

Consolidated Financial Statements

Cross Lake Band of Indians

March 31, 2015

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
Summary Schedule of Operations	30
Schedule 1 - Statement of Operations - Administration Program	31
Schedule 2 - Statement of Operations - Capital	32
Schedule 3 - Statement of Operations - Cultural Grant	33
Schedule 4 - Statement of Operations - Daycare Program	34
Schedule 5 - Statement of Operations - Economic Development Program	35
Schedule 6 - Statement of Operations - Education Authority	36
Schedule 7 - Statement of Operations - Employment and Job Creation Program	37
Schedule 8 - Statement of Operations - Housing Operations and Maintenance Fund	38
Schedule 9 - Statement of Operations - Miscellaneous Program	39
Schedule 10 - Statement of Operations - Policing	40
Schedule 11 - Statement of Operations - Public Works	41
Schedule 12 - Statement of Operations - Health Services	42-45
Schedule 13 - Schedule of Moveable Asset Reserve	46
Schedule 14 - Statement of Operations - Social Services	47
Schedule 15 - Statement of Operations - Recreation	48
Schedule 16 - Statement of Operations - Midnorth Development Corporation	49
Schedule 17 - Statement of Operations - Multi-Channel System	50
Schedule 18 - Statement of Operations - Ponton Service Station (1977) Ltd.	51
Schedule 19 - Statement of Operations – My's Est. 98 Ltd.	52
Schedule 20 - Schedule of AANDC Contribution Funded Programs	53
Review Engagement Report for the Schedules of Salaries, Honoraria and Travel Expenditures	54
Schedule 21 - Honoraria, Salaries and Travel - Elected Officials	55
Schedule 22 - Honoraria, Salaries and Travel - Unelected Senior Officials	56
Review Engagement Report for the Schedule of Federal Government Funding	57
Schedule 23 - Schedule of Federal Government Funding	58
Schedule 24 - Schedule of Excess (Deficiency) of Funding over Expenses and Tangible Capital Asset Purchases by Segment	59

Management's Responsibility for Financial Reporting

The accompanying March 31, 2015, 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.

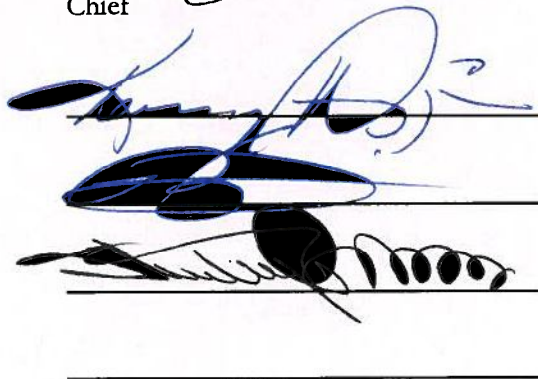
The Band maintains appropriate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for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

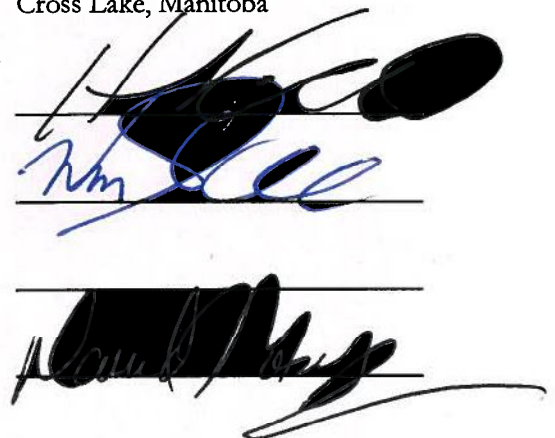
The March 31, 2015 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.


Chief



Council

Cross Lake, Manitoba





Grant Thornton
An instinct for growth™

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, 2015, 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 cheque, however we were unable to obtain invoices to support these additions.

The financial statements do not include the financial operations of My's Est. 98 Ltd., a wholly owned subsidiary of the Band. The statement of financial position, net debt and statement of cash flows reflect the balances that were carried forward from the prior year. We were unable to obtain sufficient appropriate audit evidence as to the operations and carrying amounts of the entity for the current year because the financial information was not provided. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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, 2015, 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 30-53 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 20, 2015

