	<u>981,821</u>	<u>868,081</u>
	<u>\$ 3,077,439</u>	<u>\$ 3,649,430</u>

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

4. Tangible capital assets		2014		2013	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Operating fund					
Building - 425 Settee Dr.	\$ 38,000	\$ 20,287	\$ 17,713	\$ 18,451	
My's Restaurant	390,600	51,934	338,666	352,777	
Equipment	15,400	8,304	7,096	8,870	
Water trucks	145,715	143,080	2,635	3,293	
Computer equipment	140,155	133,908	6,247	7,808	
Daycare Facility	1,234,780	614,372	620,408	646,258	
Recreation	439,537	186,171	253,366	283,923	
Vehicles	73,797	27,975	45,822	1,900	
Bridges and roads	7,491,994	4,920,671	2,571,323	2,758,623	
Water and sewer pipes	17,153,164	7,213,469	9,939,695	10,368,524	
Playgrounds	947,320	765,738	181,582	226,978	
Assets under capital lease	<u>792,863</u>	<u>222,002</u>	<u>570,861</u>	<u>713,577</u>	
	<u>28,863,325</u>	<u>14,307,911</u>	<u>14,555,414</u>	<u>15,370,982</u>	
Band housing					
Buildings	11,468,387	5,768,936	5,699,451	5,979,829	
Automotive equipment	<u>405,045</u>	<u>324,025</u>	<u>81,020</u>	<u>101,275</u>	
	<u>11,873,432</u>	<u>6,092,961</u>	<u>5,780,471</u>	<u>6,081,104</u>	
Social housing					
Land	395,500		395,500	395,500	
Site development	3,371,441		3,371,441	3,371,441	
Buildings	<u>47,445,326</u>	<u>13,415,921</u>	<u>34,029,405</u>	<u>35,216,996</u>	
	<u>51,212,267</u>	<u>13,415,921</u>	<u>37,796,346</u>	<u>38,983,939</u>	
Education					
Buildings	22,213,018	12,992,084	9,220,924	9,852,158	
Equipment	1,337,914	1,280,314	57,600	32,400	
Automotive	<u>1,640,430</u>	<u>1,241,778</u>	<u>398,652</u>	<u>333,366</u>	
	<u>25,191,362</u>	<u>15,514,186</u>	<u>9,677,176</u>	<u>10,217,924</u>	
Other entities					
	<u>7,737,103</u>	<u>7,008,614</u>	<u>728,489</u>	<u>776,904</u>	
	<u>\$124,877,489</u>	<u>\$ 56,339,593</u>	<u>\$ 68,537,896</u>	<u>\$ 71,430,853</u>	

Cross Lake Band of Indians Notes to the Consolidated Financial Statements

March 31, 2014

5. Restricted cash

- I) Under the terms of the agreement with the C.M.H.C., the replacement reserve account is to be credited in amounts determined annually by C.M.H.C. The required replacement reserve for 2014 is \$184,578 (2013: \$196,578). These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the C.M.H.C. from time to time. The funds in the account may only be used as approved by the C.M.H.C. Withdrawals are credited to interest first and then principal. At year end, the funds in reserve consisted of the following:

	<u>2014</u>	<u>2013</u>
Cash	\$ -	\$ 1,431

As of March 31, 2014, there was a shortfall of \$1,597,986 (2013: \$1,695,023) in the Replacement Reserve account. Accordingly, the projects are not in compliance with the operating agreement. During 2012, the replacement reserve bank account was closed by the bank due to inactivity.

- II) Ottawa Trust as detailed in Note 16. At year end, the restricted funds consisted of the following:

	<u>2014</u>	<u>2013</u>
Cash	\$ 12,680	\$ 11,825
Total restricted cash	<u>\$ 12,680</u>	<u>\$ 13,256</u>

6. Investment in government business enterprises

The commercial government business enterprises that are included in the Band's reporting entity, as described in Note 2 to these financial statements includes My's Est. 98 Ltd., Tree Suns Junction Inc., Ponton Service Station (1997) Ltd., and Cross Lake Mineral Exploration Inc.

Tree Suns Junction Inc. is a holding company for the operations of Ponton Service Station (1997) Ltd, which is a gas station fully owned by the Cross Lake Band of Indians, and operated off band land.

