

**McLeod Lake Indian Band
Consolidated Financial Statements**

March 31, 2018

McLeod Lake Indian Band Contents

For the year ended March 31, 2018

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McLeod Lake Indian Band

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Management's Responsibility

To the Members of McLeod Lake Indian Band:

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 Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Band's external auditors.

MNP LLP is appointed by Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to both Chief and Council and management to discuss their audit findings.

July 20, 2018



Chief Financial Officer

Independent Auditors' Report

To the Members of McLeod Lake Indian Band:

We have audited the accompanying consolidated financial statements of McLeod Lake Indian Band, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the 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 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, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The consolidated financial statements of McLeod Lake Indian Band for the year ended March 31, 2017 were audited by another firm of public accountants who issued an unmodified opinion on July 28, 2017.

Prince George, British Columbia

July 20, 2018

MNP LLP

Chartered Professional Accountants

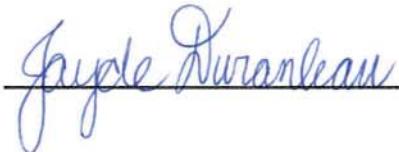
McLeod Lake Indian Band
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
	<i>Restated (Note 17)</i>	
Financial assets		
Cash (Note 4)	12,303,917	4,482,546
Accounts receivable (Note 5)	5,021,554	3,984,025
Guaranteed investment certificates	12,032	12,497
Restricted cash (Note 6)	287,191	212,314
Inventory for resale (Note 7)	1,400,985	252,793
Investment in Band business entities (Note 8)	30,819,338	33,065,454
Funds held in trust (Note 9)	48,036	47,991
Total financial assets	49,893,053	42,057,620
Liabilities		
Accounts payable and accruals	5,200,761	1,852,926
Deferred revenue	137,240	141,551
Long-term debt (Note 10)	2,707,605	3,090,269
Advances from related Band entities (Note 11)	14,508,251	10,534,525
Total liabilities	22,553,857	15,619,271
Net financial assets	27,339,196	26,438,349
Contingent liabilities (Note 14)		
Non-financial assets		
Tangible capital assets (Schedule 1)	22,902,029	22,929,085
Prepaid expenses	187,343	269,368
Total non-financial assets	23,089,372	23,198,453
Accumulated surplus (Note 12)	50,428,568	49,636,802

Approved on behalf of Chief and Council



Chief



Councillor

McLeod Lake Indian Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 18)</i>	<i>2018</i>	<i>2017 Restated (Note 17)</i>
Revenue				
Forest products		-	13,406,243	10,244,833
Sale of logs from settlement lands		10,000,000	10,572,484	4,228,337
Indigenous Services Canada		1,960,749	5,123,101	2,121,702
Other revenue		1,301,368	4,557,682	13,402,882
Oil and Gas Commission		960,000	782,000	791,000
Stumpage revenue		-	492,169	295,984
First Nation Health Authority		430,139	471,306	467,022
Province of British Columbia		20,000	402,121	284,517
Royalty income		-	1,762,778	1,750,140
Contract revenue		625,000	1,372,968	1,241,768
Sale of goods and services		-	779,876	649,174
Housing programs		-	108,193	405,528
Earnings (loss) from investment in Band business entities <i>(Note 8)</i>		-	(1,046,015)	2,231,859
		15,297,256	38,784,906	38,114,746
Expenses				
Administration	3	1,617,555	2,274,116	2,205,626
Business Enterprises	4	414,209	17,155,006	13,005,657
Capital Projects	5	333,811	748,909	122,677
Community Health	6	430,139	445,414	440,552
Education	7	689,446	565,343	522,203
Infrastructure	8	551,538	815,690	964,446
Membership	9	734,260	4,757,820	11,539,623
Natural Resources	10	1,304,536	1,633,998	2,334,961
Social Development	11	461,762	398,526	352,986
Social Housing	12	-	89,086	316,851
		6,537,256	28,883,908	31,805,582
Surplus before transfers		8,760,000	9,900,998	6,309,164
Transfer to trust		-	(9,109,232)	(2,948,459)
Annual surplus		8,760,000	791,766	3,360,705
Accumulated surplus, beginning of year, as previously stated		-	55,013,080	46,276,097
Correction of an error <i>(Note 17)</i>		-	(5,376,278)	-
Accumulated surplus, beginning of year, as restated		-	49,636,802	46,276,097
Accumulated surplus, end of year		-	50,428,568	49,636,802

