

**Cross Lake Band of Indians
Consolidated Financial Statements**
March 31, 2021

Cross Lake Band of Indians Contents

For the year ended March 31, 2021

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Management's Responsibility

To the Members of Cross Lake Band of Indians:

The accompanying consolidated financial statements of Cross Lake Band of Indians (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Cross Lake Band of Indians Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council, on behalf of the Members, to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.



Executive Director

To the Members Members of Cross Lake Band of Indians:

Opinion

We have audited the consolidated financial statements of Cross Lake Band of Indians (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

ACCOUNTING > CONSULTING > TAX
TRUE NORTH SQUARE

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

July 18, 2022

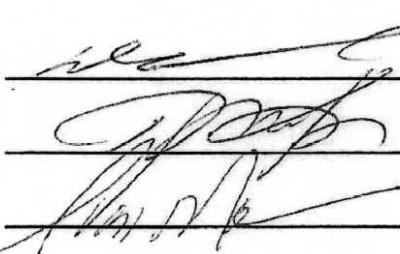
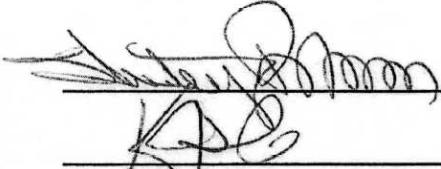
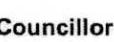
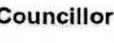
MNP LLP

Chartered Professional Accountants

Cross Lake Band of Indians
Consolidated Statement of Financial Position
As at March 31, 2021

| | 2021 | 2020 |
|--|---------------------|--------------|
| Financial assets | | |
| Cash resources | 2,104,907 | 3,201,307 |
| Accounts receivable (Note 3) | 9,715,498 | 5,232,848 |
| Due from Pimicikamak Okimawin | 1,598,303 | 1,147,446 |
| Restricted cash (Note 4) | 5,571,079 | 6,842,979 |
| Pimicikamak Okimawin Trust receivable | 2,177,424 | 2,177,424 |
| Investment government business entities (Note 5) | 2,627,211 | 2,627,211 |
| | 23,794,422 | 21,229,215 |
| Liabilities | | |
| Accounts payable and accruals (Note 7) | 6,740,357 | 9,533,307 |
| Deferred revenue (Note 8) | 6,259,880 | 8,809,506 |
| Long-term debt (Note 9) | 25,314,008 | 24,532,624 |
| Capital lease obligations (Note 10) | 4,426,179 | 3,312,147 |
| | 42,740,424 | 46,187,584 |
| Net debt | (18,946,002) | (24,958,369) |
| Contingent liabilities (Note 13) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 11) (Schedule 1) | 79,858,573 | 65,342,453 |
| Inventories of supplies | 5,000 | 5,000 |
| Prepaid expenses | 139,363 | 9,713 |
| | 80,002,936 | 65,357,166 |
| Accumulated surplus (Note 14) | 61,056,934 | 40,398,797 |

Approved on behalf of the First Nation

 **Chief**
 **Councillor**
 **Councillor**
 **Councillor**
 **Councillor**
 **Councillor**
 **Councillor**

Cross Lake Band of Indians
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

| | <i>Schedules</i> | <i>2021 Budget</i> | <i>2021</i> | <i>2020</i> |
|--|------------------|------------------------|--------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada (ISC) (Note 17) | | 55,468,791 | 93,441,696 | 66,989,564 |
| Solicitor General | | 1,139,000 | - | 72,750 |
| Canada Mortgage and Housing Corporation (CMHC) | | 850,800 | 865,883 | 796,370 |
| Human Resources and Skills Development Canada | | 1,407,220 | 2,484,989 | 2,440,057 |
| Other revenue | | 1,533,843 | 1,870,725 | 1,689,993 |
| Early learning child care funding | | 534,346 | 2,424,013 | 758,186 |
| Investment income | | - | 73,512 | 47,562 |
| Midnorth Development revenues | | - | 6,488,999 | 6,981,211 |
| Province of Manitoba | | 2,043,200 | 469,599 | 1,268,990 |
| Rental income | | 170,256 | 164,612 | 193,445 |
| Repayment of funding | | - | (130,000) | (99,453) |
| Deferred revenue - prior year | | - | 8,809,506 | 10,507,524 |
| Deferred revenue - current year | | - | (6,259,880) | (8,809,506) |
| | | 63,147,456 | 110,703,654 | 82,836,693 |
| Program expenses | | | | |
| Administration | 4 | 3,294,158 | 17,279,715 | 12,106,907 |
| Education | 5 | 20,134,272 | 25,646,898 | 26,659,290 |
| Social | 6 | 11,388,852 | 15,809,622 | 11,480,323 |
| Health Services | 7 | 5,045,885 | 9,639,131 | 8,017,759 |
| Employment, Training and Day Care | 8 | 1,975,154 | 2,175,182 | 2,559,055 |
| Public Works | 9 | 3,873,348 | 4,836,537 | 4,927,375 |
| Economic Development | 10 | 1,724,148 | 861,993 | 763,329 |
| Housing | 11 | 4,446,555 | 4,134,943 | 5,379,206 |
| Policing and Justice | 12 | 1,549,000 | 1,134,797 | 996,482 |
| Multi-Channel System | 13 | - | 493,273 | 524,175 |
| Midnorth Development Corporation | 14 | - | 8,033,426 | 8,121,330 |
| | | 53,431,372 | 90,045,517 | 81,535,231 |
| Surplus | | 9,716,084 | 20,658,137 | 1,301,462 |
| Accumulated surplus, beginning of year | | 40,398,797 | 40,398,797 | 39,097,335 |
| Accumulated surplus, end of year | | 50,114,881 | 61,056,934 | 40,398,797 |