Grant Thornton LLP
Chartered Professional Accountants

Cross Lake Band of Indians

Consolidated Statement of Operations

Year Ended March 31

	2015 <u>Budget</u> (Note 24)	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 18)	\$ 31,870,844	\$ 34,656,071	\$ 34,274,471
Administration fees (Schedule 1)	199,800	581,161	520,894
Canada Mortgage and Housing Corporation (Schedule 8)	948,324	884,406	1,210,602
Canada – Band Constable Program (Schedule 10)	205,368	92,704	92,704
Daycare program (Schedule 4)	615,996	636,928	636,061
Health Canada (Schedule 12)	5,507,126	5,572,940	5,275,711
Manitoba Hydro			204,250
Human Resource and Development Canada (Schedule 7)	1,449,876	1,407,220	1,407,220
Miscellaneous	1,048,007	1,943,309	2,042,255
Province of Manitoba	9,996	14,296	22,957
Rent	499,620	221,963	174,153
Tobacco sales, rebates and other	<u>2,163,192</u>	<u>2,300,149</u>	<u>2,476,432</u>
	<u>44,518,149</u>	<u>48,311,147</u>	<u>48,337,710</u>
Expenditures			
Administration (Schedule 1)	6,991,453	5,953,391	8,037,225
Cultural grant (Schedule 3)	278,333	68,345	41,666
Daycare (Schedule 4)	583,593	590,635	568,901
Economic development (Schedule 5)	472,433	344,969	394,939
Education Authority (Schedule 6)	15,260,443	15,360,155	15,289,254
Employment and job creation (Schedule 7)	1,278,538	1,615,101	1,443,521
Housing operations and maintenance (Schedule 8)	5,171,547	6,426,441	5,713,208
Miscellaneous (Schedule 9)	626,134	746,455	1,195,723
Policing (Schedule 10)	445,783	486,453	459,792
Public Works (Schedule 11)	2,960,652	4,011,064	4,658,150
Health Services (Schedule 12)	5,722,570	5,813,224	6,038,802
Social Services (Schedule 14)	12,123,942	11,348,237	11,590,020
Recreation (Schedule 15)	<u>150,000</u>	<u>129,934</u>	
	<u>52,065,421</u>	<u>52,894,404</u>	<u>55,431,201</u>
	<u>(7,547,272)</u>	<u>(4,583,257)</u>	<u>(7,093,491)</u>
Other revenues (expenses), net			
Midnorth Development Corporation (Schedule 16)	171,076	171,076	(35,025)
Multi-Channel System (Schedule 17)	(132,793)	(132,793)	10,753
Pimicikamac Technical Services (unaudited)	10,764	10,764	1,795
Ponton Service Station (1977) Ltd. (Schedule 18)	(151,697)	(151,697)	188,277
My's Est. 98 Ltd. (Schedule 19)			(58,655)
	<u>(102,650)</u>	<u>(102,650)</u>	<u>107,145</u>
Annual deficit	<u>\$ (7,649,922)</u>	<u>\$ (4,685,907)</u>	<u>\$ (6,986,346)</u>

Segment Disclosure (Note 25)

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians

Consolidated Statement of Changes in Accumulated Surplus

Year Ended March 31

	Replacement <u>Reserve</u>	Ottawa <u>Trust</u> (Note 16)	<u>Surplus</u>	<u>2015</u> <u>Total</u>	2014 <u>Total</u> (Note 22)
Balance, beginning of year as previously reported	\$ 1,597,986	\$ 12,680	\$45,985,930	\$47,596,596	\$54,585,799
Prior period adjustment (Note 19)	<u> </u>	<u> </u>	<u>1,517,396</u>	<u>1,517,396</u>	<u>1,517,396</u>
Balance as restated	<u>1,597,986</u>	<u>12,680</u>	<u>47,503,326</u>	<u>49,113,992</u>	<u>56,103,195</u>
Annual deficit		540	(4,686,447)	(4,685,907)	(6,986,346)
Replacement reserve					
Contributions	184,578			184,578	184,578
Approved repairs	<u>(199,935)</u>	<u> </u>	<u> </u>	<u>(199,935)</u>	<u>(187,435)</u>
	<u>(15,357)</u>	<u>540</u>	<u>(4,686,447)</u>	<u>(4,701,264)</u>	<u>(6,989,203)</u>
Balance, end of year	<u>\$ 1,582,629</u>	<u>\$ 13,220</u>	<u>\$42,816,879</u>	<u>\$44,412,728</u>	<u>\$49,113,992</u>

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians

Consolidated Statement of Financial Position

March 31

2015

2014
(Note 22)

Financial Assets

Receivables (Note 3)	\$ 2,584,324	\$ 2,911,406
Pimicikamak Okimawin Trust receivable (Note 14)	2,169,176	2,141,023
Investment in business enterprises (Note 6)	3,913,420	4,065,120
Restricted cash (Note 5)	<u>13,220</u>	<u>12,680</u>

Total financial assets	<u>8,680,140</u>	<u>9,130,229</u>
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Liabilities

Bank indebtedness (Note 7)	7,384,406	3,504,068
Payables and accruals (Note 8)	6,259,518	7,104,333
Long-term debt (Note 9)	11,968,704	11,952,590
Obligations under capital lease (Note 10)	569,414	445,503
Deferred revenue (Note 11)	5,425,000	5,425,000
Joint venture liabilities	<u>140,647</u>	<u>130,291</u>

Total liabilities	<u>31,747,689</u>	<u>28,561,785</u>
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Net debt	<u>(23,067,549)</u>	<u>(19,431,556)</u>
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Non-financial assets

Tangible capital assets (Note 4)	67,475,277	68,537,896
Inventory	5,000	5,000
Prepays	<u> </u>	<u>2,652</u>

Total non-financial assets	<u>67,480,277</u>	<u>68,545,548</u>
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Accumulated surplus (Page 5)	<u>\$ 44,412,728</u>	<u>\$ 49,113,992</u>
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Contingencies (Note 13)

