

MCLEOD LAKE INDIAN BAND
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

**MCLEOD LAKE INDIAN BAND
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March 31, 2016**

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McLEOD LAKE INDIAN BAND

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of McLeod Lake Indian Band ("the Band") and all the information in this report are the responsibility of the Band's management and have been approved by the Chief and Council of the Band.

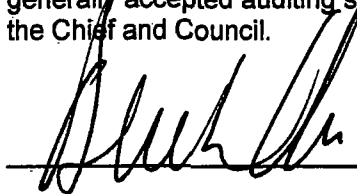
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen 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 systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Band's assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet 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 Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

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



Chief



Councillor

Independent Auditor's Report

To the Members of the
McLeod Lake Indian Band

We have audited the accompanying consolidated financial statements of McLeod Lake Indian Band, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus and changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 consolidated 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 entity'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 entity'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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of McLeod Lake Indian Band as at March 31, 2016, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 21 of the financial statements which explains certain comparative information for the year ended March 31, 2015 has been restated to reflect the equity earnings and distributions received from the Band's investment in McLeod Lake Mackenzie Community Forest LP.



Chartered Professional Accountants

Prince George, British Columbia
July 28, 2016

MCLEOD LAKE INDIAN BAND
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
year ended March 31, 2016

	Budget 2016	2016	2015 (Restated - Note 21)
Revenue			
Operations Fund			
Indigenous and Northern Affairs Canada	\$ 1,893,190	\$ 2,671,342	\$ 2,051,434
First Nation and Inuit Health Authority	404,095	428,080	404,093
PGNAETA	70,000	100,336	98,662
Oil and Gas Commission	1,100,000	689,000	977,835
Other	600,000	454,572	875,116
Other government funding	125,865	147,368	543,588
Sale of logs from settlement lands	2,400,000	2,653,882	419,281
Stumpage revenue	-	138,058	63,463
Contract revenue	625,000	272,748	1,435,596
Trust revenue	-	4,169,879	61,280
Tse'khene Food & Fuel Ltd.	-	735,943	415,709
Tse'khene Community Development Corporation	-	683,596	493,854
Social Housing	-	311,237	354,435
	<u>7,218,150</u>	<u>13,456,041</u>	<u>8,194,346</u>
Expenses (Note 20)			
Band Administration Program	2,695,485	2,713,664	2,590,096
Health and Welfare Services	408,095	430,221	498,137
Education Services	711,300	543,860	526,306
Social Development Services	450,580	375,293	319,375
Membership Services	2,566,095	2,364,478	2,275,107
Infrastructure	398,600	837,113	869,884
Natural Resources	1,399,535	1,321,832	1,356,551
Economic Development Program	142,880	41,651	105,888
Capital Projects Program	450,550	473,506	605,922
Trust Program - logging and silviculture	2,285,000	2,080,767	441,375
Tse'khene Community Development Corporation	-	382,004	355,127
Tse'khene Food & Fuel Ltd.	-	811,381	492,959
Social Housing	-	304,611	453,331
Equity loss from business enterprises	-	1,301,649	1,991,648
	<u>11,508,120</u>	<u>13,982,030</u>	<u>12,881,706</u>
ANNUAL DEFICIT	(4,289,970)	(525,989)	(4,687,360)
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
As previously reported	47,231,351	46,663,286	51,716,000
Prior period adjustment (Note 21)		568,065	125,617
As restated		<u>47,231,351</u>	<u>51,841,617</u>
(Reversion to) recovery from Trusts, net	-	(573,115)	87,392
Program recovery	-	(97,479)	(10,298)
ACCUMULATED SURPLUS, END OF YEAR (Note 15)	\$ 42,941,381	\$ 46,034,768	\$ 47,231,351

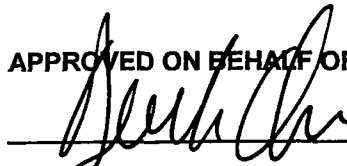
The accompanying notes to the financial statements are an integral part of this financial statement

MCLEOD LAKE INDIAN BAND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31, 2016

	2016	2015
		(Restated - Note 21)
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,911,048	\$ 539,927
Restricted cash (Note 3)	252,994	174,105
Accounts receivable (Note 4)	826,002	871,288
Due from related parties (Note 5)	-	35,342
Investment and advances (Note 6)	36,850,560	39,998,934
	<u>40,840,604</u>	<u>41,619,596</u>
LIABILITIES		
Demand loans (Note 7)	-	94,899
Accounts payable and accrued liabilities	1,425,302	519,390
Long-term debt (Note 8)	498,573	630,127
Due to related parties (Note 5)	718,649	577,274
Due to Silviculture Trust (Note 9)	443,176	111,059
Due to McLeod Lake Indian Band Treaty 8 Trust	901,398	129,526
Due to McLeod Lake Indian Band Lands and Minerals Trust	172,901	114,643
	<u>4,159,999</u>	<u>2,176,918</u>
NET FINANCIAL ASSETS	<u>36,680,605</u>	<u>39,442,678</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	67,367	74,919
Inventories	26,373	19,718
Tangible capital assets (Note 10)	9,501,752	7,871,503
Investment in Treaty 8 Trust (Note 11)	995,287	265,943
Investment in Land and Minerals Trust (Note 12)	831,287	2,379,765
Investment in Provincial Revenues Trust (Note 13)	228,526	-
	<u>11,650,592</u>	<u>10,611,848</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 48,331,197</u>	<u>\$ 50,054,526</u>

CONTINGENT LIABILITIES (Note 16)

APPROVED ON BEHALF OF THE BAND COUNCIL

 Chief

 Councillor

The accompanying notes to the financial statements are an integral part of this financial statement

MCLEOD LAKE INDIAN BAND
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
year ended March 31, 2016