The accompanying notes are an integral part of these consolidated financial statements

Cross Lake Band of Indians
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2021

| | 2021 <i>Budget</i> | 2021 | 2020 |
|---|------------------------------|---------------------|--------------|
| Annual surplus | 9,716,084 | 20,658,137 | 1,301,462 |
| Purchases of tangible capital assets | - | (18,056,352) | (9,796,516) |
| Purchases of tangible capital assets through capital leases | - | (3,111,576) | (1,688,628) |
| Amortization of tangible capital assets | - | 6,651,808 | 7,589,688 |
| Acquisition of prepaid expenses | - | (129,650) | (9,713) |
| Decrease (increase) in net debt | 9,716,084 | 6,012,367 | (2,603,707) |
| Net debt, beginning of year | (24,958,369) | (24,958,369) | (22,354,662) |
| Net debt, end of year | (15,242,285) | (18,946,002) | (24,958,369) |

Cross Lake Band of Indians
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

| | 2021 | 2020 |
|---|---------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Surplus | 20,658,137 | 1,301,462 |
| Non-cash items | | |
| Amortization | 6,651,808 | 7,589,688 |
| Bad debts | 636,206 | 158,895 |
| Change investment in government business entities | - | 928,769 |
| | 27,946,151 | 9,978,814 |
| Changes in working capital accounts | | |
| Accounts receivable | (5,118,856) | (541,274) |
| Due from Pimicikamak Okimawin | (450,857) | (150,822) |
| Prepaid expenses | (129,650) | (9,713) |
| Restricted cash | 1,271,900 | 543,884 |
| Accounts payable and accruals | (2,792,950) | 5,579,528 |
| Deferred revenue | (2,549,626) | (1,698,018) |
| | 18,176,112 | 13,702,399 |
| Financing activities | | |
| Advances of long-term debt | 5,628,893 | 2,420,916 |
| Repayment of long-term debt | (4,847,509) | (3,864,402) |
| Repayment of capital lease obligations | (1,997,544) | (543,718) |
| Change in bank indebtedness | - | (1,344,793) |
| | (1,216,160) | (3,331,997) |
| Capital activities | | |
| Purchases of tangible capital assets | (18,056,352) | (9,796,516) |
| Investing activities | | |
| Change in guaranteed investment certificate | - | 2,627,421 |
| Increase (decrease) in cash resources | (1,096,400) | 3,201,307 |
| Cash resources, beginning of year | 3,201,307 | - |
| Cash resources, end of year | 2,104,907 | 3,201,307 |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

The Cross Lake Band of Indians (the "First Nation") is located in the province of Manitoba, and provides various services to its members. Cross Lake Band of Indians includes the First Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The Cross Lake First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Cross Lake Administration
- Cross Lake Multi-Channel Systems
- Cross Lake Education Authority
- Cross Lake Health Services
- Cross Lake Social Services
- Midnorth Development Corporation
- Pimicikamak Technical Services
- Tree Suns Junction Inc. (Ponton Service Station 1997 Ltd. and My's Est. 98 Ltd.)

Wholly owned business enterprises include Cross Lake Mineral Exploration Inc. and are recorded using the modified equity basis of accounting.

All inter-entity balances have been eliminated on consolidation.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Investments

Investments in entities that are not controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Investment in First Nation business entities

The First Nation follows the modified equity method to account for its investment in business entities. The investment is stated at cost plus (less) the First Nation's share of earnings (losses) since acquisition plus (less) capital and operating transfers to (from) the business enterprises. The consolidated statement of operations includes the business entities' annual surplus (deficit) for the year.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, 50% of the normal amortization is recorded.

| | Method | Rate |
|----------------------------|-------------------|-------------|
| Housing | declining balance | 4 % |
| Bridges and roads | straight-line | 2.5 years |
| Buildings and improvements | declining balance | 4 % |
| Heavy equipment | declining balance | 20-30 % |
| Office equipment | declining balance | 20 % |
| Playgrounds | declining balance | 20 % |
| Vehicles | declining balance | 20 % |
| Water treatment plant | declining balance | 5 % |
| Water and sewer | declining balance | 4 % |
| Site development | declining balance | 4 % |
| Trailer | declining balance | 4 % |

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

Net debt

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

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The First Nation's contributions to the defined contribution plan are expensed as incurred.