Ponton Service Station (1997) Ltd. is a holding company for the operations of My's Est. 98 Ltd., which is a restaurant fully owned by the Cross Lake Band of Indians, and operated off band land.

Cross Lake Mineral Explorations Inc., is a wholly-owned private corporation of the Cross Lake First Nation, with the purpose of developing their interest in local natural resources and the development of the Pipestone Vanadium Project. The costs incurred to date relate to the exploration and development of the potential mining operation and management believes that the value of this asset has not diminished.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

6. Investment in government business enterprises (continued)

The investments in government business enterprises have been accounted for using the modified equity basis of accounting. The investment balances are as follows:

	<u>2014</u>	<u>2013</u>
Cross Lake Mineral Exploration Inc.	\$ 2,627,210	\$ 2,627,210
Tree Sun's Junction Inc. (Ponton Service Station 1997 Ltd. and My's Est. 98 Ltd.)	<u>1,437,910</u>	<u>1,301,615</u>
	<u>\$ 4,065,120</u>	<u>\$ 3,928,825</u>

The purchase of Ponton Service Station (1997) Ltd. through the shares of the holding company Tree Sun's Junction Inc., resulted in a purchase price premium of \$1,042,066, which represents the cost of the acquired business in excess of the fair value of net identifiable assets acquired. The band has chosen to amortize this purchase price premium over 20 years and believes that future earnings will be in excess of the unamortized purchase premium. The other revenue from Ponton Service Station (1997) Ltd. reported on the Statement of Operations reflects the net amount of income after amortization of the purchase price premium. The unamortized purchase price premium as of March 31, 2014 is \$885,757 (2013: \$937,860).

7. Bank indebtedness

The Band has an authorized line of credit of \$2,500,000 (2013: \$2,500,000). The balance of bank indebtedness, at year end, consisted of the following:

	<u>2014</u>	<u>2013</u>
Over draft	\$ 8,647,213	\$ 6,251,294
Line of credit:	2,420,000	2,500,000
Cash	<u>(7,563,145)</u>	<u>(5,212,741)</u>
	<u>\$ 3,504,068</u>	<u>\$ 3,538,553</u>

As at March 31, 2014 the Band is in violation of its banking covenants under the terms of its credit facility agreement with the Royal Bank of Canada ("Royal Bank"). The Royal Bank has the right to cancel the facility or demand repayment at its discretion.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
March 31, 2014

8. Payables and accruals	<u>2014</u>	<u>2013</u>
Best Buy Homes	\$ 508,800	\$ 508,800
Elders Trust	2,000,000	2,000,000
Family Foods	18,274	151,573
Manitoba Hydro	357,312	282,805
Mistassinek Gas & Fuel	60,663	23,011
Northern Stores	317,994	559,711
Other	2,878,570	2,539,009
Springhill Lumber Wholesale Ltd.	90,121	348,943
Sun Life Financial Services	822,548	372,403
Tri-Core Projects Manitoba Ltd.		442,768
Taylor McCaffrey	1,732,867	1,726,135
University College of the North	<u>613</u>	<u>103,201</u>
	<u>\$ 8,787,782</u>	<u>\$ 9,058,359</u>

9. Long-term debt	<u>2014</u>	<u>2013</u>
Term loans		
Manitoba Hydro		
Loan Payable no set date of maturity, Interest accumulating at 6.1% per annum, retroactive until such funds are paid in full.	<u>\$ 727,563</u>	<u>\$ 685,733</u>
Subtotal (carry forward)	<u>\$ 727,563</u>	<u>\$ 685,733</u>