	Budget 2 0 1 6 (Note 22)	2 0 1 6	2 0 1 5 (Restated - Note 21)
Annual surplus	\$ (4,289,970) \$	(525,989) \$	(4,687,360)
Acquisition of tangible capital assets	-	(2,316,677)	(645,425)
Amortization of tangible capital assets	-	604,594	492,356
Proceeds on disposal of tangible capital assets	-	87,177	161,060
Gain on sale of tangible capital assets	-	(5,342)	(78,329)
Recovery from Silviculture Trust	-	(573,115)	87,392
Program recovery, net	-	(97,479)	-
Non-controlling interest	-	612	-
Provision for replacement and operating reserve - net	-	63,279	(13,468)
Decrease equity in Ottawa Trust	-	(30)	(197)
Increase in inventories	-	(6,655)	(19,718)
Use of prepaid expense	-	7,552	(27,300)
DECREASE IN NET FINANCIAL ASSETS	(4,289,970)	(2,762,073)	(4,730,989)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	39,442,678	39,442,678	44,173,667
NET FINANCIAL ASSETS, END OF YEAR	\$ 35,152,708 \$	36,680,605 \$	39,442,678

MCLEOD LAKE INDIAN BAND
CONSOLIDATED STATEMENT OF CASH FLOW
year ended March 31, 2016

	2016	2015
		(Restated - Note 21)
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual (deficit) surplus	\$ (525,989)	\$ (4,687,360)
Items not involving the outlay of funds		
Program recovery, net	(97,479)	-
Amortization	604,594	492,356
Gain on disposal of tangible capital assets	(5,342)	(78,329)
Provision for replacement and operating reserve - net	63,279	(13,468)
Decrease in equity in Ottawa Trust	(30)	(197)
Share of loss in related companies	1,301,649	1,991,648
	<u>1,340,682</u>	<u>(2,295,350)</u>
Net change in operating working capital		
Decrease in accounts receivable	45,285	1,117,341
Decrease (increase) in prepaid expenses	7,552	(27,301)
Increase in inventories	(6,655)	(19,718)
Increase (decrease) in accounts payable and accrued liabilities	905,912	(1,779,991)
	<u>2,292,776</u>	<u>(3,005,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of demand loans	(94,899)	(65,242)
Repayment of long-term debt	(131,554)	(117,092)
Advance (repayment of advance) to Silviculture Trust - net	332,117	(81,622)
Advance (Repayment of advances) from Land and Minerals Trust	58,258	(143,625)
Repayment of advances from Treaty 8 Trust	-	(15,357)
Recovery from McLeod Lake Indian Band Trusts (net)	(573,115)	87,392
	<u>(409,193)</u>	<u>(335,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,316,677)	(645,425)
Proceeds on disposal of tangible capital assets	87,177	161,060
Investments and advances from related entities	2,795,927	1,941,598
	<u>566,427</u>	<u>1,457,233</u>
NET CASH INFLOW (OUTFLOW)	<u>2,450,010</u>	<u>(1,883,332)</u>
CASH , BEGINNING OF YEAR	<u>714,032</u>	<u>2,597,364</u>
CASH , END OF YEAR	<u>\$ 3,164,042</u>	<u>\$ 714,032</u>
Cash is comprised of:		
Cash	\$ 2,911,048	\$ 539,927
Restricted cash	252,994	174,105
	<u>\$ 3,164,042</u>	<u>\$ 714,032</u>

The accompanying notes to the financial statements are an integral part of this financial statement

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements (the financial statements) include the assets, liabilities, revenue and expenditures of the McLeod Lake Indian Band (the "Band"), governed by the Chief and Council, and the entities which are controlled or are subject to joint control by the Band.

These financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following principles:

a) Fund accounting

The Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. All inter-fund balances have been eliminated.

The Band maintains the following funds:

- The Operations Fund, which reports the general activities of the Band administration.
- The Ottawa Trust Fund, which reports on trust funds owned by the Band and held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.
- The Canada Mortgage and Housing Corporation ("CMHC") Social Housing Fund, which reports the CMHC funded social housing operations of the Band.
- The Tse'khene Community Development Corporation Fund, which reports on the activities of Tse'khene Community Development Corporation.
- The Tse'khene Food & Fuel Ltd. Fund, which reports on the activities of Tse'khene Food & Fuel Ltd.
- The Enterprise Fund, which reports on activities of the Limited Partnerships and other incorporated entities controlled by the McLeod Lake Indian Band on a modified equity basis.

b) Reporting entity and principles of financial reporting

The Band reporting entity includes the Band government and all related entities which are accountable to the Band and are either owned or controlled by the Band.

These consolidated financial statements consolidate the assets, liabilities and results of operations of Tse'khene Development Corporation, a not-for-profit corporation created for the benefit of the Band members, and Tse'khene Food & Fuel Corporation, a corporation which operates a gas station on reserve lands.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Reporting entity and principles of financial reporting (continued)

Government business enterprises and government business partnerships, which are owned by the Band, or are controlled or jointly controlled by the Band Council, and which are not dependent on the McLeod Lake Indian Band for their continuing operations, are included in the consolidated financial statements using the modified equity method, whereby the investment was initially recorded at cost and adjusted to recognize the Band's share of earnings or losses, and reduced by distributions received. The business entity's accounting principles are not adjusted to conform with those of the Band.

Government business enterprises and government business partnerships accounted for using the modified equity method are as follows:

Duz Cho Logging Ltd. (100% owned)
Duz Cho Logging Limited Partnership (100% owned)
Duz Cho Construction Ltd. (100% owned)
Duz Cho Construction Limited Partnership (100% owned)
McLeod Lake Indian Band Exploration Corporation (100% owned)
McLeod Lake Indian Band Exploration Limited Partnership (100% owned)
Duz Cho Group of Companies Limited Partnership (100% owned)
Three Feathers Limited Partnership (33.3% owned)
McLeod Lake Mackenzie Community Forest LP (50% owned)

Entities which are not controlled or jointly controlled are accounted for at cost. These include:

Mackenzie Fibre Management Corporation

c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery and equipment. They normally confer benefits lasting beyond one year and result in the acquisition of an asset or in the extension of the life of an asset. Capital expenditures of the General Band Operations Fund, the CMHC Social Housing Fund and the Enterprise Fund are recorded at cost in the respective fund.