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 24)	2015	2014 (Note 22)
Annual deficit	\$ (7,649,922)	\$ (4,685,907)	\$ (6,986,346)
Acquisition of tangible capital assets	(469,259)	(469,259)	(808,216)
Increase in work in progress	(2,045,225)	(2,045,225)	
Loss on disposal of assets			49,428
Proceeds on sale of capital assets			1,075
Amortization of tangible capital assets (depreciation)	3,577,103	3,577,103	3,650,670
Decrease in replacement reserve		(15,357)	(2,857)
	<u>(6,587,303)</u>	<u>(3,638,645)</u>	<u>(4,096,246)</u>
Acquisition of inventory		(5,000)	(5,000)
Acquisition of prepaids			(2,652)
Use of inventory		5,000	5,000
Use of prepaids		2,652	15,654
		<u>2,652</u>	<u>13,002</u>
Increase in net debt	(6,587,303)	(3,635,993)	(4,083,244)
Net debt at beginning of year (Note 19)	<u>(19,431,556)</u>	<u>(19,431,556)</u>	<u>(15,348,312)</u>
Net debt at end of year	<u>\$(26,018,859)</u>	<u>\$(23,067,549)</u>	<u>\$(19,431,556)</u>

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians

Consolidated Statement of Cash Flows

Year Ended March 31

2015

2014

Increase (decrease) in cash and cash equivalents

Operating		
Annual deficit	\$ (4,685,907)	\$ (6,986,346)
Net loss from business enterprises	151,697	(129,622)
Amortization	3,577,103	3,650,670
Loss on disposal of assets		49,428
Replacement reserve, net of approved repairs	<u>(15,357)</u>	<u>(2,857)</u>
	(972,464)	(3,418,727)
Change in non-cash operating working capital		
Receivables	327,082	571,991
Pimicikamak Okimawin Trust receivable	(28,153)	
Prepays	2,652	13,002
Payables and accruals	(844,812)	(270,597)
Deferred revenue	<u></u>	<u>5,425,000</u>
	<u>(1,515,695)</u>	<u>2,320,669</u>
Financing		
Proceeds from long-term debt	1,248,204	1,547,774
Repayment of long-term debt	(1,232,091)	(2,866,751)
Obligations under capital lease, net	123,912	(155,686)
Increase in joint venture liabilities	10,356	1,719
Increase (repayment) of bank indebtedness	<u>3,880,338</u>	<u>(34,485)</u>
	<u>4,030,719</u>	<u>(1,507,429)</u>
Investing		
Investment in business enterprises		(6,675)
Proceeds on sale of capital assets		1,075
Increase in work in progress	(2,045,225)	
Purchase of capital assets	<u>(469,259)</u>	<u>(808,216)</u>
	<u>(2,514,484)</u>	<u>(813,816)</u>
Net increase (decrease) in cash and cash equivalents	540	(576)
Cash and cash equivalents		
Beginning of year	<u>12,680</u>	<u>13,256</u>
End of year	<u>\$ 13,220</u>	<u>\$ 12,680</u>
Cash and cash equivalents consist of:		
Restricted cash (Note 5)	<u>\$ 13,220</u>	<u>\$ 12,680</u>

See accompanying notes to the consolidated financial statements.

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

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 band members 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 and Multi-Channel System, 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.

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
Recreation	

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

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 of the Band 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, 2015

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 reasonable 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.

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.

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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	2015	2014 (Note 22)
	<hr/>	
Aboriginal Affairs and Northern Development Canada	\$ 34,960	\$
Business entities receivables	96,850	174,181
Canada Mortgage and Housing Corporation	73,754	73,754
Contractors, net	56,006	81,418
Fire insurance proceeds	302,629	
Health Canada	313,108	135,436
Manitoba Hydro	104,531	1,334,478
Manitoba Keewatinowi Okimakanak	185,428	92,714
NFA Implementation	265,084	157,158
Other	44,576	26,074
Pimicikamak Gas Bar – C -Store	118,770	
Province of Manitoba	372,650	459,236
Reimbursable travel	291,715	155,751
Salary advances	259,370	221,206
Trade	64,893	
	<hr/>	<hr/>
	\$ 2,584,324	\$ 2,911,406

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

4. Tangible capital assets		<u>2015</u>		<u>2014</u>
	<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	\$ 20,997	\$ 17,003	\$ 17,713
My's Restaurant	390,600	65,480	325,120	338,666
Equipment	15,400	9,723	5,677	7,096
Water trucks	145,715	143,607	2,108	2,635
Computer equipment	140,155	135,157	4,998	6,247
Daycare facility	1,234,780	639,189	595,591	620,408
Recreation	439,537	196,306	243,231	253,366
Vehicles	73,797	37,139	36,658	45,822
Bridges and roads	7,491,994	5,107,971	2,384,023	2,571,323
Water and sewer pipes	17,153,164	7,642,298	9,510,866	9,939,695
Playgrounds	947,320	802,054	145,266	181,582
Assets under capital lease	<u>792,863</u>	<u>373,921</u>	<u>418,942</u>	<u>570,861</u>
	<u>28,863,325</u>	<u>15,173,842</u>	<u>13,689,483</u>	<u>14,555,414</u>
Band housing				
Buildings	11,468,387	6,038,845	5,429,542	5,699,451
Automotive equipment	<u>782,522</u>	<u>340,229</u>	<u>442,293</u>	<u>81,020</u>
	<u>12,250,909</u>	<u>6,379,074</u>	<u>5,871,835</u>	<u>5,780,471</u>
Social housing				
Land	395,500		395,500	395,500
Site development	3,371,441	388,606	2,982,835	3,371,441
Buildings	<u>47,445,326</u>	<u>14,523,349</u>	<u>30,876,752</u>	<u>34,029,405</u>
	<u>51,212,267</u>	<u>14,911,955</u>	<u>36,300,312</u>	<u>37,796,346</u>
Education				
Buildings	22,213,018	13,623,329	8,589,689	9,220,924
Equipment	1,337,914	1,294,714	43,200	57,600
Automotive	<u>1,640,430</u>	<u>1,357,257</u>	<u>283,173</u>	<u>398,652</u>
	<u>25,191,362</u>	<u>16,275,300</u>	<u>8,916,062</u>	<u>9,677,176</u>
Other entities				
	<u>7,828,887</u>	<u>7,176,527</u>	<u>652,360</u>	<u>728,489</u>
Work in progress				
	<u>2,045,225</u>		<u>2,045,225</u>	
	<u>\$127,391,975</u>	<u>\$ 59,916,698</u>	<u>\$ 67,475,277</u>	<u>\$ 68,537,896</u>