Financial instruments

Financial instruments include cash resources, accounts receivable, restricted cash, Pimicikamak Okimawin Trust receivable, due from Pimicikamak Okimawin, accounts payable and accruals, capital lease obligations and long-term debt. Unless otherwise stated, it is management's opinion that that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long-term debt.

Revenue recognition

Funding

Government transfer revenue, including, but not limited to, Indigenous Services Canada, Province of Manitoba and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Rent and resident fees are recorded in the year they are earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, due from Pimicikamak Okimawin, and Pimicikamak Okimawin Trust receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Provisions are made for slow moving and obsolete inventory. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Segments

The First Nation conducts its business through twelve reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Education - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

Social - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Health Services - deliver health services to the First Nation.

Employment, Training and Day Care - activities include the delivery of culturally sensitive employment services to assist community members in identifying and overcoming potential barriers to employment and to find and maintain meaningful employment and providing day care services.

Public Works - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

Economic Development - reports on the economic development activities for the First Nation.

Housing - activities include the management and maintenance of Band owned and CMHC houses for community members.

Policing and Justice - dedicated to delivering police services, in partnership with the community, to keep the members safe.

Multi-Channel Systems - providing broadcast services to the community.

Midnorth Development Corporation - provides automotive, repair and constructions services to the community.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 the Significant accounting policies.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Accounts receivable

| | 2021 | 2020 |
|---|------------------|-------------|
| Indigenous Services Canada | 3,814,268 | 1,105,178 |
| Fire insurance proceeds | 506,571 | 506,571 |
| Manitoba Hydro | - | 119,310 |
| Provincial government receivables | 237,940 | 443,690 |
| Trade and other receivables | 7,421,362 | 4,732,701 |
| Northern Flood Agreement | 524,108 | 524,108 |
| | | |
| Allowance for doubtful accounts - trade and other | 12,504,249 | 7,431,558 |
| | (2,788,751) | (2,198,710) |
| | 9,715,498 | 5,232,848 |

4. Restricted cash

| | 2021 | 2020 |
|--------------------------|-------------|-------------|
| Ottawa Trust Fund | 18,310 | 17,204 |
| Insurance claim proceeds | 635,330 | 635,330 |
| Hospital project | 4,917,439 | 6,190,445 |

Notes to restricted cash

Ottawa Trust Fund

The Ottawa 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 similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

Revenue trust - \$18,310 (2020 - \$17,204); Interest income - \$1,106 (2020 - \$722)

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2021, the replacement reserve bank account was underfunded by \$1,577,172 (2020 - \$1,441,969).

Insurance claim proceeds

Insurance proceeds were directly provided to CMHC on behalf of the First Nation and will be provided to the First Nation once insurance repairs commence. As of March 31, 2021 and 2020, no repairs have been incurred by the First Nation.

Hospital project

Funding is provided by Indigenous Services Canada that must be spent on particular a new hospital facility and is held in bank accounts that require a co-signature from the general construction contractor in order to release funds.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. Restricted Cash (Continued from previous page)

Moveable Asset Reserve

The First Nation received \$49,901 (2020 - \$48,448) Moveable Asset Reserve funding from Indigenous Services Canada for future movable asset replacement. This funding is externally restricted for the purchase of movable assets that qualify under the agreement between the First Nation and FNIH. The account is underfunded by \$289,561 (2020 - \$239,660).

5. Investment government business entities

The First Nation has investments in the following entities:

| | <i>Investment cost</i> | <i>Loans / advances</i> | 2021 Total investment |
|-------------------------------------|------------------------|-------------------------|----------------------------------|
| Wholly-owned Businesses: | | | |
| Cross Lake Mineral Exploration Inc. | 100 | 2,627,111 | 2,627,211 |
| | | | |
| | | | |
| | <i>Investment cost</i> | <i>Loans / advances</i> | 2020 Total investment |
| Wholly-owned Businesses: | | | |
| Cross Lake Mineral Exploration Inc. | 100 | 2,627,111 | 2,627,211 |

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. There are no operational results to report for 2020 or 2021.