Assets under construction are not amortized until the asset is available for productive use.

Tangible assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

Tangible capital assets are amortized using the diminishing-balance method at the following rates:

Community buildings	4% and 10%
Automotive equipment	30%
Silviculture and logging equipment	30%
Office equipment	20%
Computer equipment	45%
Paving	20%
Water systems and fire protection	4%

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets (continued)

Tangible capital assets consisting of buildings financed by Canada Mortgage and Housing Corporation insured loans are amortized at a rate equal to the annual principle reduction in the loan.

Assets that no longer contribute to the ability of the Band to provide services are written down to residual value.

(d) Revenue recognition

Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Any such liability is reduced, and an equivalent amount of revenue is recognized as the liability is settled.

Government transfers without stipulations are recognized in the period in which the transfer is authorized, any eligibility criteria have been met and reasonable estimate of the amount to be received can be made.

Certain funding received under the terms of specified use agreements (other than government transfers) is recognized as revenue when the related expenditures are incurred. Such funding received but not yet expended is included in the statement of financial position as deferred revenue.

Revenue earned on timber sale licences is recognized when wood fibre is delivered and the customer takes ownership and assumes the risk of loss, persuasive evidence of an arrangement exists and collection of the relevant receivables is reasonably assured.

Revenue earned from the sale of fuel, tobacco and confectionary items is recognized when the goods are delivered to the customer, persuasive evidence of an arrangement exists, and collection of the relevant receivables is reasonably assured.

Interest income, rental income, consulting fees and user fees are recognized when earned and/or the service is provided and collection is reasonably assured.

(e) Impairment of long-lived assets

The Band periodically reviews the useful lives and the carrying values of its long-lived assets for continued appropriateness. The Band reviews for impairment of long-lived assets (or asset groups) to be held and used whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the un-discounted expected future cash flows expected to result from the use and eventual disposition of an asset is less than its carrying amount, it is considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value. When quoted market prices are not available, the Band uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Financial instruments

The Band's financial instruments consist of cash, restricted cash, marketable securities, accounts receivable, timber sales deposits, advances and loans receivable.

Financial instruments are recorded at fair value on initial recognition. They are subsequently recorded at cost less any impairment losses if other than temporary.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Band determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Band expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful lives for tangible capital assets and valuation allowance for trade receivables and investments, loans and advances. Actual results could differ from those estimates.

(h) Reforestation

The Band accounts for costs related to the reforestation of logged areas in the period such areas are logged. Costs represent estimated post logging expenditures related to silviculture responsibilities pursuant to the Band Forest Practices Code.

(i) Liability for contaminated sites

The Band identifies contaminated sites and records a liability for the cost of remediating sites which meet the following requirements:

- i. An environmental standard exists
- ii. Contamination exceeds the environmental standards
- iii. The Band is directly responsible or accepts responsibility
- iv. It is expected that future economic benefits will be given up and
- v. A reasonable estimate of the amount of those benefits can be made

As at the date of these financial statements, no contaminated sites have been identified that meet these criteria.

2. CASH

	2 0 1 6	2 0 1 5
Cash		
Operations Fund	\$ 2,800,281	\$ 434,286
Social Housing Fund	72,531	43,424
Tse'khene Community Development Corporation	12,358	47,099
Tse'khene Food & Fuel Ltd.	88,115	15,118
	<u>\$ 2,973,285</u>	<u>\$ 539,927</u>

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

2. CASH (continued)

The Band has an authorized operating line in the amount of \$800,000 which was not utilized at year end. The operating loan bears interest at prime plus 0.75% (3.45% - March 31, 2016) and is secured by a general security agreement over the assets of the Band.

3. RESTRICTED CASH

Operations Fund restricted cash representing a term deposit of \$12,278 (2015 - \$12,278) assigned to the Ministry of Forests, in support of licenses and \$nil (2015 - \$nil) of unclaimed capital distributions.

\$192,750 (2015 - \$113,831) representing the social housing replacement and operating reserves (see Note 12), can only be used upon approval of Canada Mortgage and Housing Corporation.

Funds on deposit with the Department of Indigenous and Northern Affairs Canada of \$47,966 (2015 - \$47,996) arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust for the Band 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 funds are accessible to the Band upon the completion of certain prescribed procedures.

4. ACCOUNTS RECEIVABLE

	2 0 1 6	2 0 1 5
McLeod Lake Indian Band Operations Fund		
Indigenous and Northern Affairs Canada	\$ 412,200	\$ -
PGNAETA	21,808	26,117
Other government agencies	-	3,696
Oil and Gas Commission	42,000	135,000
Mackenzie Fibre	-	171,691
Land Referral	-	-
Other	421,258	567,167
Less: Allowance for doubtful accounts	(136,362)	(136,361)
	<u>760,904</u>	<u>767,310</u>
Social Housing Fund		
Rents receivable	42,336	55,331
CMHC subsidy receivable	3,590	3,590
	<u>45,926</u>	<u>58,921</u>
Tse'khene Community Development Corporation		
Accounts receivable	<u>4,047</u>	<u>16,725</u>
Tse'khene Food & Fuel Ltd.		
Accounts receivable	<u>15,126</u>	<u>28,332</u>
	<u>\$ 826,003</u>	<u>\$ 871,288</u>

