

# **Consolidated Financial Statements**

**Cross Lake Band of Indians**

March 31, 2019

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## Management's Responsibility for Financial Reporting

The accompanying March 31, 2019 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.

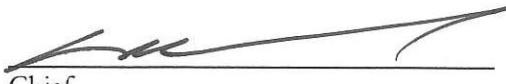
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management 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, 2019 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.

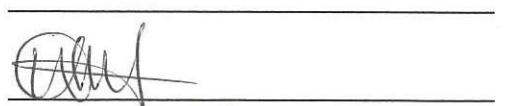


Chief

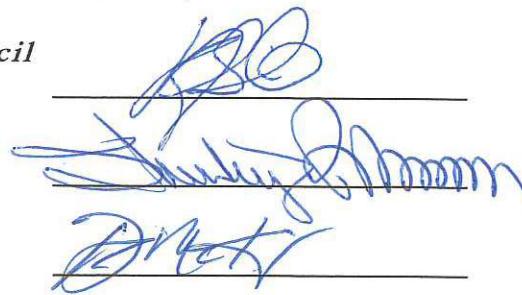
Cross Lake, Manitoba



Council



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## 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, 2019, and the consolidated statements of operations, changes in accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

### **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**

The financial statements do not include the financial operations of Ponton Service Station (1997) Ltd. and My's Est. 98 Ltd., which are wholly owned subsidiaries 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 evidence as to the operations and carrying amounts of the entities for the current year as the information was unavailable as the records were destroyed by fire. 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, 2019, 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 29-50 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  
May 14, 2021

*Grant Thornton LLP*  
Chartered Professional Accountants

## Cross Lake Band of Indians Consolidated Statement of Operations

Year Ended March 31

	2019 Budget (Note 23)	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada (Note 18)	\$ 40,826,540	\$ 45,231,540	\$ 41,197,177
Administration fees	164,000	416,161	167,599
Canada Mortgage and Housing Corporation	684,000	1,657,267	2,025,591
First Nation Safety Officer Program	174,018	174,018	174,018
Daycare program	674,346	781,717	1,176,793
Health Canada	5,245,432	7,451,660	7,761,403
Human Resource and Development Canada	1,407,220	1,573,369	1,450,595
Justice Program	299,506	100,000	100,000
Northern Flood Agreement Claim 138	-	-	17,927
Miscellaneous	153,812	1,286,895	880,596
Province of Manitoba	-	15,433	172,993
Rent	199,620	201,425	238,538
Tobacco sales, rebates and other	<u>3,180,000</u>	<u>1,848,761</u>	<u>1,950,816</u>
	<u>53,008,494</u>	<u>60,738,246</u>	<u>57,314,046</u>
<b>Expenditures</b>			
Administration	3,075,995	5,863,710	5,992,882
Capital	95,000	-	-
Cultural grant	-	-	6,194
Daycare	673,695	770,162	1,106,383
Economic development	248,466	66,330	451,879
Education operations	19,975,562	21,823,302	20,149,135
Employment and job creation	1,407,001	1,706,739	1,499,179
Housing operations and maintenance	4,194,682	7,150,435	7,479,772
Justice Program	299,506	214,914	176,202
Miscellaneous	2,070,700	485,314	221,767
Policing	504,539	673,810	577,525
Public Works	3,109,708	5,114,721	4,427,379
Health Services	5,245,434	7,342,768	6,920,488
Social Services	11,868,853	12,413,269	10,757,473
Recreation	31,350	40,333	30,412
	<u>52,800,491</u>	<u>63,665,807</u>	<u>59,796,670</u>
	<u>208,003</u>	<u>(2,927,561)</u>	<u>(2,482,624)</u>
<b>Other revenues (expenses), net</b>			
Midnorth Development Corporation (unaudited)	-	(211,788)	(372,290)
Multi-Channel System (unaudited)	-	9,287	(102,823)
Pimicikamak Technical Services (unaudited)	-	(135,546)	4,819
Ponton Service Station (1977) Ltd. (unaudited)	-	-	-
My's Est. 98 Ltd. (unaudited)	-	-	-
	<u>-</u>	<u>(338,047)</u>	<u>(470,294)</u>
<b>Annual surplus (deficiency)</b>	<b>\$ 208,003</b>	<b>\$ (3,265,608)</b>	<b>\$ (2,952,918)</b>

Segment Disclosure (Note 24)

See accompanying notes to the consolidated financial statements.