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

9. Long-term debt (continued)	2014	2013
Carried forward	\$ 727,563	\$ 686,733
Mortgages - subsidized		
Vanguard Credit Union		
Repayable at \$2,500 monthly, including interest at 4.84% compounded monthly.	147,783	177,295
Royal Bank of Canada		
Repayable at \$14,549 monthly, including interest at 3.37% compounded monthly	323,799	484,440
CMHC		
Repayable at \$6,673 monthly, including interest at 2.56% compounded monthly, with maturity at December 1, 2015.	249,503	322,216
Royal Bank of Canada		
Repayable at \$6,433 monthly, including interest at 3.57% compounded monthly, with maturity at June 1, 2016.	304,160	369,171
CMHC		
Repayable at \$6,399 per month, including interest 2.76%, compounded semi-annually with maturity at June 1, 2015.	728,362	784,323
CMHC		
Repayable at \$5,710 per month including interest at 1.64%, compounded semi-annually, with maturity at December 1, 2016.	792,750	847,824
CMHC		
Repayable at \$4,540 monthly including interest at 1.62% compounded semi-annually, with maturity at March 1, 2018.	678,626	721,770
CMHC		
Repayable at \$4,627 monthly including interest at 2.04% compounded semi-annually, with maturity at March 1, 2019.	703,688	744,040
CMHC		
Repayable at \$4,222 per month, including interest at 2.57%, compounded semi-annually, with maturity at December 1, 2014.	<u>656,225</u>	<u>689,644</u>
Subtotal (carry forward)	<u>\$ 5,312,461</u>	<u>\$ 5,826,456</u>

Cross Lake Band of Indians **Notes to the Consolidated Financial Statements**

March 31, 2014

9. Long-term debt (continued)	2014	2013
Carried forward	\$ 5,312,461	\$ 5,826,456
CMHC Repayable at \$3,822 monthly, including interest at 1.71% compounded semi-annually, with maturity at September 1, 2017.	721,628	754,883
CMHC Repayable at \$7,078 monthly, including interest at 1.62% compounded semi-annually, with maturity at March 1, 2018.	1,376,505	1,440,635
CMHC Repayable at \$11,121 per month, including interest at 2.26%, compounded semi-annually, with maturity at August 1, 2016.	2,340,956	2,420,761
Royal Bank of Canada Repayable at \$15,822 monthly, including interest at 2.85% compounded monthly, with maturity May 1, 2018.	398,456	574,137
Royal Bank of Canada Repayable at \$2,149 monthly, including interest at 3.80% compounded monthly, with maturity September 1, 2017.	120,741	141,480
CMHC Repayable at \$5,902 monthly, including interest at 1.62% compounded semi-annually, with maturity November 1, 2017.	251,988	318,160
CMHC Repayable at \$11,704 monthly, including interest at 1.68% compounded semi-annually, with maturity December 1, 2017.	510,133	
CMHC Repayable at \$6,416 monthly, including interest at 2.04% compounded semi-annually, with maturity November 1, 2018.	342,501	
CMHC Repayable at \$6,826 monthly, including interest at 2.04% compounded semi-annually, with maturity March 1, 2019.	575,221	
Royal Bank of Canada Mortgage refinanced during the year.		408,544
Royal Bank of Canada Mortgage refinanced during the year.		641,483
Royal Bank of Canada Mortgage refinanced during the year.		640,603
Total long-term debt Band	<u>11,952,590</u>	<u>13,167,142</u>
Long-term debt - Midnorth Development Corporation Fully paid during the year.		104,427
Total long-term debt (carry forward)	<u>\$ 11,952,590</u>	<u>\$ 13,271,569</u>

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
March 31, 2014

9. Long-term debt (continued)	<u>2014</u>	<u>2013</u>
Total long-term debt (carried forward)	<u>\$ 11,952,590</u>	<u>\$ 13,271,569</u>
Less: current portion		
Cross Lake Band of Indians	2,015,178	1,900,748
Midnorth Development Corporation		<u>94,504</u>
	<u>2,015,178</u>	<u>1,995,252</u>
	<u>\$ 9,937,412</u>	<u>\$ 11,276,317</u>

During the year, the Band paid \$514,922 (2013: \$600,091) in interest on long-term debt.

Principal payment requirements on above loans for the next five years are as follows:

2015	\$ 2,015,178
2016	1,305,222
2017	1,014,870
2018	885,889
2019	647,288

10. Obligations under capital lease	<u>2014</u>	<u>2013</u>
Repayments are due as follows:		
2014	\$	\$ 233,441
2015	245,930	233,441
2016	144,870	123,823
2017	88,433	75,952
2018	<u>25,514</u>	<u>24,509</u>
Total minimum lease payments	504,747	691,166
Less amounts representing interest	<u>(59,244)</u>	<u>(89,977)</u>
Present value of net minimum capital lease payments	<u>\$ 445,503</u>	<u>\$ 601,189</u>

Interest rates on capital leases range from 6.20% to 9.01% with maturity dates ranging from April 30, 2015 to August 31, 2017.