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

5. DUE FROM (TO) RELATED PARTIES

	2016	2015
Due from related parties		
Due from Duz Cho Logging Limited Partnership	\$ -	\$ 10,000
Due from Duz Cho Construction Limited Partnership	-	13,927
Due from Duz Cho Forest Products Limited Partnership	-	11,415
	<u>\$ -</u>	<u>\$ 35,342</u>
Due to related parties		
Due to McLeod Lake Indian Band Exploration Limited Partnership	570,980	577,274
Due to Duz Cho Logging Limited Partnership	147,669	-
	<u>\$ 718,649</u>	<u>\$ 577,274</u>

6. INVESTMENTS AND ADVANCES

Investments, loans and advances to commercial operations are summarized as follows:

	2016	2015 (Restated - Note 21)
McLeod Lake Indian Band		
Government business enterprises	\$ (6,791)	\$ (5,670)
Government business partnerships	36,850,060	39,998,518
Other	400	400
	<u>36,843,669</u>	<u>39,993,248</u>
Duz Cho Group of Companies LP		
Other	6,891	5,146
	<u>\$ 36,850,560</u>	<u>\$ 39,998,394</u>

The Band has an ownership interest in limited partnerships in which the limited partner is the Duz Cho Group of Companies LP. The general partners, which are corporations controlled by the McLeod Lake Indian Band, are Duz Cho Logging Ltd., which owns 0.01% of Duz Cho Logging Limited Partnership, Duz Cho Construction Ltd. which owns 0.01% of Duz Cho Construction Limited Partnership, Duz Cho Group of Companies Ltd., which owns 0.01% of Duz Cho Group of Companies Limited Partnership and McLeod Lake Indian Band Exploration Corporation which owns 0.01% of McLeod Lake Indian Band Exploration Limited Partnership. All of the loans and advances are non-interest bearing and have no specific terms of repayment.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

6. INVESTMENTS AND ADVANCES (continued)

The Band has made investments in and loans and advances to the government business enterprises as summarized below:

	2016	2015
Duz Cho Logging Ltd.		
Investment in shares, at cost	\$ 100	\$ 100
Share of losses		
Balance, beginning of year	(2,607)	(1,037)
Earnings (loss)	2,638	(1,570)
Balance, end of year	31	(2,607)
	131	(2,507)
Duz Cho Group of Companies Ltd.		
Share of earnings (loss)		
Balance, beginning of year	(1,388)	(3)
Loss	(399)	(1,385)
Balance, end of year	(1,787)	(1,388)
Balance carried forward	\$ (1,656)	\$ (3,895)

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

6. INVESTMENTS AND ADVANCES (continued)

	2016	2015
Balance brought forward	\$ (1,656)	\$ (3,895)
Duz Cho Construction Ltd.		
Share of earnings (loss)		
Balance, beginning of year	(1,734)	56
Earnings (loss)	2,456	(1,790)
Balance, end of year	722	(1,734)
Duz Cho Forest Products Ltd.		
Investment in shares, at cost	1	1
Share of earnings (loss)		
Balance, beginning of year	(1,686)	-
Loss	(5,760)	(1,686)
Balance, end of year	(7,446)	(1,686)
	(7,445)	(1,685)
McLeod Lake Indian Band Exploration Corporation		
Investment in shares, at cost	100	100
Share of earnings		
Balance, beginning of year	1,544	(985)
(Loss) earnings	(56)	2,529
Balance, end of year	1,488	1,544
	1,588	1,644
	\$ (6,791)	\$ (5,670)

The McLeod Lake Indian Band holds the remaining 99.99% of McLeod Lake Indian Band Exploration Limited Partnership, Duz Cho Logging Limited Partnership, Duz Cho Construction Limited Partnership, Duz Cho Group of Companies Limited Partnership and McLeod Lake Indian Band Exploration Limited Partnership.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

6. INVESTMENTS AND ADVANCES (continued)

The Band has made investments and contributions to government business partnerships as summarized below:

	2016	2015
Duz Cho Logging Limited Partnership		
Balance, beginning of year	\$ 6,711,046	\$ 7,553,944
Share of earnings (loss)	1,380,490	(697,174)
Drawings	(276,356)	(145,724)
Balance, end of year	7,815,180	6,711,046
Advances	4,721,791	4,445,435
	<u>12,536,971</u>	<u>11,156,481</u>
Duz Cho Construction Limited Partnership		
Balance, beginning of year	21,098,037	22,998,403
Share of loss	(393,655)	(289,226)
Drawings	-	(1,611,140)
Balance, end of year	20,704,382	21,098,037
Advances	1,512	715
	<u>20,705,894</u>	<u>21,098,752</u>
Duz Cho Forest Products Limited Partnership		
Balance, beginning of year	(1,860,085)	-
Share of loss	(2,984,176)	(1,860,085)
Drawings	-	-
Contributions	6,332,883	-
Balance, end of year	1,488,622	(1,860,085)
Advances	1,584	6,197,458
	<u>1,490,206</u>	<u>4,337,373</u>
Balance carried forward	\$ 34,733,071	\$ 36,592,606

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

6. INVESTMENTS AND ADVANCES (continued)

	2 0 1 6	2 0 1 5 (Restated - Note 21)
Balance brought forward	\$ 34,733,071	\$ 36,592,606
McLeod Lake Indian Band Exploration Limited Partnership		
Balance, beginning of year	2,662,482	8,612,517
Share of (loss) earnings	(557,234)	266,472
Drawings	(1,400,000)	(6,216,507)
	705,248	2,662,482
Advances	15,750	5,750
	720,998	2,668,232
Three Feathers Limited Partnership		
Balance, beginning of year	110,559	-
Share of earnings	88,512	190,559
Drawings	(90,000)	(80,000)
	109,071	110,559
McLeod Lake Mackenzie Community Forest Limited Partnership		
Balance, beginning of year	627,121	184,673
Share of earnings	1,165,535	542,448
Drawings	(505,736)	(100,000)
	1,286,920	627,121
	\$ 36,850,060	\$ 39,998,518