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

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 2015 is \$184,578 (2014: \$184,578). 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>2015</u>	<u>2014</u>
Cash	\$ -	\$ -

As of March 31, 2015, there was a shortfall of \$1,582,629 (2014: \$1,597,986) 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>2015</u>	<u>2014</u>
Cash	\$ 13,220	\$ 12,680
Total restricted cash	\$ 13,220	\$ 12,680

6. Investment in business enterprises

The commercial 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, 2015

6. Investment in business enterprises (continued)

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

	<u>2015</u>	<u>2014</u>
Cross Lake Mineral Exploration Inc.	\$ 2,627,210	\$ 2,627,210
Tree Suns Junction Inc. (Ponton Service Station 1997 Ltd. and My's Est. 98 Ltd.)	<u>1,286,210</u>	<u>1,437,910</u>
	<u>\$ 3,913,420</u>	<u>\$ 4,065,120</u>

The purchase of Ponton Service Station (1997) Ltd. through the shares of the holding company Tree Suns 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, 2015 is \$833,654 (2014: \$885,757).

7. Bank indebtedness

The Band has an authorized line of credit of \$3,000,000 (2014: \$2,500,000). The balance of bank indebtedness, at year end, consisted of the following:

	<u>2015</u>	<u>2014</u>
Over draft	\$ 7,172,081	\$ 8,647,213
Line of credit	3,000,000	2,420,000
Cash	<u>(2,787,675)</u>	<u>(7,563,145)</u>
	<u>\$ 7,384,406</u>	<u>\$ 3,504,068</u>

As at March 31, 2015 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, 2015

8. Payables and accruals	2015	2014 (Note 22)
Accrued audit fee	\$ 241,367	\$ 250,000
Accrued interest	132,604	135,674
Accrued wages and benefits	136,023	65,715
Accrued wages and benefits - business entities	154,652	88,490
Business entities payables	879,006	1,074,928
Best Buy Homes	458,800	508,800
Christie's		34,317
Elders Trust	449,636	2,000,000
Family Foods		18,274
Grant Thornton LLP	80,413	
Manitoba Hydro	587,440	357,312
Manitoba Telecom Services	14,493	5,066
Manitoba Textbook Bureau	19,405	
Mistassineek Gas & Fuel	32,279	60,663
NFA Implementation	154,074	154,074
Northern Stores	2,244	317,994
North West Company – short term financing	75,000	
Other	120,371	60,390
Olthius, Kleer, Townshend LLP	54,479	24,254
Payroll savings payable	59,850	58,380
Peter Grant & Associates	41,139	41,139
Pimicikamak Okimawin	691,451	
Savings bonds payable	158,780	158,780
Springhill Lumber Wholesale Ltd.	281,035	90,121
Stittco Energy Limited		92,572
Sun Life Financial Services	948,722	822,548
Taylor McCaffrey	221,977	215,471
The Brick		14,326
Thompson Home Hardware	10,414	13,449
Trade payables	48,324	212,433
The Incorporated Community of Cross Lake	78,354	102,505
University College of the North		613
University of Manitoba		32,500
University of Winnipeg	17,747	
Wardrop Engineering Inc.	31,677	31,677
Wilson's Business Solutions	77,745	46,632
Xerox Canada Ltd.	17	15,236
	\$ 6,259,518	\$ 7,104,333

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt	<u>2015</u>	<u>2014</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.	\$ 771,944	\$ 727,563
Mortgages - subsidized		
Vanguard Credit Union		
Repayable at \$2,500 monthly, including interest at 4.84% compounded monthly.	132,290	147,783
Royal Bank of Canada		
Repayable at \$14,549 monthly, including interest at 3.37% compounded monthly.	157,550	323,799
CMHC		
Repayable at \$6,673 monthly, including interest at 2.56% compounded monthly, with maturity at December 1, 2015.	174,916	249,503
Royal Bank of Canada		
Repayable at \$6,433 monthly, including interest at 3.57% compounded monthly, with maturity at June 1, 2016.	236,689	304,160
CMHC		
Repayable at \$6,399 per month, including interest 2.76%, compounded semi-annually with maturity at June 1, 2015.	670,848	728,362
CMHC		
Repayable at \$5,710 per month including interest at 1.64%, compounded semi-annually, with maturity at December 1, 2016.	736,768	792,750
CMHC		
Repayable at \$4,540 monthly including interest at 1.62% compounded semi-annually, with maturity at March 1, 2018.	634,784	678,628
CMHC		
Repayable at \$4,627 monthly including interest at 2.04% compounded semi-annually, with maturity at March 1, 2019.	662,079	703,688
CMHC		
Repayable at \$4,007 (2014: \$4,222) monthly, including interest at 1.83% (2014: 2.57%), compounded semi-annually, with maturity at December 1, 2019.	<u>621,450</u>	<u>656,225</u>
Subtotal (carry forward)	<u>\$ 4,799,318</u>	<u>\$ 5,312,461</u>