Total interest on leases for the year was \$46,979 (2013: \$45,467).

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

11. Deferred revenue **2014** **2013**

Deferred revenue consists of the following:

Northern Flood Agreement Claim 138	\$ 4,805,000	\$ -
Aboriginal Affairs and Northern Development Canada Grant - Water/Waterwaste training	<u>620,000</u>	<u>-</u>
	<u>\$ 5,425,000</u>	<u>\$ -</u>

The use of the \$4,805,000 received relating to the Northern Flood Agreement Claim 138 is currently being negotiated between the Band and Aboriginal Affairs Northern Development Canada. To be conservative, the Band has chosen to defer this revenue until the matter is resolved.

12. Members' surplus **2014** **2013**

Restricted

Ottawa Trust Fund		
Surplus, beginning of year	\$ 11,825	\$ 10,446
Other Income	<u>855</u>	<u>1,379</u>
Surplus, end of year	<u>12,680</u>	<u>11,825</u>
Replacement reserve	<u>1,597,988</u>	<u>1,698,454</u>
Total restricted surplus	<u>1,610,668</u>	<u>1,708,279</u>

Unrestricted

Surplus, beginning of year	<u>52,877,520</u>	<u>51,605,798</u>
Surplus (deficit) for the year		
General Operating Fund	(3,259,496)	4,134,490
Education	(1,385,458)	(795,240)
Health Services	(462,118)	436,296
Social Services	(1,891,663)	(1,535,361)
Equity in earnings of First Nation controlled entities	<u>107,145</u>	<u>(968,463)</u>
	<u>(6,891,590)</u>	<u>1,271,722</u>
Total unrestricted surplus	<u>45,985,930</u>	<u>52,877,520</u>
Total Equity	<u>\$ 47,596,596</u>	<u>\$ 54,585,799</u>

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

12. Members' surplus (continued)	<u>2014</u>	<u>2013</u>
Represented by		
General Operating Fund	\$ 22,823,304	\$ 26,082,801
Education	(1,508,284)	(122,826)
Health Services	(312,833)	149,285
Social Services	(11,321,310)	(9,429,647)
Equity in Capital Assets	39,576,253	39,576,253
Equity in First National controlled entities	(3,271,200)	(3,376,345)
Ottawa Trust Fund	12,680	11,825
Replacement Reserve	<u>1,597,986</u>	<u>1,696,453</u>
	<u>\$ 47,596,596</u>	<u>\$ 54,585,799</u>

13. Contingent liabilities

Cross Lake Band of Indians has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreement.

In addition, in the normal course of its operations, Cross Lake Band of Indians becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Cross Lake Band of Indians financial statements.

14. Contingencies

- a) The Band has entered into a Block III Residential Arrears agreement with Manitoba Hydro. Under the terms of this agreement, certain residents of Cross Lake have entered into an agreement with Manitoba Hydro for repayment of arrears over a period of ten years without interest or penalties. The Band has guaranteed the payments of its residents to a maximum of \$340,000 per year. The total outstanding under this agreement is \$1,978,942 as at March 31, 2014.
- b) The Band is involved in various legal claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Band's financial position, results of operations or cash flows. Any amounts awarded as a result of these actions will be reflected in the year of settlement.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

15. Government transfers

	<u>2014</u>			<u>2013</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
AANDC	\$ 30,646,574	\$ 3,627,897	\$ 34,274,471	\$ 30,998,310	\$ 3,571,433	\$ 34,569,743
Health Canada	5,275,711		5,275,711	5,182,980		5,182,980
Canada Mortgage and Housing Corp.	1,210,602		1,210,602	1,290,475		1,290,475
Human Resources and Development Canada	1,407,220		1,407,220	1,407,220		1,407,220
Band Constable Program	92,704		92,704	92,704		92,704
First Nations and Inuit Child Care Initiative	534,346		534,346	534,346		534,346
	<u>\$ 39,167,157</u>	<u>\$ 3,627,897</u>	<u>\$ 42,795,054</u>	<u>\$ 39,506,035</u>	<u>\$ 3,571,433</u>	<u>\$ 43,077,468</u>
Provincial government transfers:	<u>\$ 1,447,300</u>	<u>\$</u>	<u>\$ 1,447,300</u>	<u>\$ 1,272,284</u>	<u>\$</u>	<u>\$ 1,272,284</u>