The summarized balance sheet and income statements of the government business partnerships, as at their year end of October 31, 2015, are shown below:

	2 0 1 6	2 0 1 5 (Restated - Note 21)
Balance sheet information		
Assets	\$ 63,851,085	\$ 62,875,940
Liabilities	27,900,614	29,795,294
Partners' Capital	35,950,471	29,811,751
Results of operations		
Revenues	68,499,720	62,330,494
Expenses	69,623,047	64,004,552
Net (loss) earnings	(1,123,327)	(1,574,059)

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

7. DEMAND LOANS

	2016	2015
Royal Bank - demand loan	\$ -	\$ 94,899

8. LONG-TERM DEBT

Social Housing

All Nations Trust Company - mortgage payable in monthly instalments of \$3,141 including interest at 1.67%, secured by a mortgage on buildings and ministerial guarantee, maturing March 2017

\$ 37,354 \$ 74,087

All Nations Trust Company - mortgage payable in monthly instalments of \$2,049 including interest at 1.67%, secured by a mortgage on buildings and a ministerial guarantee, maturing April 2018

50,293 73,818

All Nations Trust Company - mortgage payable in monthly instalments of \$1,784 including interest at 1.65%, secured by a mortgage on buildings and a ministerial guarantee, renewal June 2017, maturing April 2027

216,766 234,443

All Nations Trust Company - mortgage payable in monthly instalments of \$2,396 including interest at 1.67%, secured by a mortgage on buildings and a ministerial guarantee, renewal June 2018, maturing May 2023

194,160 219,450

Royal Bank - mortgage payable

- 28,329

\$ 498,573 \$ 630,127

Scheduled principal repayments over the next five years are estimated as follows:

2017	\$ 104,952
2018	68,732
2019	47,207
2020	45,909
2021	46,678

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

9. DUE TO SILVICULTURE TRUST

A Silviculture Trust was established to bear the responsibility for funding silviculture expenditures on settlement lands. The Band funds the Silviculture Trust based on a set charge per cubic metre of logs harvested. Balances accrued based on logging performed are shown below:

	2 0 1 6	2 0 1 5
Balance, beginning of year	\$ 111,059	\$ 192,680
Accrual	138,058	22,212
Expenses paid on behalf of Trust	(325,941)	(103,833)
Funds received from Trust	520,000	-
Balance, end of year	<u>\$ 443,176</u>	<u>\$ 111,059</u>

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

10. TANGIBLE CAPITAL ASSETS

	2 0 1 6	2 0 1 5
	Net Book Value	Net Book Value (Restated - Note 21)
McLeod Lake Indian Band		
Community buildings	\$ 3,254,666	\$ 2,942,166
Water system and fire protection	1,472,082	1,223,978
Automotive equipment	314,996	280,636
Silviculture equipment	4,296	6,138
Office equipment	163,413	193,945
Computer equipment	15,032	16,223
Paving	119,134	148,918
Land	25,000	25,000
	<u>5,368,619</u>	<u>4,837,004</u>
Social Housing Fund		
Buildings	<u>697,768</u>	<u>800,994</u>
Tse'Khene Community Development Corporation		
Buildings	2,591,138	1,375,546
Office equipment	23,543	28,899
Computer equipment	640	1,426
Land	813,419	819,819
	<u>3,428,740</u>	<u>2,225,690</u>
Tse'Khene Food & Fuel Ltd.		
Leasehold improvements	3,348	3,720
Store equipment	3,277	4,096
	<u>6,625</u>	<u>7,816</u>
	<u><u>\$ 9,501,752</u></u>	<u><u>\$ 7,871,504</u></u>

For additional information, see the Schedule of Tangible Capital Assets (Schedule B)

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

11. EQUITY IN TREATY 8 TRUST

The McLeod Lake Indian Band is the beneficiary of the McLeod Lake Indian Band Treaty 8 Trust which was established in April 2000 upon ratification of a land settlement agreement. The income from the Trust represented by the Trust Project and Development Account is to be allocated to the Band annually, and the Band must also loan an amount, determined by the Trust, to the Capital Account of the Trust each year. Details of Trust Project and Development Account transactions are shown below:

	2016	2015
Trust Project and Development Account, beginning of year	\$ 265,943	\$ 2,272,480
Revenue - Trust Project and Development Account	2,400,824	2,287,193
Expenses - Trust Project and Development Account	(1,085,060)	(575,372)
Interfund transfers - Trust Project and Development Account	(586,420)	(3,718,358)
	<u>\$ 995,287</u>	<u>\$ 265,943</u>

12. EQUITY IN LAND AND MINERALS TRUST

The McLeod Lake Indian Band is the beneficiary of the McLeod Lake Indian Band Land and Minerals Trust which was established in May 2011. The income from the Trust represented by the Land and Minerals Project Account is to be allocated to the Band annually. Details of Land and Minerals Project Account transactions are shown below:

	2016	2015
Lands and Minerals Project Account, beginning of year	\$ 2,379,765	\$ 1,237,284
Revenue - Lands and Minerals Project Account	691,522	1,142,481
Expenses - Lands and Minerals Project Account	(2,240,000)	-
	<u>\$ 831,287</u>	<u>\$ 2,379,765</u>

13. EQUITY IN PROVINCIAL REVENUES TRUST

The McLeod Lake Indian Band is the beneficiary of the McLeod Lake Indian Band Provincial Revenues Trust which was established in May 2011. The income from the Trust represented by the Provincial Revenues Trust Project Account is to be allocated to the Band annually. Details of the Provincial Revenues Trust Project Account transactions are shown below:

	2016	2015
Lands and Minerals Project Account, beginning of year	\$ -	\$ -
Revenue - Lands and Minerals Project Account	228,526	-
Expenses - Lands and Minerals Project Account	-	-
	<u>\$ 228,526</u>	<u>\$ -</u>

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

14. REPLACEMENT RESERVES

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC"), the Band is required to make yearly deposits equal to required contributions to a replacement reserve account for each housing phase. Contributions are based on a percentage of total asset costs. The use of these funds is subject to approval by CMHC. 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 be otherwise approved by CMHC. Withdrawals are credited to interest first and then principal.