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Carried forward	\$ 4,799,318	\$ 5,312,461
CMHC Repayable at \$3,822 monthly, including interest at 1.71% compounded semi-annually, with maturity at September 1, 2017.	691,624	721,628
CMHC Repayable at \$7,078 monthly, including interest at 1.62% compounded semi-annually, with maturity at March 1, 2018.	1,315,365	1,378,505
CMHC Repayable at \$11,121 per month, including interest at 2.26%, compounded semi-annually, with maturity at August 1, 2016.	2,259,338	2,340,956
Royal Bank of Canada Repayable at \$15,822 monthly, including interest at 2.85% compounded monthly, with maturity May 1, 2016.	217,580	398,456
Royal Bank of Canada Repayable at \$2,149 monthly, including interest at 3.80% compounded monthly, with maturity September 1, 2017.	99,158	120,741
CMHC Repayable at \$5,902 monthly, including interest at 1.62% compounded semi-annually, with maturity November 1, 2017.	184,740	251,988
CMHC Repayable at \$11,704 monthly, including interest at 1.68% compounded semi-annually, with maturity December 1, 2017.	377,215	510,133
CMHC Repayable at \$6,416 monthly, including interest at 2.04% compounded semi-annually, with maturity November 1, 2018.	271,818	342,501
CMHC Repayable at \$6,826 monthly, including interest at 2.04% compounded semi-annually, with maturity March 1, 2019.	504,344	575,221
CMHC Bridge financing on Phase 20 Housing.	<u>1,248,204</u>	<u> </u>
Total long-term debt (carry forward)	<u>\$ 11,968,704</u>	<u>\$ 11,952,590</u>

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

9. Long-term debt (continued)	<u>2015</u>	<u>2014</u>
Total long-term debt (carried forward)	\$ 11,968,704	\$ 11,952,590
Less current portion		
Cross Lake Band of Indians	<u>3,326,788</u>	<u>2,015,178</u>
	<u>\$ 8,641,916</u>	<u>\$ 9,937,412</u>

During the year, the Band paid \$291,118 (2014: \$348,123) in interest on long-term debt.

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

2016	\$ 3,326,788
2017	1,015,836
2018	886,801
2019	641,917
2020	567,775

10. Obligations under capital lease	<u>2015</u>	<u>2014</u>
Repayments are due as follows:		
2015	\$	\$ 245,930
2016	243,817	144,870
2017	175,900	88,433
2018	112,980	25,514
2019	87,467	
2020	<u>14,578</u>	
Total minimum lease payments	634,742	504,747
Less amounts representing interest	<u>(65,328)</u>	<u>(59,244)</u>
Present value of net minimum capital lease payments	<u>\$ 569,414</u>	<u>\$ 445,503</u>

Interest rates on capital leases range from 6.20% to 9.01% with maturity dates ranging from April 30, 2015 to May 9, 2019.

Total interest on leases for the year was \$45,116 (2014: \$46,979).

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

11. Deferred revenue

Deferred revenue consists of the following:

	<u>2015</u>	<u>2014</u>
Northern Flood Agreement Claim 138	\$ 4,805,000	\$ 4,805,000
Aboriginal Affairs and Northern Development Canada Grant – Water/Waterwaste training (Note 18)	<u>620,000</u>	<u>620,000</u>
	<u>\$ 5,425,000</u>	<u>\$ 5,425,000</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

Restricted

Ottawa Trust Fund		
Surplus, beginning of year	\$ 12,680	\$ 11,825
Other income	<u>540</u>	<u>855</u>
Surplus, end of year	<u>13,220</u>	<u>12,680</u>
Replacement reserve	<u>1,582,629</u>	<u>1,597,986</u>
Total restricted surplus	<u>1,595,849</u>	<u>1,610,666</u>

Unrestricted

Surplus, beginning of year	<u>47,503,326</u>	<u>54,394,916</u>
Surplus (deficit) for the year		
General Operating Fund	(3,115,307)	(3,259,496)
Education	(220,223)	(1,385,458)
Health Services	49,762	(462,118)
Social Services	(1,298,028)	(1,891,663)
Equity in earnings of Band controlled entities	<u>(102,650)</u>	<u>107,145</u>
	<u>(4,686,447)</u>	<u>(6,891,590)</u>
Total unrestricted surplus	<u>42,816,879</u>	<u>47,503,326</u>

Total Equity	<u>\$ 44,412,728</u>	<u>\$ 49,113,992</u>
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Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

12. Members' surplus (continued)	2015	2014
		<u>(Note 22)</u>
Represented by		
General Operating Fund	\$ 60,801,645	\$ 63,916,953
Education	(1,728,507)	(1,508,284)
Health Services	(263,071)	(312,833)
Social Services	(12,619,338)	(11,321,310)
Equity in Band controlled entities	(3,373,850)	(3,271,200)
Ottawa Trust Fund	13,220	12,680
Replacement Reserve	<u>1,582,629</u>	<u>1,597,986</u>
	<u>\$ 44,412,728</u>	<u>\$ 49,113,992</u>

13. Contingencies

- a) 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.
 - b) 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 \$1,575,816 as at March 31, 2015 (2014: \$1,978,942).
 - c) 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 on Indians financial statements.
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14. Pimicikamak Okimawin Trust receivable

The Pimicikamak Okimawin Trust (P.O.T.) receivable arose when the Cross Lake Band of Indians paid for campaign and legal expenses on behalf of P.O.T. These expenses related to ongoing attempts and pressures to have the Northern Flood Agreement (NFA) implemented.