6. Bank indebtedness

The First Nation has an authorized line of credit of \$2,500,000 (2020 - \$2,500,000) at a rate of prime plus 2.5% provided the authorized line and the RBC term loan do not exceed \$13,000,000. The line of credit and loan are secured by a general security agreement that constitutes a first ranking security interest in all personal property of the First Nation, guarantee and postponement of claim in the amount of \$12,500,000 by Pimicikamak Okimawin; band council resolutions and certificate of insurance showing RBC as loss payee. Prime rate as at March 31, 2021 is 2.45% (2020 - 2.45%).

7. Accounts payable and accruals

| | 2021 | 2020 |
|-------------------------------|------------------|-------------|
| Accounts payable and accruals | 5,207,811 | 7,528,065 |
| Wages and benefits payable | 885,853 | 1,770,162 |
| Holdback payable | 646,693 | 235,080 |
| | 6,740,357 | 9,533,307 |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Deferred revenue

| | 2021 | 2020 |
|---------------------------------------|-------------|-----------|
| Northern Flood Agreement Claim 138 | 813,740 | 1,627,480 |
| Indigenous Services Canada - Hospital | 4,150,951 | 5,835,571 |
| CMHC insurance claim proceeds | 1,075,068 | 1,075,068 |
| Indigenous Services Canada - CIPP | 220,121 | 271,387 |
| | <hr/> | <hr/> |
| | 6,259,880 | 8,809,506 |

9. Long-term debt

| | 2021 | 2020 |
|---|-------------|-----------|
| CMHC Mortgage repayable in monthly payments of \$6,804 including interest at 1.75%, renewal date of October 1, 2021 maturity date of October 1, 2021, secured by a Ministerial guarantee and assignment of fire insurance. | 47,360 | 127,427 |
| CMHC Mortgage repayable in monthly payments of \$5,902 including interest at 0.71%, renewal date of March 1, 2025, maturity date of March 1, 2025, secured by a Ministerial guarantee and assignment of fire insurance. | 279,224 | 347,609 |
| CMHC Mortgage repayable in monthly payments of \$5,618 including interest at 1.31%, renewal date of December 1, 2021, maturity date of January 1, 2027, secured by a Ministerial guarantee and assignment of fire insurance. | 378,448 | 440,493 |
| CMHC Mortgage repayable in monthly payments of \$4,711 including interest at 2.39%, renewal date of March 1, 2023 maturity date of February 1, 2028, secured by a Ministerial guarantee and assignment of fire insurance. | 360,203 | 407,569 |
| CMHC Mortgage repayable in monthly payments of \$4,550 including interest at 1.67%, renewal date of July 1, 2024, maturity date of November 1, 2028, secured by a Ministerial guarantee and assignment of fire insurance. | 392,741 | 440,388 |
| CMHC Mortgage repayable in monthly payments of \$4,007 including interest at 1.83%, renewal date of December 1, 2024, maturity date of December 1, 2029, secured by a Ministerial guarantee and assignment of fire insurance. | 388,606 | 429,219 |
| CMHC Mortgage repayable in monthly payments of \$3,857 including interest at 1.84%, renewal date of September 1, 2022, maturity date of July 1, 2032, secured by a Ministerial guarantee and assignment of fire insurance. | 473,280 | 510,536 |
| CMHC Mortgage repayable in monthly payments of \$7,471 including interest at 2.39%, renewal date of March 1, 2023, maturity date of January 1, 2033, secured by a Ministerial guarantee and assignment of fire insurance. | 923,948 | 990,813 |
| CMHC Mortgage repayable in monthly payments of \$9,880 including interest at 1.03%, renewal date of October 1, 2021, maturity date of August 1, 2036, secured by a Ministerial guarantee and assignment of fire insurance. | 1,689,638 | 1,790,310 |
| CMHC Mortgage repayable in monthly payments of \$7,489 including interest at .96%, renewal date of March 1, 2026, maturity date of May 1, 2040, secured by a Ministerial guarantee and assignment of fire insurance. | 1,597,894 | 1,673,768 |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Long-term debt (Continued from previous page)