Under the terms of agreements with CMHC – Full Subsidy Program, after the payment of all costs and expenses including the allocation to the Replacement Reserve fund, any surplus will be retained by the Band within an Operating Reserve fund. These funds, along with accumulated interest, must be held in a separate bank account. These funds may only be used for the ongoing operating costs of the housing projects committed under the Full Subsidy Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund.

Under agreements with CMHC, the Band may also establish a subsidy surplus reserve where any operating surplus can be retained to a maximum of \$500 per housing unit plus interest earned within the reserve. An additional operating surplus, within the CMHC Housing Programs, is subject to recovery by Canada Mortgage and Housing Corporation.

	2 0 1 6	2 0 1 5
Replacement Reserve	\$ 109,437	\$ 113,831
Operating Surplus Reserve	83,313	15,640
	<u>\$ 192,750</u>	<u>\$ 129,471</u>

Replacement reserve information relating to the Band's CMHC housing programs is as follows:

	2 0 1 6	2 0 1 5
Balance, beginning of year	\$ 129,471	\$ 132,640
Allocations for the year, replacement reserve	19,190	19,190
Allocations for the year, operating surplus	67,673	7,802
Expenditures	(23,584)	(32,656)
Transfer to surplus	-	(9,047)
CMHC adjustments to surplus	-	11,542
	<u>\$ 192,750</u>	<u>\$ 129,471</u>

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

15. ACCUMULATED SURPLUS

Surplus (deficit) is comprised of:

	2 0 1 6	2 0 1 5 (Restated - Note 21)
Operations Fund	\$ 11,998,502	\$ 12,058,543
Enterprise Fund	33,323,462	35,125,111
Social Housing Fund	(836,147)	(775,100)
Tse'khene Community Development Corporation	1,640,359	838,767
Tse'khene Food & Fuel Ltd.	(91,408)	(15,970)
	<u>46,034,768</u>	<u>47,231,351</u>
Replacement reserves (Note 14)	192,750	129,471
Duz Cho Group of Companies Limited Partnership	613	-
Non-controlling interest		
Equity in McLeod Lake Indian Band Treaty 8 Trust (Note 11)	995,287	265,943
Equity in Lands and Minerals Trust (Note 12)	831,287	2,379,765
Equity in Provincial Revenues Trust (Note 13)	228,526	-
Equity in Ottawa Trust Funds	47,966	47,996
	<u>\$ 48,331,197</u>	<u>\$ 50,054,526</u>

16. CONTINGENT LIABILITIES

The Band has entered into an agreement with the McLeod Lake Indian Band Silviculture Trust to perform reforestation activities on behalf of the Band (Note 8). In the event actual future reforestation costs exceed the resources of the McLeod Lake Indian Band Silviculture Trust the Band is contingently liable to fund the shortfall.

The Band has a contingent liability related to Aboriginal and Northern Affairs Canada's ministerial loan guarantees on housing mortgages. The outstanding balance of these mortgages at March 31, 2016 was \$498,573.

17. PENSION PLAN

The Band has a defined contribution pension plan for certain employees. The employees contribute a minimum of 5% of their earnings which McLeod Lake Indian Band matches.

18. RELATED PARTY TRANSACTIONS

During the year, the Band paid logging costs in the amount of \$1,445,358 to Duz Cho Logging Limited Partnership (2015 - \$267,812) for logging settlement lands.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

19. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 544,387	\$ 492,355
Communications	156,787	131,167
Consulting	97,148	153,339
Contracts	846,221	751,990
Contributions	-	61,280
Honoraria	541,309	493,117
Insurance	144,085	158,416
Legal and professional	1,308,667	1,031,473
Logging and silviculture	1,754,826	337,541
Material and supplies	193,243	324,144
Membership assistance and distributions	2,849,654	2,383,427
Office and miscellaneous	506,179	605,827
Other	264,424	623,021
Purchases of goods for resale	633,749	370,809
Travel	331,479	463,518
Wages and benefits	2,508,223	2,508,634
	<u>12,680,381</u>	<u>10,890,058</u>
Equity loss from business enterprises	1,301,649	1,991,648
	<u>\$ 13,982,030</u>	<u>\$ 12,881,706</u>

20. INCOME AND EXPENDITURES BY SEGMENT

The Band has presented income and expenditures by segment in Schedule A. The segments presented are as follows:

Operating Fund:

Administration – this segment reflects funding and expenditures related to Band governance activities.

Community Health Services – this segment discloses program activities funded by the First Nations Health Authority (formerly funded by Health Canada) that relate to provision health related services to the Band members.

Education Services – this segment discloses program activities primarily funded by Indigenous and Northern Affairs Canada ("INAC"). These programs relate to elementary, secondary and post-secondary education.

Social Services – this segment relates to programs and services related to the social benefit and welfare of Band members, including social assistance, daycare and infant development, and is funded by primarily by INAC and the Province of British Columbia.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

20. INCOME AND EXPENDITURES BY SEGMENT (continued)

Membership Services – this segment relates to programs and services to Band members and is funded primarily by the business entities owned by the Band and the Oil and Gas Commission. The programs relate to youth, elders, employment training and distributions.

Infrastructure Services – this segment relates to services relating to operation and maintenance of the Bands community buildings and water facilities.

Natural Resource Services – this segment relates to program and services involving forestry, land management and consultation and is primarily funded by contract revenue, INAC and the Oil and Gas Commission.