16. Ottawa Trust

The Trust Fund arises 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

The changes in net assets of the Trust Fund during the year are as follows:

	<u>2014</u>	<u>2013</u>
Net assets, beginning of year	\$ 11,825	\$ 10,446
Income earned	<u>855</u>	<u>1,379</u>
Net assets, end of year	<u>\$ 12,680</u>	<u>\$ 11,825</u>

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

17. Economic dependence

Cross Lake Band of Indians receives a major portion of its revenues pursuant to a funding agreement with the Department of Aboriginal Affairs and Northern Development Canada.

18. Aboriginal Affairs and Northern Development Canada revenue reconciliation

	<u>2014</u>	<u>2013</u>
AANDC revenue per statement of operations	\$ 34,274,471	\$ 34,569,744
AANDC deferred revenue (Note 11)	<u>620,000</u>	<u> </u>
AANDC net funding per confirmation	<u>\$ 34,894,471</u>	<u>\$ 34,569,744</u>

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2014

19. Financial instruments and financial risk management

All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instruments have been classified as held for trading, available for sale, held to maturity, loans and receivables, or other financial liabilities.

Financial assets and financial liabilities classified as held for trading are measured at fair value with gains and losses recognized in net earnings. Financial assets classified as available for sale, held to maturity, loans and receivables and other financial liabilities (other than those held for trading) are measured at amortized cost using the effective interest method of amortization.

The Band has designated its financial instruments, as follows:

<u>Financial Statement Item</u>	<u>Classification</u>	<u>Measurement</u>
Bank indebtedness	Held for trading	Fair value
Investments	Held for trading	Fair value
Restricted cash	Held for trading	Fair value
Receivables	Loans and receivables	Amortized cost
Pimicamak Okimawin Trust receivable	Loans and receivables	Amortized cost
Payables and accruals	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost
Joint venture liabilities	Other financial liabilities	Amortized cost

The carrying value of bank indebtedness, receivables, accounts payable and accruals, and due to related parties approximate fair value due to the immediate or short-term maturities of these instruments.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as cash flow risk, or on the fair value of other financial instruments known as interest rate price risk.

The Band is not exposed to interest rate cash flow risk due to the fact that they do not have a cash balance to receive interest income.

The Band does not trade in financial instruments and is not exposed to interest rate price risk.

Credit risk

Credit risk arises from the possibility that entities that owe funds to the Band may experience financial difficulty and not be able to fulfil their commitment. The maximum exposure to credit risk is equal to the carrying value of the receivables.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
 March 31, 2014

20. Expense by object

The following is a summary of expenses by object.

	<u>2014</u>	<u>2013</u>
Administration fees	\$ 149,661	\$ 236,608
Allowances	857,892	840,854
Bad debt	188,161	43,008
Basic needs	10,366,414	9,991,862
Community services	2,311,917	2,454,644
Depreciation	3,500,616	3,467,675
Financing expense	1,129,807	
Insurance	792,119	657,711
Interest	790,437	1,095,249
Office	563,684	477,181
Other	3,486,555	2,313,851
Professional fees	1,411,079	1,394,909
Program costs	1,799,538	914,396
Purchases	976,331	756,817
Rent	173,730	170,471
Repairs & maintenance	352,919	782,222
Replacement reserve	184,578	196,578
Salaries & benefits	20,229,163	17,879,044
Supplies & equipment	1,331,068	1,623,798
Training	1,129,601	1,036,441
Travel	1,845,158	1,771,174
Tuition	586,561	627,113
Utilities	844,272	944,832
Vehicle	409,940	333,122
	<u>\$ 55,431,201</u>	<u>\$ 50,008,338</u>

21. Comparative figures

Certain prior year comparative figures have been re-classed to conform to the financial statement presentation adopted for the current year.