| | 2021 | 2020 |
|---|-------------|-------------|
| CMHC Mortgage repayable in monthly payments of \$15,013 including interest at 2.04%, renewal date of January 1, 2023, maturity date of January 1, 2033, secured by a Ministerial guarantee and assignment of fire insurance. | 1,893,340 | 2,033,569 |
| CMHC Mortgage repayable in monthly payments of \$11,913 including interest at 1.75%, renewal date of October 10, 2024, maturity date of October 1, 2039, secured by a Ministerial guarantee and assignment of fire insurance. | 2,267,541 | 2,370,068 |
| CMHC Mortgage repayable in monthly payments of \$17,384 including interest at 0.96%, renewal date of March 1, 2046, maturity date of March 1, 2026, secured by a Ministerial guarantee and assignment of life insurance. | 4,636,002 | 1,159,001 |
| CMHC mortgage advance on project 15, bearing interest at 0.69%, requires no payment of interest or principal until the project is complete and the advance is converted into a mortgage. | 694,534 | 694,534 |
| CMHC mortgage advance on project 16, bearing interest at 0.69%, requires no payment of interest or principal until the project is complete and the advance is converted into a mortgage. | 558,866 | - |
| CMHC mortgage advance on project 17, bearing interest at 0.69%, requires no payment of interest or principal until the project is complete and the advance is converted into a mortgage. | 140,000 | - |
| CMHC mortgage advance on project 18, bearing interest at 0.69%, requires no payment of interest or principal until the project is complete and the advance is converted into a mortgage. | 294,025 | - |
| Indigenous Services Canada loan payable upon maturity date of March 31, 2021, interest free unless the First Nation is in default or the promissory note comes to maturity. | 64,300 | 64,300 |
| RBC loan repayable in monthly instalments of \$248,100 including interest of prime plus 3%, with a due date of March 2024. Security is noted in note 6. | 7,885,646 | 10,272,495 |
| Manitoba Hydro HEEL loan payable in monthly instalments of \$15,874 including interest at 4.8%, due October 2021, unsecured. | 124,932 | 304,936 |
| Loan repaid during the year. | - | 10,077 |
| Loan payable in monthly instalments of \$1,473 including interest at 2.25%, due October 2022, secured by related vehicle with a NBV of \$24,342. | 25,962 | 42,842 |
| Loan repaid during the year. | - | 70,879 |
| Loan repaid during the year. | - | 65,188 |
| Loan payable in monthly instalments of \$1,491 including interest at 3.49%, due October 2023, secured by related vehicle with a NBV of \$33,338. | 40,031 | 56,207 |
| Loan repaid during the year. | - | 9,809 |
| Loan payable in monthly instalments of \$4,975 including interest at 9.95%, due October 2021, secured by related vehicle with a NBV of \$56,670. | 54,576 | 83,580 |
| Loan repaid during the year. | - | 940 |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Long-term debt *(Continued from previous page)*

| | 2021 | 2020 |
|---|-------------------|-------------|
| Loan payable in monthly instalments of \$1,389 including interest at 2.99%, due May 2024, secured by related vehicle with a NBV of \$45,672. | 50,243 | 65,188 |
| Loan payable in monthly instalments of \$1,697 including interest at 2.49%, due November 2023, secured by related vehicle with a NBV of \$37,969. | 52,668 | 70,879 |
| | 25,314,008 | 24,532,624 |

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

| | |
|-------------|----------------|
| 2022 | 3,719,682 |
| 2023 | 3,720,399 |
| 2024 | 3,840,226 |
| 2025 | 1,012,521 |
| 2026 | 953,160 |
| | 13,245,988 |

10. Capital lease obligations

| | 2021 | 2020 |
|---|-------------|-------------|
| Obligation under capital lease payable in monthly installments of \$4,347 including interest at 15.2%, due July 2024, secured by equipment having a net book value of \$114,964. | 135,774 | 164,856 |
| Capital lease repaid during the year. | - | 50,639 |
| Capital lease repaid during the year. | - | 18,365 |
| Obligation under capital lease payable in monthly instalments of \$3,669 including interest at 9.15%, due July 2022, secured by equipment having a net book value of \$45,310. | 55,074 | 92,200 |
| Obligation under capital lease payable in monthly instalments of \$565 including interest at 14.76%, due February 2022, secured by equipment having a net book value of \$6,500. | 6,193 | 12,086 |
| Capital lease repaid during the year. | - | 2,875 |
| Obligation under capital lease payable in monthly instalments of \$4,369 including interest at 5%, due October 2023, secured by equipment having a net book value of \$96,424. | 126,805 | 171,667 |
| Obligation under capital lease payable in monthly instalments of \$4,444 including interest at 4.99%, due September 2023, secured by equipment having a net book value of \$96,650. | 125,095 | 170,933 |
| Obligation under capital lease payable in monthly instalments of \$316 including interest at 7.49%, due September 2022, secured by equipment having a net book value of \$6,127. | 5,650 | 8,885 |
| Obligation under capital lease payable in monthly instalments of \$4,600 including interest at 8.81%, due October 2022, secured by equipment having a net book value of \$77,261. | 81,295 | 127,114 |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Capital lease obligations (Continued from previous page)