McLeod Lake Indian Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2018

	2018 <i>Budget</i> (Note 18)	2018	2017 <i>Restated</i> (Note 17)
Annual surplus	8,760,000	791,766	3,360,705
Purchases of tangible capital assets	-	(1,724,508)	(2,855,810)
Adjustment on consolidation of Duz Cho Forest Products Limited	-	-	(12,389,802)
Partnership - tangible capital assets	-	1,721,535	1,723,420
Amortization of tangible capital assets	-	-	610
Proceeds of disposal of tangible capital assets	-	30,029	94,248
Loss on disposal of tangible capital assets	-	82,025	(202,002)
	-	109,081	(13,629,336)
Increase (decrease) in net financial assets	8,760,000	900,847	(10,268,631)
Net financial assets, beginning of year	26,438,349	26,438,349	36,706,980
Net financial assets, end of year	35,198,349	27,339,196	26,438,349

McLeod Lake Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

2018 **2017**
Restated
(Note 17)

Cash provided by (used for) the following activities

Operating activities

Annual surplus	791,766	3,360,705
Non-cash items		
Amortization	1,721,535	1,723,420
Loss on disposal of tangible capital assets	30,029	94,248
Bad debts	23,725	-
Income allocated to non-controlling interest	-	(574)
Change in restricted cash in prior year	-	(19,807)
Earnings (loss) from investment in Band business entities	1,046,015	(2,231,859)

Changes in working capital accounts	3,613,070	2,926,133
Accounts receivable	(1,037,529)	(2,283,186)
Accounts payable and accruals	3,347,835	569,179
Inventories	(1,148,192)	83,429
Deferred revenue	(4,311)	-
Use of prepaid expenses	82,025	76,331
	4,852,898	1,371,886

Financing activities

Advances of long-term debt	332,397	-
Repayment of long-term debt	(715,063)	(393,221)
Advances from related Band entities	-	528,730
	(382,666)	135,509

Capital activities

Purchases of tangible capital assets	(1,724,508)	(2,855,810)
Proceeds of disposal of tangible capital assets	-	610
	(1,724,508)	(2,855,200)

Investing activities

Increase in restricted cash	(74,877)	-
Distributions from Band business entities	500,000	-
Advances to related entities	4,650,524	2,919,303
	5,075,647	2,919,303

Increase in cash

Cash, beginning of year	4,482,546	2,911,048
Cash, end of year	12,303,917	4,482,546

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

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

2. Significant accounting policies

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

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 interfund balances have been eliminated.

The Band maintains the following funds:

- The Operating Fund, which reports on the general activities of the Band administration.
- The Ottawa Trust Fund, which reports on trust monies owned by the Band and held by third parties.
- The Canada Mortgage and Housing Corporations ("CMHC") Social Housing Fund, which reports the CMHC funded social housing operations of the Band.
- The Capital Fund reports on the tangible capital assets of the Band, less any related capital financing.
- 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.

Reporting entity

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Band reporting entity, except for Band business entities. Trusts administered on behalf of third parties by McLeod Lake Indian Band are excluded from the Band reporting entity.