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## Cross Lake Band of Indians

### Consolidated Statement of Changes in Accumulated Surplus

Year Ended March 31

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	<u>Replacement Reserve</u>	<u>Ottawa Trust</u> (Note 16)	<u>Surplus</u>	<u>2019 Total</u>	<u>2018 Total</u> (Note 21)
Balance, beginning of year	\$ 1,238,300	\$ 15,663	\$38,299,551	<b>\$39,553,514</b>	\$42,747,171
Annual (deficiency) surplus	-	819	(3,266,427)	<b>(3,265,608)</b>	(2,952,918)
Replacement reserve					
Prior phases maturity and transfers	(14,649)	-	-	<b>(14,649)</b>	-
Contributions	790,088	-	-	<b>790,088</b>	137,619
Approved repairs	<u>(18,889)</u>	<u>-</u>	<u>-</u>	<b><u>(18,889)</u></b>	<u>(378,358)</u>
	<u>756,550</u>	<u>819</u>	<u>(3,266,427)</u>	<b><u>(2,509,058)</u></b>	<u>(3,193,657)</u>
Balance, end of year	<b><u>\$ 1,994,850</u></b>	<b><u>\$ 16,482</u></b>	<b><u>\$35,033,124</u></b>	<b><u>\$37,044,456</u></b>	<b><u>\$39,553,514</u></b>

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See accompanying notes to the consolidated financial statements.

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

March 31

2019

2018

**Financial Assets**

Receivables (Note 3)	\$ 5,712,479	\$ 4,545,392
Pimicikamak Okimawin Trust receivable (Note 14)	2,177,424	2,169,176
Investment in business enterprises (Note 7)	3,555,979	3,555,979
Investment in GIC	2,627,421	-
Due from Pimicikamak Okimawin	1,047,625	-
Restricted cash (Note 6)	<u>7,386,863</u>	<u>5,224,468</u>

**Total financial assets**

22,507,791

15,495,015

**Liabilities**

Bank indebtedness (Note 8)	1,364,709	7,000,210
Payables and accruals (Note 4)	4,836,163	8,201,784
Long-term debt (Note 9)	26,969,055	12,616,465
Obligations under capital lease (Note 10)	1,174,292	660,162
Deferred revenue (Note 11)	12,540,482	9,408,833
Joint venture liabilities	<u>30,629</u>	<u>161,417</u>

**Total liabilities**

46,915,330

38,048,871

**Net debt**

(24,407,539)

(22,553,856)

**Non-financial assets**

Tangible capital assets (Note 5)	61,446,995	62,102,370
Inventory	<u>5,000</u>	<u>5,000</u>

**Total non-financial assets**

61,451,995

62,107,370

**Accumulated surplus (Page 5)**

\$ 37,044,456

\$ 39,553,514

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 23)**

**2019**

**2018**

Annual surplus (deficiency)	\$ 208,003	\$ (3,265,608)	\$ (2,952,918)
Acquisition of tangible capital assets	(2,035,484)	(2,035,484)	(4,064,862)
Disposition of tangible capital assets	-	-	879,654
(Increase) decrease in buildings under construction	(1,418,727)	(1,418,729)	1,095,438
Amortization of tangible capital assets (depreciation)	-	4,094,940	3,836,037
(Decrease) increase in reserve and trust	-	<u>771,198</u>	<u>(224,972)</u>
	<u>(3,246,210)</u>	<u>(1,853,683)</u>	<u>(1,431,623)</u>
Acquisition of inventory	-	(5,000)	(5,000)
Use of inventory	-	<u>5,000</u>	<u>5,000</u>
Decrease (increase) in net debt	(3,246,210)	(1,853,683)	(1,431,623)
Net debt at beginning of year	<u>(22,553,856)</u>	<u>(22,553,856)</u>	<u>(21,122,233)</u>
Net debt at end of year	<u>\$ (25,800,066)</u>	<u>\$ (24,407,539)</u>	<u>\$ (22,553,856)</u>

See accompanying notes to the consolidated financial statements.

# Cross Lake Band of Indians

## Consolidated Statement of Cash Flows

Year Ended March 31

2019

2018

Increase (decrease) in cash and cash equivalents

### Operating

Annual deficiency	\$ (3,265,608)	\$ (2,952,918)
Net loss from business enterprises		
Amortization	4,094,940	3,836,037
Replacement reserve, net of approved repairs	<u>771,198</u>	<u>(224,972)</u>
	1,600,530	658,147
Change in non-cash operating working capital		
Receivables	(1,167,087)	(1,237,885)
Pimicikamak Okimawin Trust receivable	(8,248)	(25,948)
Payables and accruals	(3,365,621)	455,387
Due from Pimicikamak Okimawin	(1,047,625)	-
Deferred revenue	<u>3,131,649</u>	<u>4,960,763</u>
	<u>(856,402)</u>	<u>4,810,464</u>

### Financing

Proceeds from long-term debt	15,208,505	1,842,674
Repayment of long-term debt	(855,915)	(1,546,177)
Obligations under capital lease, net	514,130	81,331
Investment in GIC	(2,627,421)	-
Increase in joint venture liabilities	(130,788)	4,394
Increase of bank indebtedness	<u>(5,635,501)</u>	<u>563,696</u>
	<u>6,473,010</u>	<u>945,918</u>