| | 2021 | 2020 |
|---|----------------|-------------|
| Capital lease repaid during the year. | - | 32,301 |
| Obligation under capital lease payable in monthly instalments of \$2,481 including interest at 1.51%, due July 2024, secured by equipment having a net book value of \$81,920. | 68,192 | 96,699 |
| Obligation under capital lease payable in monthly instalments of \$8,382 including interest at 6.63%, due September 2023, secured by vehicles having a net book value of \$207,920. | 128,816 | 230,918 |
| Obligation under capital lease payable in monthly instalments of \$3,948 including interest at 8.9%, due December 2024, secured by equipment having a net book value of \$178,077. | 147,932 | 180,543 |
| Obligation under capital lease payable in monthly instalments of \$3,489 including interest at 6.88%, due January 2024, secured by equipment having a net book value of \$124,654. | 107,498 | 140,717 |
| Obligation under capital lease payable in monthly instalments of \$6,140 including interest at 3.48%, due May 2024, secured by equipment having a net book value of \$217,175. | 220,610 | 285,381 |
| Obligation under capital lease payable in monthly instalments of \$5,057 including interest at 9.6%, due November 2024, secured by equipment having a net book value of \$115,628 | 140,264 | 185,064 |
| Obligation under capital lease payable in monthly instalments of \$3,382 including interest at 16.77%, due January 2023, secured by equipment having a net book value of \$77,350. | 63,664 | 91,007 |
| Obligation under capital lease payable in monthly instalments of \$4,166 including interest at 5.76%, due January 2024, secured by equipment having a net book value of \$106,558. | 131,320 | 172,458 |
| Obligation under capital lease payable in monthly instalments of \$6,686 including interest at 10.95%, due August 2023, secured by equipment having a net book value of \$208,300. | 169,673 | 273,399 |
| Obligation under capital lease payable in monthly instalments of \$3,744 including interest at 10.95%, due August 2024, secured by equipment having a net book value of \$113,943. | 127,590 | 156,790 |
| Obligation under capital lease payable in monthly instalments of \$4,876 including interest at 5%, due December 2024, secured by equipment having a net book value of \$124,574. | 146,068 | 195,884 |
| Obligation under capital lease payable in monthly instalments of \$2,665 including interest at 0.03%, due March 2024, secured by equipment having a net book value of \$85,305. | 95,879 | - |
| Obligation under capital lease payable in monthly instalments of \$5,367 including interest at 8.2%, due February 2025, secured by equipment having a net book value of \$132,990. | 166,464 | 214,982 |
| Capital lease repaid during the year. | - | 15,324 |
| Obligation under capital lease payable in monthly instalments of \$6,034 including interest at 14.9%, due December 2023, secured by equipment having a net book value of \$105,837. | 110,562 | 162,138 |
| Capital lease repaid during the year. | - | 24,960 |
| Obligation under capital lease payable in monthly instalments of \$6,034 including interest at 27.3%, due November 2022, secured by equipment having a net book value of \$24,666. | 15,421 | 33,962 |
| Obligation under capital lease payable in monthly instalments of \$1,013 including interest at 7.99%, due November 2025, secured by vehicle having a net book value of \$44,136. | 47,016 | - |

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Capital lease obligations (Continued from previous page)

| | 2021 | 2020 |
|---|------------------------|------------------------|
| Obligation under capital lease payable in monthly instalments of \$1,978 including interest at 5%, due January 2024, secured by vehicle having a net book value of \$69,300. | 60,672 | - |
| Obligation under capital lease payable in monthly instalments of \$2,218 including interest at 5.87%, due January 2024, secured by vehicle having a net book value of \$64,829. | 69,295 | - |
| Obligation under capital lease payable in monthly instalments of \$1,593 including interest at 15%, due March 2026, secured by vehicle having a net book value of \$58,398. | 66,970 | - |
| Obligation under capital lease payable in monthly instalments of \$5,805 including interest at 2.4%, due December 2024, secured by vehicle having a net book value of \$237,450. | 279,912 | - |
| Obligation under capital lease payable in monthly instalments of \$1,498 including interest at 5.36%, due August 2025, secured by vehicle having a net book value of \$66,885. | 70,555 | - |
| Obligation under capital lease payable in monthly instalments of \$7,995 including interest at 7.5%, due December 2025, secured by equipment having a net book value of \$577,759. | 385,146 | - |
| Obligation under capital lease payable in monthly instalments of \$9,588 including interest at 5.75%, due December 2026, secured by equipment having a net book value of \$848,391. | 565,555 | - |
| Obligation under capital lease payable in monthly instalments of \$12,955 including interest at 5.4%, due October 2024, secured by equipment having a net book value of \$757,881. | <u>505,219</u> | - |
| | <hr/> 4,426,179 | <hr/> 3,312,147 |

Minimum lease payments related to the obligations under capital lease are as follows:

| | |
|------------------------|------------------------------------|
| 2022 | 1,616,490 |
| 2023 | 1,412,458 |
| 2024 | 1,135,904 |
| 2025 | 535,621 |
| 2026 | 154,155 |
| | <hr/> 4,854,628 |
| Less: imputed interest | <hr/> 428,449 |
| | <hr/> Balance of obligation |
| | <hr/> 4,426,179 |

11. Tangible capital assets

Included in tangible capital assets is equipment and vehicles under capital lease with a cost of \$10,836,915 (2020 - \$6,686,865); accumulated amortization of \$4,802,616 (2020 - \$2,806,529) and net book value of \$6,034,299 (2020 - \$3,880,336).