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

- Operations Fund
- Social Housing Fund
- Tse'khene Community Development Corporation
- Tse'khene Food and Fuel Ltd.
- Duz Cho Forest Products Limited Partnership
- Duz Cho Forest Products Ltd.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

McLeod Lake Indian Band business enterprises, owned or controlled by the Band's Chief and Council but not dependant on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method. Band business partnerships, jointly owned and controlled by the Band's Chief and Council that are not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

- Duz Cho Logging Ltd. (100% owned)
- Duz Cho Logging Limited Partnership (99.90% owned)
- Duz Cho Construction Ltd. (100% owned)
- Duz Cho Construction Limited Partnership (99.90% owned)
- Duz Cho Group of Companies Ltd. (100% owned)
- Three Feathers Limited Partnership (33.3% owned)
- McLeod Lake Mackenzie Community Forest Limited Partnership (50% owned)

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

- Mackenzie Fibre Management Corporation

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.

Funds held in Trust

Funds held in trust on behalf of Band 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 Band tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Net financial assets

The Band's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

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 and prepaid expenses.

Cash

Cash includes 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.

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery or equipment. The benefits last beyond one year and result in the acquisition of an asset or are an extension of the life of an asset. Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

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

All intangible assets and items inherited by the right of the Band, such as reserve lands, forests, water resources and mineral resources, are not recognized in the Band's consolidated financial statements.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the rates.

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	20 years
Water systems and fire protection	straight-line	10 years
Automotive equipment	straight-line	5 years
Silviculture equipment	straight-line	5 years
Office equipment	straight-line	5 years
Computer equipment	straight-line	5 years
Paving	straight-line	10 years
Social housing	straight-line	20 years
Manufacturing equipment	straight-line	10 years
Small tools	straight-line	2 years
Mobile equipment	straight-line	5 years
Other equipment	straight-line	5 years

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Revenue recognition

i) Government Transfers

The Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Band Capital and Revenue Trust Funds

The Band recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

iii) Investment Income

Investment income is recognized by the Band when the investment income is earned.

iv) Forestry Revenue

Revenue earned on timber sale licenses 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 is reasonably assured.

v) Other Revenue

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

Interest income, rental income, and other revenue are recognized when earned and/or when the service is provided and collection is reasonably assured.

Measurement uncertainty

The preparation of consolidated 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 are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the Band is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Segments

The Band conducts its business through a number of reportable segments as described in Note 15. These operating segments are established by senior management to facilitate the achievement of the Band'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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Reforestation

The Band accounts for costs related to the reforestation of logged areas in the period such areas are logged. Costs represent the required contribution to the McLeod Lake Indian Band Silviculture Trust pursuant to the Band Forest Practices Code.

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 Band 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, 2018.

At each financial reporting date, the Band 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 Band 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. As at March 31, 2018, no liability for contaminated site exists.

Financial instruments

The Band's financial instruments consist of cash, accounts receivable, guaranteed investment certificates, restricted cash, accounts payable and accruals, long-term debt and advances from related Band entities.

The Band recognizes its financial instruments when the Band becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. They are subsequently recorded at cost less any impairment losses if other than temporary.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Management considers if there is a significant adverse change in the expected amount or timing of cash flows from the financial asset in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Change in accounting estimate

During the year, the Band changed its amortization method from declining balance to straight line. This change was applied prospectively and prior year results have not been restated.

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Change in accounting policies

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the Band adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the consolidated financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the Band adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

There was no material impact on the consolidated financial statements of adopting the new Sections.

4. Cash

	2018	2017
Operations Fund	9,808,261	3,743,432
Social Housing Fund	72,392	-
Duz Cho Forest Products Limited Partnership	863,766	229,917
Tse'khene Community Development Corporation	1,525,125	458,218
Tse'khene Food & Fuel Ltd.	34,373	50,979
	<hr/> 12,303,917	<hr/> 4,482,546

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Accounts receivable

	2018	2017
Operations Fund	3,358,963	1,993,636
Social Housing Fund	850,608	37,741
Duz Cho Forest Products Limited Partnership	1,439,647	1,523,438
Tse'khene Community Development Corporation	217,564	510,821
Tse'khene Food and Fuel Ltd.	34,743	54,751
	<hr/>	<hr/>
Less: Allowance for doubtful accounts	5,901,525	4,120,387
	<hr/>	<hr/>
	879,971	136,362
	<hr/>	<hr/>
	5,021,554	3,984,025
	<hr/>	<hr/>

Included in the operations fund is amounts receivable from Indigenous Services Canada of \$1,120,122 (2017 - \$112,113).

6. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$13,739 (2017 - \$18,736) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were adequately funded.

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded.

Restricted cash is comprised of the following:

	2018	2017
Replacement reserve	174,264	117,583
Operating reserve	112,927	94,731
	<hr/>	<hr/>
	287,191	212,314
	<hr/>	<hr/>

7. Inventory for resale

	2018	2017
Tse'khene Food and Fuel Ltd.	54,128	43,217
Duz Cho Forest Products Limited Partnership	1,346,857	209,576
	<hr/>	<hr/>
	1,400,985	252,793
	<hr/>	<hr/>

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Band business entities

	<i>Balance, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2018 Total investment</i>
Portfolio Investments:					
Mackenzie Fibre Management Corporation	400	-	-	-	400
Wholly-owned Businesses:					
Duz Cho Logging Ltd.	(799)	3,413,200	507	-	3,412,908
Duz Cho Construction Ltd.	(250)	-	(39,334)	-	(39,584)
Duz Cho Group of Companies Ltd.	(2,826)	150	(1,399)	-	(4,075)
Duz Cho Forest Products Ltd.	(9,998)	9,998	-	-	-
McLeod Lake Indian Band Exploration Corporation	1,587	(1,587)	-	-	-
	(12,286)	3,421,761	(40,226)	-	3,369,249
First Nation Business Partnerships - Modified Equity:					
Duz Cho Logging Limited Partnership (99.90%)	11,241,724	(3,413,200)	1,505,786	-	9,334,310
Duz Cho Construction Limited Partnership (99.90%)	19,019,369	(1,512)	(3,794,978)	-	15,222,879
McLeod Lake Mackenzie Community Forest Limited Partnership (50%)	2,039,021	-	1,258,595	(500,000)	2,797,616
Three Feathers Limited Partnership (33.3%)	70,076	-	24,808	-	94,884
McLeod Lake Indian Band Exploration Limited Partnership (99.90%)	707,150	(707,150)	-	-	-
	33,077,340	(4,121,862)	(1,005,789)	(500,000)	27,449,689
	33,065,454	(700,101)	(1,046,015)	(500,000)	30,819,338

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Band business entities *(Continued from previous page)*

	<i>Balance, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2017 Total investment</i>
Portfolio Investments:					
Mackenzie Fibre Management Corporation	400	-	-	-	400
Wholly-owned Businesses:					
Duz Cho Logging Ltd.	131	-	(930)	-	(799)
Duz Cho Construction Ltd.	722	-	(972)	-	(250)
Duz Cho Group of Companies Ltd.	(1,787)	-	(1,039)	-	(2,826)
Duz Cho Forest Products Ltd.	(7,445)	-	(2,553)	-	(9,998)
McLeod Lake Indian Band Exploration Corporation	1,588	-	(1)	-	1,587
	(6,791)	-	(5,495)	-	(12,286)
First Nation Business Partnerships – Modified Equity:					
Duz Cho Logging Limited Partnership (99.90%)	10,537,103	-	704,621	-	11,241,724
Duz Cho Construction Limited Partnership (99.90%)	18,705,894	-	313,475	-	19,019,369
McLeod Lake Mackenzie Community Forest Limited Partnership (50%)	1,286,920	-	1,252,101	(500,000)	2,039,021
Three Feathers Limited Partnership (33.3%)	109,071	-	(18,995)	(20,000)	70,076
McLeod Lake Indian Band Exploration Limited Partnership (99.90%)	720,998	-	(13,848)	-	707,150
	31,359,986	-	2,237,354	(520,000)	33,077,340
	31,353,595	-	2,231,859	(520,000)	33,065,454

Continued on next page

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Band business entities *(Continued from previous page)*

Summary financial information for each Band business entity, accounted for using the modified equity method, for their respective year-ends is provided below.