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

15. Government transfers

	<u>2015</u>			<u>2014</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
AANDC	\$ 30,961,606	\$ 3,694,465	\$ 34,656,071	\$ 30,646,574	\$ 3,627,897	\$ 34,274,471
Health Canada	5,572,940		5,572,940	5,275,711		5,275,711
Canada Mortgage and Housing Corp.	884,406		884,406	1,210,602		1,210,602
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>\$ 39,453,222</u>	<u>\$ 3,694,465</u>	<u>\$ 43,147,687</u>	<u>\$ 39,167,157</u>	<u>\$ 3,627,897</u>	<u>\$ 42,795,054</u>
Provincial government transfers:						
Tax rebates and other	\$ 1,468,320	\$	\$ 1,468,320	\$ 1,447,300	\$	\$ 1,447,300

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>2015</u>	<u>2014</u>
Net assets, beginning of year	\$ 12,680	\$ 11,825
Income earned	<u>540</u>	<u>855</u>
Net assets, end of year	<u>\$ 13,220</u>	<u>\$ 12,680</u>

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

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>2015</u>	<u>2014</u>
AANDC revenue per statement of operations	\$ 34,656,071	\$ 34,274,471
AANDC deferred revenue (Note 11)	620,000	620,000
Less: prior year deferred revenue	<u>(620,000)</u>	<u> </u>
AANDC net funding per confirmation	<u>\$ 34,656,071</u>	<u>\$ 34,894,471</u>

The \$620,000 that was recognized as deferred revenue in 2014, was a grant related to water/wastewater training. Since the funding is only recognized when water/wastewater training occurs, the amount still sits in deferred revenue as of March 31, 2015 since no training has taken place.

19. Prior period adjustment

Legal fees for an unrelated entity not part of the consolidation had been recognized in error as an expense and a corresponding liability over the past several years. The correction of an error has been adjusted retroactively to April 1, 2013. The effect of the restatement on the consolidated financial statements is summarized below.

	<u>2014</u>
Increase in accumulated surplus, beginning of the year	\$ 1,517,396
Decrease in net debt, beginning of the year	1,517,396
Decrease in accounts payable	\$ (1,517,396)

Cross Lake Band of Indians

Notes to the Consolidated Financial Statements

March 31, 2015

20. 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
Pimicikamak Okimawin Trust receivable	Loans and receivables	Amortized cost
Payables and accruals	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 and payables and accruals 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, 2015

21. Expense by object

The following is a summary of expenses by object.

	<u>2015</u>	<u>2014</u>
Administration fees	\$ 223,884	\$ 149,661
Bad debt	760	188,161
Basic needs	9,980,389	10,366,414
Community services	2,288,654	2,311,917
Contract services	82,000	
Depreciation	3,451,452	3,500,616
Financing expense		1,129,807
Insurance	792,040	792,119
Interest	1,148,216	790,437
Living allowances	1,046,327	857,892
Moveable asset reserve	2,931	
Office	547,121	583,684
Other	2,500,262	3,486,555
Professional fees	616,083	1,411,079
Program costs	2,198,092	1,799,538
Purchases	679,723	976,331
Rent	226,275	173,730
Repairs & maintenance	1,031,749	352,919
Replacement reserve	184,578	184,578
Salaries & benefits	19,887,321	20,229,163
Supplies & equipment	1,387,436	1,331,068
Training	1,239,690	1,129,601
Travel	1,628,660	1,845,158
Tuition	538,776	586,561
Utilities	727,613	844,272
Vehicle	484,372	409,940
	<u>\$ 52,894,404</u>	<u>\$ 55,431,201</u>

22. Comparative figures

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

23. Defined contribution pension plan

The expense for the Band pension plan for the year was \$762,887 (2014: \$807,758). 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, 2015

24. 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	\$ (4,899,194)	\$ (2,750,728)	\$ (7,649,922)
Acquisition of tangible capital assets		(469,259)	(469,259)
Increase in work in progress		(2,045,225)	(2,045,225)
Loss (gain) on disposal of assets			
Proceeds on sale of capital assets			
Amortization of tangible capital assets (depreciation)		3,577,103	3,577,103
(Decrease) increase in replacement reserve			
	<u>(4,899,194)</u>	<u>(1,688,109)</u>	<u>(6,587,303)</u>
Acquisition of inventory			
Acquisition of prepaids			
Use of inventory			
Use of prepaids			
Increase in net debt	<u>\$ (4,899,194)</u>	<u>\$ (1,688,109)</u>	<u>(6,587,303)</u>
Net debt at beginning of year (Note 19)			<u>(19,431,556)</u>
Net debt at end of year			<u>\$(26,018,859)</u>