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

12. Provision for site rehabilitation

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

13. Contingent liabilities

First Nations Financial Transparency Act

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2021. Since the audit report is dated after this date, the First Nation has not complied with this requirement.

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2021 might be recovered.

14. Accumulated surplus

| | 2021 | 2020 |
|---------------------------------------|------------------|--------------|
| Equity in Ottawa Trust Funds | 18,310 | 17,204 |
| Investment in tangible capital assets | 58,193,264 | 48,208,074 |
| CMHC replacement reserve | 1,577,172 | 1,441,969 |
| Equity in business enterprises | 2,627,211 | 2,627,211 |
| Moveable asset reserve | 289,561 | 239,660 |
| Unrestricted accumulated deficit | (1,648,584) | (12,135,321) |
| | <hr/> 61,056,934 | 40,398,797 |

15. Budget information

The disclosed budget information has been approved by the Chief and Council.

16. Economic dependence

Cross Lake Band of Indians receives substantially all of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

Cross Lake Band of Indians
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

17. Indigenous Services Canada funding

| | 2021 | 2020 |
|--|-------------------|-------------|
| Indigenous Services Canada confirmation balance | 93,441,696 | 66,989,564 |
| Indigenous Services Canada per consolidated financial statements | 93,441,696 | 66,989,564 |

18. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

19. Significant event

In March 2020, the outbreak of the novel strain of a coronavirus, specifically identified as "COVID-19", has caused significant financial and social disruption. This situation has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the First Nation in future periods.

Cross Lake Band of Indians
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

| | <i>Land</i> | <i>Housing</i> | <i>Equipment</i> | <i>Buildings</i> | <i>Computers</i> | <i>Vehicles</i> | <i>Subtotal</i> |
|--|----------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 395,500 | 67,122,721 | 12,175,021 | 25,957,125 | 463,413 | 10,237,311 | 116,351,091 |
| Acquisition of tangible capital assets | - | 937,766 | 2,776,049 | 1,028,260 | 2,717 | 1,906,491 | 6,651,283 |
| Construction-in-progress | - | 5,408,129 | - | - | - | - | 5,408,129 |
| Disposal of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 395,500 | 73,468,616 | 14,951,070 | 26,985,385 | 466,130 | 12,143,802 | 128,410,503 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | - | 25,077,105 | 8,736,680 | 21,110,035 | 318,267 | 6,812,629 | 62,054,716 |
| Annual amortization | - | 1,877,351 | 877,350 | 585,153 | 1,888 | 1,035,707 | 4,377,449 |
| Accumulated amortization on disposals | - | - | - | - | - | - | - |
| Balance, end of year | - | 26,954,456 | 9,614,030 | 21,695,188 | 320,155 | 7,848,336 | 66,432,165 |
| Net book value of tangible capital assets | 395,500 | 46,514,160 | 5,337,040 | 5,290,197 | 145,975 | 4,295,466 | 61,978,338 |
| 2020 Net book value of tangible capital assets | 395,500 | 42,045,616 | 3,438,341 | 4,847,090 | 145,146 | 3,424,682 | 54,296,375 |

Cross Lake Band of Indians
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

| | <i>Subtotal</i> | <i>Roads, Bridges and infrastructure</i> | <i>Construction in progress</i> | 2021 | 2020 |
|--|--------------------|--|-------------------------------------|--------------------|--------------------|
| Cost | | | | | |
| Balance, beginning of year | 116,351,091 | 24,692,465 | 6,559,698 | 147,603,254 | 136,208,110 |
| Acquisition of tangible capital assets | 6,651,283 | - | 14,516,645 | 21,167,928 | 11,485,144 |
| Construction-in-progress | 5,408,129 | - | (5,408,129) | - | - |
| Disposal of tangible capital assets | - | - | - | - | (90,000) |
| Balance, end of year | 128,410,503 | 24,692,465 | 15,668,214 | 168,771,182 | 147,603,254 |
| Accumulated amortization | | | | | |
| Balance, beginning of year | 62,054,716 | 20,206,085 | - | 82,260,801 | 74,761,113 |
| Annual amortization | 4,377,449 | 2,274,359 | - | 6,651,808 | 7,589,688 |
| Accumulated amortization on disposals | - | - | - | - | (90,000) |
| Balance, end of year | 66,432,165 | 22,480,444 | - | 88,912,609 | 82,260,801 |
| Net book value of tangible capital assets | 61,978,338 | 2,212,021 | 15,668,214 | 79,858,573 | 65,342,453 |
| 2020 Net book value of tangible capital assets | 54,296,375 | 4,486,380 | 6,559,698 | 65,342,453 | |