The Band's investees have a different year-end than March 31, 2018, as described below. The Band uses the investees' year-end financial statements to account for its investment in these investees. There have been no significant events or transactions in the interim period.

McLeod Lake Indian Band Exploration Limited Partnership was dissolved during the year therefore there is no financial information to present for this entity.

The following entities are unaudited: Three Feathers Limited Partnership, Duz Cho Group of Companies Ltd, Duz Cho Logging Ltd and Duz Cho Construction Ltd.

	<i>Duz Cho Logging Limited Partnership As at October 31, 2017</i>	<i>Duz Cho Construction Limited Partnership As at October 31, 2017</i>	<i>McLeod Lake Mackenzie Community Forest Limited Partnership As at December 31, 2017</i>	<i>Three Feathers Limited Partnership As at April 30, 2018</i>
Assets				
Cash	777,911	1,865,779	57,675	417,329
Accounts receivable	4,334,897	5,310,090	21,088	17,479
Inventory	434,408	125,000	-	-
Investments	556,569	109,977	6,264,110	-
Advances to related parties	2,849,473	2,659,123	20,083	-
Property, plant and equipment	8,941,188	10,637,224	73,862	-
Prepaid expenses	194,106	44,071	23,407	32,193
Intangible assets	867,015	-	-	-
Total assets	18,955,567	20,751,264	6,460,225	467,001
Liabilities				
Accounts payable and accruals	2,257,655	2,149,869	864,994	183,531
Short-term debt	2,262,537	1,741,434	-	-
Advances from related parties	1,322,674	93,964	-	-
Long-term debt	1,667,972	1,576,504	-	-
Deficiency in investment	-	-	-	-
Total liabilities	7,510,838	5,561,771	864,994	183,531
Partners' Capital	11,444,729	15,189,493	5,595,231	283,470
Total revenue (loss)	31,473,993	16,021,489	3,809,180	330,904
Total expenses	29,966,700	19,854,800	1,291,990	256,473
Comprehensive income (loss)	1,507,293	(3,833,311)	2,517,190	74,431

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Band business entities *(Continued from previous page)*

	<i>Duz Cho Group of Companies Ltd. As at October 31, 2017</i>	<i>Duz Cho Logging Ltd. As at October 31, 2017</i>	<i>Duz Cho Construction Ltd. As at October 31, 2017</i>
Assets			
Cash	-	-	-
Accounts receivable	1	-	-
Inventory	-	-	-
Investments	175	3,416,020	-
Advances to related parties	-	-	-
Property, plant and equipment	-	-	-
Prepaid expenses	-	-	-
Intangible assets	-	-	-
Total assets	176	3,416,020	-
Liabilities			
Accounts payable and accruals	1,000	1,000	1,000
Short-term debt	-	-	-
Advances from related parties	3,400	3,415,212	2,145
Long-term debt	-	-	-
Deficiency in investment	-	-	36,339
Total liabilities	4,400	3,416,212	39,484
Partners' Capital	(4,224)	(192)	(39,484)
Total revenue (loss)	(399)	1,507	(38,334)
Total expenses	1,000	1,000	1,000
Comprehensive income (loss)	(1,399)	507	(39,334)

9. Funds held in trust

Capital and revenue trust monies are transferred to the Band on the authorization of the Minister of Indigenous Services Canada, with the consent of the Band's Council.