### Investing

Decrease (increase) in buildings under construction	(1,418,727)	1,095,438
Purchase of capital assets	(2,035,484)	(4,064,862)
Disposition of capital assets	-	879,654
Investment in business enterprises	<u>-</u>	<u>(337,192)</u>
	<u>(3,454,211)</u>	<u>(2,426,962)</u>

Net increase in cash and cash equivalents

2,162,395

3,329,420

Cash and cash equivalents

Beginning of year

5,224,468

1,895,048

End of year

\$ 7,386,863

\$ 5,224,468

### Cash and cash equivalents consist of:

Restricted cash (Note 6)

\$ 7,386,863

\$ 5,224,468

See accompanying notes to the consolidated financial statements.

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# **Cross Lake Band of Indians**

## **Notes to the Consolidated Financial Statements**

March 31, 2019

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### **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.

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### **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 Chartered Professional Accountants of Canada.

#### **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 wholly owned incorporated entities Midnorth Development Corporation and Pimicikamak Technical Services which are recorded using the consolidation basis of accounting.

Wholly owned 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	

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# **Cross Lake Band of Indians**

## **Notes to the Consolidated Financial Statements**

March 31, 2019

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### **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.

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 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% or 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
Trailers	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.

#### Inventory

Inventory consists of items relating to providing cable services and is recorded at the lower of cost and net realizable value. 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. The items subject to estimate are amortization, investment in business enterprises, receivables, payables and accruals.

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 2. Summary of significant accounting policies (continued)

#### 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.

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3. Receivables	2019	2018
Federal government receivables	\$ 672,255	\$ 361,758
Fire insurance proceeds	395,555	463,551
Manitoba Hydro	50,401	645,679
Manitoba Keewatinowi Okimakanak	805,767	607,674
Pimicikamak Gaming Centre	1,031,865	945,318
Provincial government receivables	374,024	322,757
Trade and other receivables	<u>2,382,612</u>	<u>1,198,655</u>
	<u>\$ 5,712,479</u>	<u>\$ 4,545,392</u>

4. Payables and accruals	2019	2018
Accrued payables	\$ 724,184	\$ 1,438,295
Employee benefit payables	604,793	1,623,335
Other payables	576,119	984,578
Pimicikamak Okimawin	148,130	614,285
Pimicikamak Okimawin – Business purchase loan	505,000	605,000
Trade payables	<u>2,277,937</u>	<u>2,936,291</u>
	<u>\$ 4,836,163</u>	<u>\$ 8,201,784</u>

# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

5. Tangible capital assets			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>Operating fund</b>				
Building - 425 Settee Dr.	\$ 38,000	\$ 23,558	\$ 14,442	\$ 15,044
My's Restaurant	390,600	114,461	276,139	287,645
Equipment	15,400	13,075	2,325	2,907
Water trucks	145,715	144,852	863	1,079
Computer equipment	140,155	138,108	2,047	2,559
Daycare facility	1,234,780	728,917	505,863	526,941
Recreation	439,537	264,117	175,420	182,729
Vehicles	119,220	67,866	51,354	18,769
Bridges and roads	7,491,994	5,857,170	1,634,824	1,822,124
Water and sewer pipes	17,200,471	9,358,798	7,841,673	8,224,378
Trailers	112,000	10,845	101,155	105,370
Playgrounds	947,320	887,819	59,501	74,376
Assets under capital lease	2,983,929	1,386,268	1,597,661	1,146,466
	<u>31,259,121</u>	<u>18,995,854</u>	<u>12,263,267</u>	<u>12,410,387</u>
<b>Band housing</b>				
Buildings	11,505,722	7,052,652	4,453,070	4,660,882
Automotive equipment	453,111	397,890	55,221	69,026
	<u>11,958,833</u>	<u>7,450,542</u>	<u>4,508,291</u>	<u>4,729,908</u>
<b>Social housing</b>				
Land	395,500		395,500	395,500
Site development	3,371,441	837,980	2,533,461	2,639,022
Buildings	50,041,184	19,325,894	30,715,290	32,044,727
	<u>53,808,125</u>	<u>20,163,874</u>	<u>33,644,251</u>	<u>35,079,249</u>
<b>Education</b>				
Buildings	22,213,018	16,148,265	6,064,753	6,695,987
Equipment	1,337,914	1,337,914		3,600
Automotive	2,125,134	1,852,367	272,767	387,703
	<u>25,676,066</u>	<u>19,338,546</u>	<u>6,337,520</u>	<u>7,087,290</u>
<b>Other entities</b>	<u>10,846,042</u>	<u>8,812,297</u>	<u>2,033,745</u>	<u>1,554,344</u>
<b>Buildings under construction</b>				
CMHC Phase 22 housing	608,115	-	608,115	41,681
CMHC Phase 23 housing	27,857	-	27,857	27,854
Hospital Project	2,023,949	-	2,023,949	1,171,657
	<u>2,659,921</u>	<u>-</u>	<u>2,659,921</u>	<u>1,241,192</u>
	<u>\$136,208,108</u>	<u>\$ 74,761,113</u>	<u>\$ 61,446,995</u>	<u>\$ 62,102,370</u>