Cross Lake Band of Indians

Notes to Consolidated Financial Statements

March 31, 2015

24. Budgeted figures (continued)

Statement of Operations

	<u>Approved Fiscal Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget per Financial Statements</u>
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 31,870,844	\$	\$ 31,870,844
Administration fees	199,800		199,800
Canada Mortgage and Housing Corporation	948,324		948,324
Canada – Band Constable Program	205,368		205,368
Daycare program	615,996		615,996
Health Canada	5,507,126		5,507,126
Manitoba Hydro			
Human Resource and Development Canada	1,449,876		1,449,876
Miscellaneous	1,048,007		1,048,007
Province of Manitoba	9,996		9,996
Rent	499,620		499,620
Tobacco sales, rebates and other	<u>2,163,192</u>		<u>2,163,192</u>
	<u>44,518,149</u>		<u>44,518,149</u>
Expenditures			
Administration	5,839,409	1,152,044	6,991,453
Cultural grant	278,333		278,333
Daycare	583,593		583,593
Economic development	472,433		472,433
Education Authority	15,260,443		15,260,443
Employment and job creation	1,278,538		1,278,538
Housing operations and maintenance	3,675,513	1,496,034	5,171,547
Miscellaneous	626,134		626,134
Northern Hydro Training Initiative			
Policing	445,783		445,783
Public Works	2,960,652		2,960,652
Health Services	5,722,570		5,722,570
Social Services	12,123,942		12,123,942
Recreation	<u>150,000</u>		<u>150,000</u>
	<u>49,417,343</u>	<u>2,648,078</u>	<u>52,065,421</u>
Other expenses, net		<u>(102,650)</u>	<u>(102,650)</u>
Annual deficit	<u>\$ (4,899,194)</u>	<u>\$ (2,750,728)</u>	<u>\$ (7,649,922)</u>

The adjustments include the addition of amortization, gain on equity from business enterprises, net revenue/expenses from other organizations, and removal of principal payments on debt and capital asset additions. The budgeted figures for other expenses, net are 2015 actual amounts.

Cross Lake Band of Indians Notes to the Consolidated Financial Statements

March 31, 2015

25. Segment disclosure

	Education			Health			Economic Development			Housing			Community Services		
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
Revenues															
Federal Government															
Provincial Government															
Economic Activities															
Net income from investment in government business enterprises															
Other revenue															
	\$14,897,820	\$14,897,820	\$13,666,752	\$5,507,126	\$5,572,940	\$5,289,711	\$	\$	\$	\$948,324	\$884,406	\$1,210,602	\$3,463,142	\$2,948,578	\$2,902,926
	<u>362,623</u>	<u>242,112</u>	<u>237,044</u>		<u>290,046</u>	<u>286,973</u>	(151,697)	(151,697)	129,622				<u>675,996</u>	<u>1,027,565</u>	<u>1,112,420</u>
	<u>15,260,443</u>	<u>15,139,932</u>	<u>13,903,796</u>	<u>5,507,126</u>	<u>5,862,986</u>	<u>5,576,684</u>	<u>3,362,701</u>	<u>3,362,701</u>	<u>3,080,829</u>	<u>1,248,324</u>	<u>1,357,880</u>	<u>1,442,280</u>	<u>4,139,138</u>	<u>3,976,143</u>	<u>4,015,346</u>
Total Revenue															
Expenses															
Salaries and benefits															
Amortization															
Debt servicing															
Other expenses															
	10,612,562	10,658,994	10,768,864	3,716,198	3,716,198	3,910,467	2,016,202	2,016,202	607,506	1,011,309	1,003,263	1,094,791	1,552,148	2,248,975	2,150,580
	<u>761,113</u>	<u>761,113</u>	<u>756,698</u>	<u>42,261</u>	<u>42,261</u>	<u>28,721</u>	<u>125,652</u>	<u>125,652</u>	<u>150,054</u>	<u>1,496,034</u>	<u>1,496,034</u>	<u>1,549,771</u>	<u>2,46,971</u>	<u>306,559</u>	<u>306,559</u>
	<u>42,072</u>	<u>56,608</u>	<u>50,324</u>	<u>20,813</u>	<u>20,813</u>	<u>11,413</u>	<u>49,241</u>	<u>49,241</u>	<u>9,621</u>	<u>246,971</u>	<u>246,971</u>	<u>2,762,088</u>	<u>4,329,751</u>	<u>4,652,555</u>	<u>5,021,450</u>
	<u>3,844,696</u>	<u>3,883,440</u>	<u>3,713,368</u>	<u>1,943,298</u>	<u>2,033,952</u>	<u>2,088,201</u>	<u>1,746,690</u>	<u>1,619,227</u>	<u>2,601,440</u>	<u>2,417,233</u>	<u>3,680,173</u>	<u>2,762,088</u>	<u>4,329,751</u>	<u>4,652,555</u>	<u>5,021,450</u>
Total expenses	<u>15,260,443</u>	<u>15,360,155</u>	<u>15,289,254</u>	<u>5,722,570</u>	<u>5,813,224</u>	<u>6,038,802</u>	<u>3,937,785</u>	<u>3,810,322</u>	<u>3,368,621</u>	<u>5,171,547</u>	<u>6,426,441</u>	<u>5,713,209</u>	<u>5,881,899</u>	<u>6,901,530</u>	<u>7,172,030</u>
Annual (deficit) surplus	\$	\$ (220,223)	\$ (1,385,458)	\$ (215,444)	\$ 49,762	\$ (462,118)	\$ (575,084)	\$ (447,621)	\$ (287,792)	\$ (3,923,223)	\$ (5,068,561)	\$ (4,270,929)	\$ (1,742,761)	\$ (2,925,387)	\$ (3,156,684)