Economic Development Services – this segment relates to programs relating to economic development and is primarily funded by the Oil and Gas Commission and INAC.

Capital Services – this segment discloses the services related to housing renovations and repairs and is funded by the Oil and Gas Commission and INAC.

Schedule A also discloses activities related to funds operated by the Band including the Social Housing Fund, Development Corporation Fund, Tse'khene Food & Fuel Ltd, Enterprise Fund, Trust Fund and the Ottawa Trust Fund, as disclosed in Note 1.

21. PRIOR PERIOD ADJUSTMENT

During the year, it was determined that the Band's investment in McLeod Lake Mackenzie Community Forest LP had been incorrectly accounted for in the prior years. The investment is an investment in a government business partnership and should have been accounted for on a modified equity basis in accordance with Public Sector Accounting Standards. Details of the adjustment and the impact on the financial statements as previously stated are outlined below:

Explanation of adjustments

Impact of the correction of prior period errors on opening accumulated surplus as at April 1, 2014:

It determined that equity earnings related to this government business partnership had not been reported in prior years which required an increase to opening accumulated surplus of \$125,617 as at April 1, 2014.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

21. PRIOR PERIOD ADJUSTMENT (continued)

Impact of the correction of prior period errors for the year ending March 31, 2015 on the consolidated statement of operations:

	March 31, 2015 (As previously stated)	Adjustment	Reference	31-Mar-15 (As restated)
Revenue	\$ 8,294,346	\$ (100,000)	(a)	\$ 8,194,346
Expenses	(10,890,058)	-		(10,890,058)
Equity loss from business enterprises	(2,534,096)	542,448	(b)	(1,991,648)
Annual deficit	(5,129,808)	442,448		(4,687,360)

Impact of the correction of prior period errors on the consolidated statement of financial position as at March 31, 2015:

	March 31, 2015 (As previously stated)	Adjustment	Reference	31-Mar-15 (As restated)
Financial assets	\$ 41,007,292	\$ 627,661	(a), (b), (c)	\$ 41,634,953
Liabilities	(2,192,275)	-		(2,192,275)
Net financial assets	38,815,017	627,661		39,442,678
Non-financial assets	10,671,444	(59,596)	(c)	10,611,848
Accumulated surplus	49,486,461	568,065	(a), (b), (c)	50,054,526

- a) A distribution of \$100,000 from the McLeod Lake Mackenzie Community Forest LP was incorrectly reported as other revenue rather than as a reduction of the investment in the partnership.
- b) Equity earnings of \$542,448 from the McLeod Lake Mackenzie Community Forest LP had not been reported in the fiscal year ended March 31, 2015.
- c) An investment amount of \$59,596 had been incorrectly classified as a tangible capital asset in relation to McLeod Lake Community Forest LP.

MCLEOD LAKE INDIAN BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended March 31, 2016

22. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the *estimates approved by the Chief and Council.*

MCLEOD LAKE INDIAN BAND
INCOME AND EXPENDITURES BY SEGMENT
year ended March 31, 2016

SCHEDULE A

Programs	INAC Revenue	Other Revenue	Total Revenue	Total Expenditure	Net (Expenditure) Revenue Before Adjustments	Net Transfers/ Recovery of prior year surplus	Net (Expenditure) Revenue After Adjustments	2 0 1 5 Opening Equity (Deficit) (Restated - Note 19)	2 0 1 6 Closing Equity (Deficit)
Unrestricted									
Administration	285,984	2,857,481	3,143,465	2,713,664	429,801	(1,181,047)	(751,246)	4,505,459	3,754,213
Community Health Services	-	428,080	428,080	430,221	(2,141)	-	(2,141)	(89,144)	(91,285)
Education	456,000	189,464	645,464	543,880	101,604	(160)	101,444	41,529	142,973
Social Development	637,660	164,838	802,488	375,293	427,195	(410,139)	17,056	94,909	111,965
Membership	4,094	1,014,243	1,018,337	2,364,478	(1,346,141)	1,596,877	250,736	191,946	442,682
Infrastructure	594,277	295,558	889,835	837,113	52,722	(10,173)	42,549	3,571,136	3,613,685
Natural Resources	204,536	468,060	660,596	1,321,832	(661,236)	-	(661,236)	3,504,527	2,843,291
Economic Development	32,879	508,130	541,009	41,651	499,358	-	499,358	127,331	626,689
Capital	456,922	364,450	810,372	473,506	336,866	(25,164)	311,702	242,587	554,289
Tse'khene Food & Fuel	-	735,943	735,943	811,381	(75,438)	-	(75,438)	(15,970)	(91,408)
Development Corporation	-	683,596	683,596	382,004	301,692	500,000	801,692	838,767	1,640,359
Social Housing Fund	-	311,237	311,237	304,611	6,626	(67,673)	(61,047)	(775,100)	(836,147)
Enterprise Fund	-	-	-	1,301,649	(1,301,649)	(500,000)	(1,801,649)	35,125,111	33,323,462
Trust Fund	-	2,785,619	2,785,619	2,080,767	704,852	(573,115)	131,737	(131,737)	-
	2,671,342	10,784,699	13,456,041	13,982,030	(525,989)	(670,594)	(1,196,583)	47,231,351	46,034,768
Restricted									
Ottawa Trust Fund	-	973	973	-	973	(1,003)	(30)	47,996	47,966
2 0 1 5									
Programs	INAC Revenue	Other Revenue	Total Revenue	Total Expenditure	(Expenditure) Revenue Before Adjustments	Net Transfers/ Recovery of prior year surplus	(Expenditure) Revenue After Adjustments	Opening Equity (Deficit) (Restated - Note 19)	Closing Equity (Deficit) (Restated - Note 19)
Unrestricted									
Administration	302,306	831,434	1,133,740	2,590,096	(1,456,356)	79,607	(1,376,749)	5,882,208	4,505,459
Community Health Services	-	450,590	450,590	498,137	(47,547)	-	(47,547)	(41,597)	(89,144)
Education	446,146	65,170	511,316	526,306	(14,990)	13,954	(1,036)	42,565	41,529
Social Development	621,001	122,068	743,067	319,375	423,692	(455,513)	(31,821)	126,730	94,909
Membership	4,006	429,122	433,128	2,275,107	(1,841,979)	1,802,389	(39,590)	231,536	191,946
Infrastructure	171,912	78,227	250,139	869,884	(619,745)	347,925	(271,820)	3,842,956	3,571,136
Natural Resources	204,536	2,276,026	2,480,562	1,356,551	1,124,011	-	1,124,011	2,380,516	3,504,527
Economic Development	82,189	79,880	162,049	105,888	56,161	(61,280)	(5,119)	132,450	127,331
Capital	219,358	127,118	346,476	605,922	(259,446)	220,146	(39,300)	281,887	242,587
Tse'khene Food & Fuel	-	415,709	415,709	492,959	(77,250)	61,280	(15,970)	-	(15,970)
Development Corporation	-	493,854	493,854	355,127	138,727	-	138,727	700,040	838,767
Social Housing Fund	-	354,435	354,435	453,331	(98,896)	(10,298)	(109,194)	(665,906)	(775,100)
Enterprise Fund	-	(1,991,648)	(1,991,648)	-	(1,991,648)	(2,008,508)	(4,000,156)	39,125,267	35,125,111
Trust Fund	-	419,281	419,281	441,375	(22,094)	87,392	65,298	(197,035)	(131,737)
	2,051,434	4,151,264	6,202,698	10,890,058	(4,687,360)	77,094	(4,610,266)	51,841,617	47,231,351
Restricted									
Ottawa Trust Fund	-	1,138	1,138	-	1,138	(1,335)	(197)	48,193	47,996