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 6. Restricted cash

i) Under the terms of the agreement with the Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited in amounts determined annually by CMHC. The required replacement reserve for 2019 is \$24,726 (2018: \$214,717). 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 CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal. At year end, the funds in reserve consisted of the following:

	<u>2019</u>	<u>2018</u>
Restricted cash	<u>\$ -</u>	<u>\$ -</u>

As of March 31, 2019, there was a shortfall of \$1,994,850 (2018: \$1,238,300) in the Replacement Reserve account. Accordingly, the projects are not in compliance with the operating agreement.

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

	<u>2019</u>	<u>2018</u>
Restricted cash	<u>\$ 16,482</u>	<u>\$ 15,663</u>

iii) In the prior year, the Band received restricted cash in the amount of \$3,700,000 from Health Canada for the construction of a new hospital. During the year, additional funding of \$2,599,000 was received from Health Canada and \$250,000 from Pimicikamak Okimawin. During the year, \$852,292 was spent towards the construction of the new hospital and the balance is held in trust.

	<u>2019</u>	<u>2018</u>
Restricted cash	<u>\$ 6,735,051</u>	<u>\$ 4,778,343</u>

iii) In the current year, insurance claim proceeds are directly provided by insurers to CMHC and will be reimbursed once insurance repairs commence. As of March 31, 2019, no repairs have been incurred by the Band.

	<u>2019</u>	<u>2018</u>
Restricted cash	<u>\$ 635,330</u>	<u>\$ 430,462</u>

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### 7. 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.

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 7. Investment in business enterprises (continued)

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.

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

	<u>2019</u>	<u>2018</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>928,769</u>	<u>928,769</u>
	<u><u>\$ 3,555,979</u></u>	<u><u>\$ 3,555,979</u></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. During 2018, the entity's records were destroyed as a result of a fire that occurred on site. No additional information was obtained for the current year; therefore, no amortization of purchase price premium was incurred in the current or prior year. The unamortized purchase price premium as of March 31, 2019 is \$729,450 (2018: \$729,450).

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### 8. Bank indebtedness

The Band has an authorized line of credit of \$2,500,000 (2018: \$2,500,000) provided the authorized line and the RBC term loan do not exceed \$13,000,000. The balance of bank indebtedness, at year end, consisted of the following:

	<u>2019</u>	<u>2018</u>
Overdraft	\$ 9,686,758	\$ 13,276,374
Line of credit	-	2,285,000
Cash	<u>(8,322,049)</u>	<u>(8,561,164)</u>
	<u><u>\$ 1,364,709</u></u>	<u><u>\$ 7,000,210</u></u>

The line of credit is secured by a general security agreement that constitutes a first ranking security interest in all personal property of the Band.

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## Cross Lake Band of Indians

### Notes to the Consolidated Financial Statements

March 31, 2019

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9. Long-term debt	<u>2019</u>	<u>2018</u>
<b>Term loans</b>		
Manitoba Hydro		
Loan payable no set date of maturity, interest accumulating at 6.1% per annum retroactive until such funds are paid in full	\$ 978,244	\$ 922,002
Indigenous Services Canada		
Loan payable with maturity at March 31, 2021, interest-free unless the Band is in default or the promissory note comes to maturity	64,300	64,300
Royal Bank of Canada		
Repayable at \$248,100 per month, including interest of prime +3%, compounded monthly with maturity at March 18, 2020	12,500,000	-
<b>Midnorth Development Corporation loans</b>		
Term loans, including various equipment and vehicle loans, with interest ranging from 2.25% to 17.88%, with maturities ranging from June 2018 to September 2022, assets pledged as collateral	1,410,955	793,225
<b>Mortgages - subsidized</b>		
Vanguard Credit Union (Phase 1)		
Repayable at \$2,500 (2018: \$2,370) monthly, including interest at 2.95% (2018: 2.95%) compounded monthly, with maturity on April 1, 2020	27,893	55,076
CMHC (Phase 8)		
Fully paid during the year	-	18,800
CMHC (Phase 12)		
Repayable at \$6,000 per month, including interest 1.39%, compounded semi-annually with maturity at June 1, 2020 and amortization to March 1, 2025	414,274	480,061
CMHC (Phase 13)		
Repayable at \$5,618 per month including interest at 1.31%, compounded semi-annually, with maturity at December 1, 2021 and amortization to January 1, 2027	501,708	562,150
CMHC (Phase 14)		
Repayable at \$4,710 monthly including interest at 2.39% compounded semi-annually, with maturity at March 1, 2018 and amortization to February 1, 2028	453,780	498,937
<b>Subtotal (carry forward)</b>	<u>\$ 16,351,154</u>	<u>\$ 3,394,551</u>