22. Defined contribution pension plan

The expense for the Band pension plan for the year was \$807,758 (2013: \$819,020). The plan is funded equally by the Band and the Band's employees at rates of 5.0% to 8.0% of the employees' salaries. The funds are invested in mutual funds as directed by the Band's individual employees' investment directives.

Cross Lake Band of Indians

Notes to Consolidated Financial Statements

March 31, 2014

23. Budgeted figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal budget in the statement of change in net debt and statement of operations has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal budget to the budget per the financial statements:

Statement of Changes in Net Debt

	<u>Approved Fiscal Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget per Financial Statements</u>
Annual deficit	\$ (355,966)	\$ (2,158,842)	\$ (2,514,808)
Acquisition of tangible capital assets		(758,991)	(758,991)
Loss (gain) on disposal of assets			
Proceeds on sale of capital assets			
Amortization of tangible capital assets (depreciation)		3,645,747	3,645,747
(Decrease) increase in replacement reserve			
	<u>(355,966)</u>	<u>727,914</u>	<u>371,948</u>
Acquisition of inventory			
Acquisition of prepaids			
Use of inventory			
Use of prepaids			
Increase (decrease) in net debt	(355,966)	727,914	371,948
Net debt at beginning of year		<u>(16,865,708)</u>	<u>(16,865,708)</u>
Net debt at end of year	<u>\$ (355,966)</u>	<u>\$ (16,137,794)</u>	<u>\$ (16,493,760)</u>

Cross Lake Band of Indians
Notes to Consolidated Financial Statements
 March 31, 2014

23. Budgeted figures (continued)

Statement of Operations

	Approved Fiscal Budget	Adjustments	Fiscal Budget per Financial Statements
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 31,907,624	\$	\$ 31,907,624
Administration fees	199,800		199,800
Canada Mortgage and Housing Corporation	948,324		948,324
Canada – Band Constable Program	102,996		102,996
Daycare program	615,996		615,996
Health Canada	5,034,136		5,034,136
Manitoba Hydro	220,000		220,000
Human Resource and Development Canada	1,449,876		1,449,876
Miscellaneous	573,007		573,007
Province of Manitoba	9,996		9,996
Rent	199,620		199,620
Tobacco sales, rebates and other	<u>2,163,192</u>		<u>2,163,192</u>
	<u>43,424,567</u>		<u>43,424,567</u>
Expenditures			
Administration	2,723,384	1,160,504	3,883,888
Cultural grant	60,000		60,000
Daycare	575,676		575,676
Economic development	191,000		191,000
Education Authority	13,886,953	756,698	14,643,651
Employment and job creation	1,443,907		1,443,907
Housing operations and maintenance	3,514,804	320,064	3,834,868
Miscellaneous	743,022		743,022
Northern Hydro Training Initiative			
Polbing	340,293		340,293
Public Works	2,841,605		2,841,605
Health Services	5,381,300	26,721	5,408,021
Social Services	12,076,589		12,076,589
Recreation			
	<u>43,780,533</u>	<u>2,265,987</u>	<u>46,046,520</u>
Other revenue, net		<u>107,145</u>	<u>107,145</u>
Annual deficit	<u>\$ (355,966)</u>	<u>\$ (2,158,842)</u>	<u>\$ (2,514,808)</u>

The adjustments include the addition of amortization, gain on equity from business enterprises, net revenue/expenses from other government organizations, and removal of principal payments on debt and capital asset additions.