MCLEOD LAKE INDIAN BAND
TANGIBLE CAPITAL ASSETS
year ended March 31, 2016

SCHEDULE B

	Community buildings	Water system & fire protection	Automotive equipment	Silviculture equipment	Office equipment	Computer equipment	Paving	Land	Social housing fund buildings	Tee' Khene Community Development Corporation	Tee' Khene Food & Fuel Ltd.	Total 2016
Cost												
Balance, beginning of the year	\$ 3,969,374	\$ 1,328,797	\$ 1,535,030	\$ 89,994	\$ 920,120	\$ 214,003	\$ 970,543	\$ 25,000	\$ 3,167,814	\$ 2,635,005	\$ 8,459	\$ 14,864,139
Add: Additions	556,488	281,898	125,393	-	-	16,323	-	-	-	1,336,875	-	2,316,677
Less: Disposals	-	-	(65,676)	-	-	-	-	-	-	(115,812)	-	(181,288)
Balance: end of year	\$ 4,525,862	1,610,695	1,594,747	89,994	920,120	230,326	970,543	25,000	3,167,814	3,855,968	8,459	16,999,528
Accumulated amortization												
Balance: beginning of year	1,027,208	104,819	1,254,384	83,856	726,175	197,780	821,625	-	2,366,820	406,315	643	6,992,635
Add: amortization	243,888	33,794	82,517	1,842	30,532	17,514	29,784	-	103,226	60,206	1,191	604,564
Less: Accumulated Amortization on disposals	-	-	(57,160)	-	-	-	-	-	-	(42,293)	-	(99,453)
Balance, end of year	1,271,196	138,613	1,279,751	85,698	756,707	215,294	851,409	-	2,470,046	427,228	1,834	7,497,776
Net book value	\$ 3,254,666	\$ 1,472,082	\$ 314,996	\$ 4,296	\$ 163,413	\$ 15,032	\$ 119,134	\$ 25,000	\$ 697,768	\$ 3,428,740	\$ 6,625	\$ 9,501,752

TANGIBLE CAPITAL ASSETS
year ended March 31, 2015

McLeod Lake Indian Band												
	Community buildings	Water system & fire protection	Automotive equipment	Silviculture equipment	Office equipment	Computer equipment	Paving	Land	Social housing fund buildings	McLeod Lake Development Corporation		Total 2015
Cost												
Balance, beginning of the year	\$ 3,942,620	\$ 1,308,922	\$ 1,456,410	\$ 89,994	\$ 859,754	\$ 203,582	\$ 970,543	\$ 25,000	\$ 3,167,814	\$ 2,300,954	\$ -	\$ 14,323,593
Add: Additions	26,754	21,875	78,620	-	60,366	10,421	-	-	-	438,930	8,459	645,425
Less: Disposals	-	-	-	-	-	-	-	-	-	(104,879)	-	(104,879)
Balance: end of year	\$ 3,969,374	1,328,797	1,535,030	89,994	920,120	214,003	970,543	25,000	3,167,814	2,635,005	8,459	14,864,139
Accumulated amortization												
Balance: beginning of year	931,769	63,944	1,139,107	61,225	696,581	185,464	764,395	-	2,265,276	374,668	-	6,522,429
Add: amortization	95,439	40,875	115,287	2,631	29,594	12,316	37,230	-	101,544	56,797	643	492,356
Less: Accumulated Amortization on disposals	-	-	-	-	-	-	-	-	-	(22,149)	-	(22,149)
Balance, end of year	1,027,208	104,819	1,254,394	63,856	726,175	197,780	821,625	-	2,366,820	406,316	643	6,992,036
Net book value	\$ 2,942,166	\$ 1,223,978	\$ 280,636	\$ 6,138	\$ 193,945	\$ 16,223	\$ 148,918	\$ 25,000	\$ 800,994	\$ 2,228,689	\$ 7,816	\$ 7,871,503