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## Cross Lake Band of Indians

### Notes to the Consolidated Financial Statements

March 31, 2019

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9. Long-term debt (continued)	<u>2019</u>	<u>2018</u>
<b>Subtotal (carried forward)</b>	<b>\$ 16,351,154</b>	\$ 3,394,551
CMHC (Phase 15) Repayable at \$4,627 monthly including interest at 2.04% compounded semi-annually, with maturity at March 1, 2019 and amortization to November 1, 2028	<b>486,934</b>	532,073
CMHC (Phase 16) Repayable at \$4,007 monthly, including interest at 1.83%, compounded semi-annually, with maturity at December 1, 2019 and amortization to December 1, 2029	<b>469,064</b>	508,217
CMHC (Phase 17) Repayable at \$3,857 (2018: \$3,822) monthly, including interest at 1.84% (2018: 1.71%) compounded semi-annually, with maturity at September 1, 2022 and amortization to July 1, 2032	<b>547,073</b>	582,976
CMHC (Phase 18) Repayable at \$7,471 monthly, including interest at 2.37% compounded semi-annually, with maturity at March 1, 2023 and amortization to January 1, 2033	<b>1,056,004</b>	1,119,730
CMHC (Phase 19) Repayable at \$9,880 monthly, including interest at 1.03%, compounded semi-annually, with maturity at October 1, 2021 and amortization to August 1, 2036	<b>1,889,870</b>	1,988,467
CMHC (Phase 10) Repayable at \$1,758 monthly, including interest at 1.54% compounded monthly, with maturity at September 1, 2019	<b>10,500</b>	31,260
CMHC (Phase 6) Repayable at \$6,416 monthly, including interest at 2.04% compounded semi-annually, with maturity November 1, 2018	-	50,973
CMHC (Phase 11) Repayable at \$6,826 monthly, including interest at 2.04% compounded semi-annually, with maturity March 1, 2019 and amortization to October 1, 2021	<b>206,000</b>	282,877
CMHC (Phase 20) Repayable at \$7,462 monthly, including interest at 0.94% compounded semi-annually, with maturity September 1, 2020 and amortization to May 1, 2040	<b>1,747,196</b>	1,819,982
CMHC (Phase 21) Repayable at \$15,013 monthly, including interest at 2.04% compounded semi-annually, with maturity January 1, 2023 and amortization to January 1, 2033	<b>2,170,796</b>	2,305,359
CMHC Advances on long-term debt, no set terms of repayment	<b>2,034,464</b>	-
<b>Total long-term debt</b>	<b>\$ 26,969,055</b>	\$ 12,616,465

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## Cross Lake Band of Indians

### Notes to the Consolidated Financial Statements

March 31, 2019

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#### 9. Long-term debt (continued)

During the year, the Band paid \$168,594 (2018: \$181,737) in interest on long-term debt.

All of the above CMHC mortgages are secured by a Ministerial Guarantee, CMHC undertaking to insure and an assignment of fire insurance. During the year, the Band received an advance on long-term debt for subsequent phases. As the advances have no set terms of repayment, the amounts have been included in the 2019 principal repayment requirements.

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

2019	\$ 6,778,920
2020	3,805,072
2021	3,719,797
2022	3,684,026
2023	1,395,929

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#### 10. Obligations under capital lease 2019 2018

Repayments are due as follows:

2019	\$ -	\$ 330,304
2020	435,231	212,269
2021	322,997	140,068
2022	273,134	89,528
2023	237,915	54,308
2024	<u>136,195</u>	<u>-</u>
Total minimum lease payments	<u>1,405,472</u>	826,477
Less amounts representing interest	<u>(231,180)</u>	(166,315)
Present value of net minimum capital lease payments	<u>\$ 1,174,292</u>	\$ 660,162

Interest rates on capital leases range from 4.94% to 27.45% with maturity dates ranging from April 1, 2019 to February 1, 2024.

Total interest on leases for the year was \$80,228 (2018: \$39,905).