Cross Lake Band of Indians **Notes to the Consolidated Financial Statements**

March 31, 2014

24. Segment disclosure

	Education			Health			Economic Development			Housing			Community Services		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
Revenues:															
Federal Government	\$13,526,324	\$13,685,762	\$13,771,523	\$5,034,156	\$5,289,711	\$5,033,947	\$	\$	\$	\$948,324	\$1,218,602	\$1,290,475	\$3,962,411	\$2,962,906	\$2,836,992
Provincial Government															15,573
Economic Activities															
Net income from investment in government business enterprises															
Other revenue	362,674	237,844	289,279		296,973	132,043	128,622	128,622	(118,689)	390,869	231,678	61,153	675,986	1,112,438	1,386,310
Total Revenue	13,888,997	13,923,606	14,060,802	5,034,156	5,586,684	5,165,990	3,068,823	3,068,823	3,773,979	1,248,924	1,449,286	1,351,633	4,639,407	4,015,346	4,202,805
Expenses:															
Salaries and benefits	10,196,536	10,708,864	10,269,613	3,608,495	3,619,467	2,703,200	697,596	697,596	600,233	835,803	1,094,791	812,533	1,493,133	2,136,598	1,754,687
Amortization	796,698	796,698	745,218	28,721	28,721	12,166	159,854	159,854	195,533	1,549,771	1,549,771	1,549,373	1,549,771	1,549,373	1,549,373
Data servicing	42,872	50,324	61,056	11,413	11,413	10,985	9,621	9,621	44,314	306,539	306,539	440,264	3,767,342	5,621,459	4,503,408
Other expenses	3,699,365	3,713,360	3,731,750	1,558,892	2,088,291	2,002,712	2,367,393	2,367,393	2,108,388	1,143,526	2,179,008	2,433,322	3,767,342	5,621,459	4,503,408
Total expenses	14,635,471	15,269,754	14,800,037	5,410,671	6,038,292	4,729,653	3,164,284	3,164,284	2,948,539	3,834,663	5,713,309	5,279,527	5,261,481	7,177,039	6,364,026
Annual (deficit) surplus	\$ (756,704)	\$ (1,346,148)	\$ (739,235)	\$ (376,515)	\$ (451,608)	\$ (563,663)	\$ (83,461)	\$ (83,461)	\$ (174,560)	\$ (585,739)	\$ (1,264,023)	\$ (927,893)	\$ (621,874)	\$ (1,161,693)	\$ (1,161,221)

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
March 31, 2014

24. Segment disclosure (continued)

	Social Services			Band Government			Other			Inter-segment Eliminations			Consolidated Totals		
	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013	Budget 2014	2014	2013
Revenues															
Federal Government	\$3,608,400	\$3,608,400	\$3,608,400	\$6,345,361	\$3,608,400	\$8,738,513	\$	\$	\$	\$	\$	\$	\$39,442,958	\$42,394,934	\$42,275,680
Provincial Government		20,631	8,546	1,483,989	1,426,689	1,247,224							1,483,989	1,447,390	1,272,285
Economic Activities				576,066	687,364	533,520							576,066	687,364	533,520
Net income from investment in government business enterprises															
Other revenues	67,208	68,226	70,354	289,804	2,265,822	739,800	728,066	294,258	5,308,174	473,683	1,083,638	4,806,628	129,622	129,622	(179,089)
Total Revenue	<u>3,675,608</u>	<u>3,696,257</u>	<u>3,688,302</u>	<u>8,698,152</u>	<u>13,878,592</u>	<u>12,287,035</u>	<u>728,066</u>	<u>294,258</u>	<u>5,308,174</u>	<u>473,683</u>	<u>1,083,638</u>	<u>4,806,628</u>	<u>46,595,596</u>	<u>51,418,538</u>	<u>54,023,882</u>
Expenses															
Salaries and benefits	1,468,289	1,129,986	1,141,197	697,135	842,342	1,138,675							78,967,946	20,594,557	18,479,352
Amortization	10,206	10,428	9,867	1,163,804	4,165,428	1,146,987							3,645,748	3,693,678	3,683,327
Debt servicing				213,067	411,572	372,298							592,932	886,053	1,128,153
Other expenses	10,657,880	10,370,483	10,456,337	2,652,204	8,673,987	4,510,273				473,683	1,083,638	28,623,824	25,448,615	29,489,584	
Total expenses	<u>12,677,298</u>	<u>12,385,632</u>	<u>11,677,501</u>	<u>4,626,918</u>	<u>13,472,987</u>	<u>7,398,613</u>				<u>473,683</u>	<u>1,083,638</u>	<u>49,020,384</u>	<u>59,404,884</u>	<u>52,738,136</u>	
Amended (added) surplus	<u>\$12,408,309</u>	<u>\$12,385,249</u>	<u>\$11,970,199</u>	<u>\$4,071,240</u>	<u>\$4,737,882</u>	<u>\$4,888,422</u>	<u>\$</u>	<u>\$220,866</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$72,554,898</u>	<u>\$18,086,349</u>	<u>\$1,273,101</u>