Cross Lake Band of Indians
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

| | 2021 Budget | 2021 | 2020 |
|---------------------------------------|------------------------|-------------------|------------|
| Expenses by object | | | |
| Advertising | 36,000 | 132,724 | 172,427 |
| Allowances | 1,364,025 | 1,589,544 | 1,749,887 |
| Amortization | - | 6,651,808 | 7,589,688 |
| Bad debts | - | 636,206 | 158,895 |
| COVID-19 supports and materials | - | 10,442,659 | 22,703 |
| Bank charges and interest | 1,220,816 | 180,616 | 539,866 |
| Basic and special needs | 9,690,000 | 10,804,484 | 10,157,679 |
| Board travel, training and honouraria | 41,620 | 23,059 | 171,583 |
| Community donations | 472,982 | 244,643 | 185,944 |
| Community events | - | 29,489 | 79,859 |
| Consulting | 618,000 | 785,393 | 1,412,348 |
| Contracted services | 2,141,272 | 3,189,798 | 3,694,215 |
| Freight | 41,350 | 91,314 | 92,402 |
| Fuel | 395,798 | 511,405 | 500,986 |
| Funeral | - | 155,205 | 208,344 |
| Furniture and equipment | 107,664 | 257,273 | 120,288 |
| Honouraria | 635,000 | 745,404 | 787,054 |
| Insurance | 454,268 | 2,707,665 | 1,950,343 |
| Interest on long-term debt | 830,047 | 1,014,625 | 1,267,500 |
| Kasayak and field workers | 1,142,439 | 1,216,165 | 744,517 |
| Materials | 451,613 | 1,144,535 | 1,135,820 |
| Office rent | 78,033 | 85,974 | 89,269 |
| Office supplies and other | 855,698 | 889,267 | 786,673 |
| Postage | - | 1,290 | - |
| Professional development | 1,118,340 | 1,803,052 | 1,063,736 |
| Professional fees | 231,222 | 536,721 | 1,011,792 |
| Program expense | 321,199 | 786,477 | 1,295,835 |
| Rent | 66,000 | 1,051,233 | 788,846 |
| Repairs and maintenance | 2,941,381 | 1,791,232 | 2,477,049 |
| Salaries and benefits | 22,800,456 | 33,921,961 | 30,270,180 |
| Special projects | - | - | 1,952,659 |
| Student expenses | 163,500 | 382,432 | 503,473 |
| Supplies | 977,891 | 2,604,831 | 2,659,951 |
| Telephone | 280,443 | 461,622 | 361,944 |
| Training | - | - | 6,800 |
| Travel | 2,378,892 | 1,399,266 | 3,042,088 |
| Tuition | 895,990 | 937,005 | 1,445,605 |
| Utilities | 679,433 | 839,140 | 1,036,983 |
| | 53,431,372 | 90,045,517 | 81,535,231 |

Cross Lake Band of Indians
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2021

| | <i>Schedule #</i> | <i>Total Revenue</i> | <i>Total Expenses</i> | <i>Adjustments/ Transfers From (To)</i> | <i>Current Surplus (Deficit)</i> | <i>Prior Year Surplus (Deficit)</i> |
|-----------------------------------|-------------------|----------------------|-----------------------|---|--|---|
| Segments | | | | | | |
| Administration | 4 | 11,180,309 | 17,279,715 | 3,704,334 | (2,395,072) | (3,712,386) |
| Education | 5 | 37,327,339 | 25,646,898 | (3,114,775) | 8,565,666 | 4,187,138 |
| Social | 6 | 15,357,258 | 15,809,622 | - | (452,364) | (388,256) |
| Health Services | 7 | 22,023,356 | 9,639,131 | (780,754) | 11,603,471 | 4,058,410 |
| Employment, Training and Day Care | 8 | 4,937,457 | 2,175,182 | (187,879) | 2,574,396 | 864,790 |
| Public Works | 9 | 8,646,396 | 4,836,537 | (368,879) | 3,440,980 | 1,518,580 |
| Economic Development | 10 | 1,343,500 | 861,993 | - | 481,507 | 1,201,674 |
| Housing | 11 | 2,719,235 | 4,134,943 | (720,056) | (2,135,764) | (4,328,701) |
| Policing and Justice | 12 | 16,167 | 1,134,797 | - | (1,118,630) | (898,149) |
| Multi-Channel System | 13 | 601,534 | 493,273 | - | 108,261 | (151,522) |
| Midnorth Development Corporation | 14 | 6,551,104 | 8,033,426 | 1,468,009 | (14,313) | (1,050,119) |
| Total | | 110,703,654 | 90,045,517 | - | 20,658,137 | 1,301,462 |