#### 11. Deferred revenue 2019 2018

Northern Flood Agreement Claim 138	\$ 1,627,480	\$ 1,627,480
Northern Flood Agreement Claim 138 – Phase 21	490,089	510,944
Health Canada	8,639,205	5,830,205
CMHC insurance claim proceeds	1,075,068	679,513
Indigenous Services Canada (Note 18)	699,630	699,630
Manitoba Keewatinow Okimakanak Daycare Capital Expenditure Fund	<u>9,007</u>	<u>61,061</u>
	<u>\$ 12,540,482</u>	<u>\$ 9,408,833</u>

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## Cross Lake Band of Indians

### Notes to the Consolidated Financial Statements

March 31, 2019

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12. Members' surplus	<u>2019</u>	<u>2018</u> (Note 21)
<b>Restricted</b>		
Ottawa Trust Fund		
Surplus, beginning of year	\$ 15,663	\$ 14,843
Other income	819	820
Surplus, end of year	<u>16,482</u>	<u>15,663</u>
Replacement reserve	<u>1,994,850</u>	<u>1,238,300</u>
Total restricted surplus	<u>2,011,332</u>	<u>1,253,963</u>
<b>Unrestricted</b>		
Surplus, beginning of year	<u>39,553,514</u>	<u>41,200,212</u>
Surplus (deficit) for the year		
General Operating Fund	(5,221,161)	(4,437,749)
Education	2,147,862	912,946
Health Services	388,976	1,177,948
Social Services	(1,498,020)	(83,512)
Equity in earnings of Band controlled entities	<u>(338,047)</u>	<u>(470,294)</u>
	<u>(4,520,390)</u>	<u>(2,900,661)</u>
Total unrestricted surplus	<u>35,033,124</u>	<u>38,299,551</u>
<b>Total Equity</b>	<u>\$ 37,044,456</u>	<u>\$ 39,553,514</u>
<b>Represented by</b>		
General Operating Fund	\$ 46,774,409	\$ 50,741,658
Education	9,798,858	7,650,996
Health Services	1,845,274	1,456,296
Social Services	(19,351,279)	(17,853,258)
Equity in Band controlled entities	(4,034,138)	(3,696,141)
Ottawa Trust Fund	16,482	15,663
Replacement Reserve	<u>1,994,850</u>	<u>1,238,300</u>
	<u>\$ 37,044,456</u>	<u>\$ 39,553,514</u>

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# **Cross Lake Band of Indians**

## **Notes to the Consolidated Financial Statements**

March 31, 2019

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### **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 \$nil as at March 31, 2019 (2018: \$nil).
- 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, 2019

### 15. Government transfers

	2019			2018		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>Federal government transfers:</b>						
ISC						
\$ 41,225,896	\$ 4,005,644	\$ 45,231,540	\$ 37,279,945	\$ 3,917,232	\$ 41,197,177	
Health Canada	7,451,660	7,451,660	7,761,403			7,761,403
Canada Mortgage and Housing Corp.	1,657,267		1,657,267	2,025,591		2,025,591
Human Resources and Development Canada	1,573,369		1,573,369	1,450,595		1,450,595
First Nations and Inuit Child Care Initiative	781,717		781,717	1,049,643		1,049,643
Department of Justice	70,000		70,000	70,000		70,000
	<u>\$ 52,759,909</u>	<u>\$ 4,005,644</u>	<u>\$ 56,765,553</u>	<u>\$ 49,637,177</u>	<u>\$ 3,917,232</u>	<u>\$ 53,554,409</u>
<b>Provincial government transfers:</b>						
First Nation Safety Officer Program						
\$ 174,018	\$ -	\$ 174,018	\$ 174,018	\$ -	\$ 174,018	
Manitoba Justice	30,000		30,000	30,000		30,000
Province of Manitoba	-		-	163,903		163,903
Tax rebates and other	1,382,280		1,382,280	1,443,176		1,443,176
	<u>\$ 1,586,298</u>	<u>\$ -</u>	<u>\$ 1,586,298</u>	<u>\$ 1,811,097</u>	<u>\$ -</u>	<u>\$ 1,811,097</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>2019</u>	<u>2018</u>
Net assets, beginning of year	\$ 15,663	\$ 14,843
Income earned	<u>819</u>	<u>820</u>
Net assets, end of year	<u>\$ 16,482</u>	<u>\$ 15,663</u>

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 17. Economic dependence

Cross Lake Band of Indians receives a major portion of its revenues pursuant to a funding agreement with the Department of Indigenous Services Canada.

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### 18. Indigenous Services Canada revenue reconciliation

	<u>2019</u>	<u>2018</u>
ISC revenue per statement of operations	\$ 45,231,540	\$ 41,197,177
ISC deferred revenue (Note 11)	699,630	699,630
Less: prior year deferred revenue	-	-
ISC net funding per confirmation	<u>\$ 45,931,170</u>	<u>\$ 41,896,807</u>

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### 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 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:

Financial Statement Item	Classification	Measurement
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.