Cross Lake Band of Indians Notes to the Consolidated Financial Statements

March 31, 2015

25. Segment disclosure (continued)

	Social Services			Band Government			Other			Inter-segment Eliminations			Consolidated Totals		
	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014	Budget 2015	2015	2014
Revenues															
Federal Government	\$ 9,974,183	\$ 9,974,183	\$ 9,608,400	\$ 5,190,943	\$ 8,400,925	\$ 9,626,543	\$	\$	\$	\$	\$	\$	\$ 39,981,538	\$ 42,678,852	\$ 42,304,934
Provincial Government		12,770	20,631	2,045,988	1,455,549	1,426,669							2,045,988	1,468,319	1,447,300
Economic Activities					427,313	651,564								427,313	651,564
Net income from investment in government business enterprises													(151,697)	(151,697)	129,622
Other revenue	67,200	63,256	69,326	1,084,804	2,028,015	2,265,823			204,250	(387,807)	(473,603)	(473,603)	6,005,021	7,251,059	6,885,118
Total Revenue	10,041,383	10,050,209	9,698,357	8,321,735	12,311,802	13,970,599			204,250	(387,807)	(473,603)	(473,603)	47,880,850	51,673,846	51,418,538
Expenses															
Salaries and benefits	1,237,542	1,161,204	1,129,986	1,365,090	1,098,684	842,342							21,511,051	21,903,520	20,504,537
Amortization				1,152,043	1,152,043	1,165,426							3,577,103	3,577,103	3,650,670
Debt servicing	10,200	108,965	10,628	58,200	714,859	411,512							427,497	1,197,457	800,058
Other expenses	10,876,200	10,465,875	10,923,008	4,857,253	3,734,258	6,813,667				(387,807)	(473,603)	(473,603)	30,015,121	29,681,673	33,449,619
Total expenses	12,123,942	11,736,044	12,063,622	7,432,586	6,699,844	9,232,947				(387,807)	(473,603)	(473,603)	55,530,772	56,359,753	58,404,884
Annual (deficit) surplus	\$ (2,082,559)	\$ (1,685,835)	\$ (2,365,265)	\$ 889,149	\$ 5,611,958	\$ 4,737,652	\$	\$	\$ 204,250	\$	\$	\$	\$ (7,649,922)	\$ (4,685,907)	\$ (6,986,346)

Cross Lake Band of Indians

Summary Schedule of Operations

Year Ended March 31, 2015

(Unaudited)

	<u>AANDC</u>	<u>Other</u>	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Annual Surplus (Deficit) 2015</u>	<u>Budget</u>	<u>Annual Surplus (Deficit) 2014</u>
Administration Program (Schedule 1)	\$ 4,706,460	\$ 2,028,017	\$ 6,734,477	\$ 5,953,391	\$ 781,086	\$ (530,706)	\$ 227,246
Capital (Schedule 2)	3,694,465		3,694,465		3,694,465		3,627,897
Cultural Grant (Schedule 3)		65,511	65,511	68,345	(2,834)	(403,333)	2,560
Daycare Program (Schedule 4)		636,928	636,928	590,635	46,293	32,403	67,160
Economic Development Program (Schedule 5)				344,969	(344,969)	(472,433)	(394,939)
Education Authority (Schedule 6)	14,897,820	242,112	15,139,932	15,360,155	(220,223)		(1,385,458)
Employment and Job Creation Program (Schedule 7)		1,407,220	1,407,220	1,615,101	(207,881)	171,338	(36,301)
Housing Operations and Maintenance Fund (Schedule 8)		1,357,880	1,357,880	6,426,441	(5,068,561)	(3,923,223)	(4,270,929)
Miscellaneous Program (Schedule 9)		1,882,862	1,882,862	746,455	1,136,407	1,419,854	1,086,760
Policing (Schedule 10)		95,534	95,534	486,453	(390,919)	(240,415)	(364,332)
Public Works (Schedule 11)	1,383,143		1,383,143	4,011,064	(2,627,921)	(1,152,754)	(3,299,374)
Health Services (Schedule 12)		5,862,986	5,862,986	5,813,224	49,762	(215,444)	(462,118)
Social Services (Schedule 14)	9,974,183	76,026	10,050,209	11,348,237	(1,298,028)	(2,082,559)	(1,891,663)
Recreation (Schedule 15)				129,934	(129,934)	(150,000)	
Midnorth Development Corporation (Schedule 16)					171,076	171,076	(35,025)
Multi-Channel System (Schedule 17)					(132,793)	(132,793)	10,753
Pontoon Service Station (1977) Ltd. (Schedule 18)					(151,697)	(151,697)	188,277
My's Est. 98 Ltd. (Schedule 19)							(58,655)
Pimicikamac Technical Services					10,764	10,764	1,795
Total	\$34,656,071	\$13,655,076	\$48,311,147	\$52,894,404	\$ (4,685,907)	\$ (7,649,922)	\$ (6,986,346)