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# **Cross Lake Band of Indians**

## **Notes to the Consolidated Financial Statements**

March 31, 2019

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### **19. Financial instruments and financial risk management (continued)**

#### 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 exposed to interest rate cash flow risk due to the fact that they have long-term debt and a line of credit. They are limited to interest rate cash flow risk on their mortgages as they are subject to fixed interest rates. 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.

#### Liquidity risk

Liquidity risk is the risk that the Band will encounter difficulty in meeting obligations associated with financial liabilities. The Band is exposed to this risk mainly in respect of its long-term debt and payables and accrued liabilities.

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 20. Expense by object

The following is a summary of expenses by object.

	<u>2019</u>	<u>2018</u> (Note 21)
Administration fees	\$ 220,474	\$ 154,193
Amortization	3,612,414	3,463,519
Bad debt	-	171,911
Basic needs	10,868,095	9,254,830
Community services	1,199,931	2,243,768
Contract services	207,658	171,911
Insurance	1,191,739	531,016
Interest and bank charges	1,088,212	965,411
Living allowances	1,623,280	1,289,025
Moveable asset reserve	83,019	4,644
Office	699,309	532,262
Other	2,602,387	1,790,603
Professional fees	1,251,224	771,702
Program costs	1,109,923	1,780,397
Purchases	380,420	341,179
Rent	280,601	218,744
Repairs and maintenance	1,624,997	2,700,347
Replacement reserve	24,726	214,717
Salaries and benefits	27,913,720	24,558,252
Supplies and equipment	1,136,357	1,843,697
Training	1,406,293	1,667,743
Travel	2,102,225	1,979,820
Tuition	1,200,482	825,867
Utilities	1,276,101	1,058,545
Vehicle	562,220	554,824
Written down of Phase 19 due to fire	-	879,654
	<u>\$ 63,665,807</u>	<u>\$ 59,796,670</u>

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 21. Comparative figures

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

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### 22. Defined contribution pension plan

The expense for the Band pension plan for the year was \$902,686 (2018: \$1,118,239). 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.

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### 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 surplus	\$ 208,003	\$ -	\$ 208,003
Acquisition of tangible capital assets		(2,035,484)	(2,035,484)
Disposition of tangible capital assets			
Change in work in progress		(1,418,729)	(1,418,729)
Loss (gain) on disposal of assets			
Proceeds on sale of capital assets			
Amortization of tangible capital assets (depreciation)			
(Decrease) increase in replacement reserve	_____	_____	_____
	<u>208,003</u>	<u>(3,454,213)</u>	<u>(3,246,210)</u>
Acquisition of inventory			
Acquisition of prepaids			
Use of inventory			
Use of prepaids	_____	_____	_____
	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net debt	<u>\$ 208,003</u>	<u>\$ (3,454,213)</u>	<u>(3,246,210)</u>
Net debt at beginning of year			<u>(22,553,856)</u>
Net debt at end of year			<u><u>\$ (25,800,066)</u></u>

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# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

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### 23. Budgeted figures (continued)

#### Statement of Operations

	<u>Approved Fiscal Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget per Financial Statements</u>
Revenue			
Indigenous Services Canada	\$ 40,826,540	\$ -	\$ 40,826,540
Administration fees	164,000		164,000
Canada Mortgage and Housing Corporation	684,000		684,000
First Nation Safety Officer Program	-	174,018	174,018
Daycare program	674,346		674,346
Health Canada	5,245,432		5,245,432
Human Resource and Development Canada	1,407,220		1,407,220
Justice Program	299,506		299,506
Miscellaneous	153,812		153,812
Province of Manitoba	-		-
Rent	199,620		199,620
Tobacco sales, rebates and other	<u>3,180,000</u>		<u>3,180,000</u>
	<u>52,864,476</u>	<u>174,018</u>	<u>53,008,494</u>
Expenditures			
Administration	3,075,755	-	3,075,755
Capital	95,000		95,000
Cultural grant	-		-
Daycare	673,695		673,695
Economic development	248,466		248,466
Education operations	19,975,562		19,975,562
Employment and job creation	1,407,001		1,407,001
Housing operations and maintenance	4,194,682		4,194,682
Justice Program	299,506		299,506
Miscellaneous	2,070,700		2,070,700
Policing	504,539		504,539
Public Works	3,109,708		3,109,708
Health Services	5,245,434		5,245,434
Social Services	11,868,853		11,868,853
Recreation	<u>31,350</u>		<u>31,350</u>
	<u>52,800,491</u>	<u>-</u>	<u>52,800,491</u>
Annual surplus	\$ 33,985	\$ 174,018	\$ 208,003

# Cross Lake Band of Indians

## Notes to the Consolidated Financial Statements

March 31, 2019

### 24. Segment disclosure

	Education			Health			Economic Development			Housing			Community Services			
	Budget 2019	2019	2018	Budget 2019	2019	2018	Budget 2019	2019	2018	Budget 2019	2019	2018	Budget 2019	2019	2018	
Revenues																
Federal Government	\$20,852,070	\$23,749,512	\$20,791,330	\$ 5,245,432	\$ 7,451,660	\$ 7,761,403	\$ 512,228	\$ -	\$ 258,073	\$ 684,000	\$ 3,980,541	\$ 4,493,447	\$ 3,364,798	\$ 5,331,397	\$ 4,638,722	
Provincial Government															204,018	204,018
Economic Activities																
Net income (loss) from investment in government business enterprises																
Other revenue	230.193	221.652	270.752	-	280.084	337.033	-	4,984.130	4,361.827	-	407.555	626.211	1,147.870	781.717	1,392.696	
Total Revenue	21,082,263	23,971,164	21,062,082	5,245,432	7,731,744	8,098,436	512,228	4,984.130	4,619,900	684,000	4,388,096	5,119,658	4,512,668	6,317,132	6,235,436	
Expenses																
Salaries and benefits	14,472,462	14,670,414	13,959,596	4,414,942	4,414,942	4,207,044		3,811,213	3,725,497	970,912	2,410,543	765,540	1,105,130	4,102,935	2,937,102	
Amortization		749,772	767,449	78,236	78,236	87,970		482,525	372,518		1,434,998	1,418,887				
Debt servicing	42,072	109,616	82,744	13,814	13,814	15,389		133,751	83,023	1,561,248	185,211	44,107				
Other expenses	5,461,028	6,293,500	5,339,347	738,442	2,835,776	2,610,085	248,466	961,258	1,102,961	1,662,522	3,119,683	5,251,238	4,621,163	4,417,746	4,886,173	
Total expenses	19,975,562	21,823,302	20,149,136	5,245,434	7,342,768	6,920,488	248,466	5,388,747	5,283,999	4,194,682	7,150,435	7,479,772	5,726,293	8,520,681	7,823,275	
Annual (deficit) surplus	\$ 1,106,701	\$ 2,147,862	\$ 912,946	\$ (2)	\$ 388,976	\$ 1,177,948	\$ 263,762	\$ (404,617)	\$ (664,099)	\$ (3,510,682)	\$ (2,762,339)	\$ (2,360,114)	\$ (1,213,625)	\$ (2,203,549)	\$ (1,587,839)	

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

March 31, 2019

**24. Segment disclosure (continued)**

	Social Services			Band Government			Inter-segment Eliminations			Consolidated Totals		
	Budget 2019	2019	2018	Budget 2019	2019	2018	Budget 2019	2019	2018	Budget 2019	2019	2018
Revenues												
Federal Government	\$ 10,814,280	\$ 10,814,280	\$ 10,575,589	\$ 6,320,653	\$ 4,656,686	\$ 3,986,202	\$ -	\$ -	\$ -	\$ 47,793,461	\$ 55,984,076	\$ 52,504,766
Provincial Government	15,433		9,090	3,009,731	1,366,847	1,597,989				3,009,731	1,586,298	1,811,097
Economic Activities				480,000	116,295	90,414				480,000	116,295	90,414
Net income (loss) from investment in government business enterprises												
Other revenue	60,000	85,536	89,282	287,239	1,275,274	381,847	-	-	-	(190,053)	1,725,302	8,035,948
Total Revenue	<u>10,874,280</u>	<u>10,915,249</u>	<u>10,673,961</u>	<u>10,097,623</u>	<u>7,415,102</u>	<u>6,056,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,053)</u>	<u>53,008,494</u>	<u>65,722,617</u>
Expenses												
Salaries and benefits	1,455,853	213,837	1,355,813	2,280,077	902,015	1,333,157				24,699,376	30,525,899	28,283,749
Amortization					1,349,409	1,189,213				78,236	4,094,940	3,836,037
Debt servicing	30,600	50,893	56,726	665,137	728,679	766,445				2,312,871	1,221,964	1,048,434
Other expenses	10,382,400	<u>12,148,539</u>	9,534,986	<u>2,595,987</u>	<u>3,368,920</u>	<u>2,925,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,053)</u>	<u>25,710,007</u>	<u>33,145,422</u>
Total expenses	<u>11,868,853</u>	<u>12,413,269</u>	<u>10,947,525</u>	<u>5,541,201</u>	<u>6,349,023</u>	<u>6,214,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,053)</u>	<u>52,800,490</u>	<u>68,988,225</u>
Annual (deficit) surplus	<u>\$ (994,573)</u>	<u>\$ (1,498,020)</u>	<u>\$ (273,564)</u>	<u>\$ 4,556,422</u>	<u>\$ 1,066,079</u>	<u>\$ (158,196)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,003</u>	<u>\$ (3,265,608)</u>	<u>\$ (2,952,918)</u>