	2018	2017
Capital Trust		
Balance, beginning and end of year	47,492	47,492
Revenue Trust		
Balance, beginning of year	499	474
Interest	45	25
Balance, end of year	544	499
	48,036	47,991

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Long-term debt

	2018	2017
Paper Excellence loan - repayable based upon a portion of future chip sales including interest at 3.85%, due January 2021, secured by a general security agreement covering all assets of Duz Cho Forest Products Limited Partnership.	2,192,586	2,572,219
Western Financial Insurance - repayable in monthly installments of \$18,400 including interest at 7.57%, due May 2018.	129,326	124,469
Royal Bank of Canada - lease repayable in equal monthly installments of \$4,464 including interest at 3.69%, due January 2019, secured by equipment with a net book value of \$88,628.	61,085	-
All Nations Trust Company - repayable in monthly installments of \$1,754 including interest at 1.30% per annum, maturing on June 1, 2027 and renewing on April 1, 2022, secured by buildings with a net book value of \$339,572 (2017 - \$357,444).	142,279	168,431
All Nations Trust Company - repayable in monthly installments of \$2,397 including interest at 1.67% per annum, maturing on May 1, 2023 and renewing on June 1, 2018, secured by buildings with a net book value of \$195,146 (2017 - \$205,416).	180,282	198,780
All Nations Trust Company - repayable in monthly installments of \$2,047 including interest at 1.67% per annum, maturing on April 1, 2018, secured by buildings with a net book value of \$28,422 (2017 - \$29,917).	2,047	26,370
	2,707,605	3,090,269

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:

2019	546,124
2020	384,564
2021	389,295
2022	403,432
2023	506,603
Thereafter	2,230,018
	477,587
Total	2,707,605

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. Advances from (to) related Band entities

Advances from (to) related Band entities are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by the Band.

	2018	2017
McLeod Lake Indian Band Treaty 8 Trust	8,207,675	3,968,959
McLeod Lake Indian Band Provincial Lands Trust	(151,604)	(151,604)
McLeod Lake Indian Band Mineral and Mining Trust	214,254	158,676
McLeod Lake Indian Band Silviculture Trust	737,259	620,352
Duz Cho Construction Limited Partnership	2,617,202	2,619,714
Duz Cho Logging Limited Partnership	2,883,465	2,757,039
McLeod Lake Indian Band Exploration Limited Partnership	-	561,389
	14,508,251	10,534,525

The Band has entered into an agreement with the McLeod Lake Indian Band Silviculture Trust to perform reforestation activities on behalf of the Band. 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. Amounts owing to the Trust at year-end are \$737,259 (2017 - \$620,352).

12. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
		Restated (Note 17)
Equity in Ottawa Trust funds	48,036	47,991
Equity in tangible capital assets	20,194,424	19,838,816
Investment in Band business entities (enterprise fund)	30,819,338	33,065,454
Replacement and operating reserves (social housing fund)	241,646	215,631
Deficit in operating fund	(874,876)	(3,531,090)
	50,428,568	49,636,802

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. Trusts under administration

Treaty 8 Trust

The 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. Under the terms of the agreement, net logging profits earned by the Band must be reverted to the Trust. The total fund balance at December 31, 2017 is \$51,665,865 (2016 - \$46,765,750).

Land and Minerals Trust

The Band is the beneficiary of the McLeod Lake Indian Band Lands and Minerals Trust which was established in May 2011. The purpose of the Trust is to receive royalty and contract payments for the use of mineral and timber resources by third parties on the Band's traditional territories. The Trust property is to be used for the benefit of the Band and the persons who are members of the Band during the term of the Trust. The total fund balance at December 31, 2017 is \$6,929,918 (2016 - \$5,172,938).

Provincials Revenue Trust

The Band is the beneficiary of the McLeod Lake Indian Band Provincial Revenues Trust which was established in May 2011. The purpose of the Trust is to receive revenues from the Province of British Columbia associated with mineral taxes by the Province from the Mount Milligan mine contract with MLIB. The Trust property is to be used for the benefit of the Band and the persons who are members of the Band during the term of the Trust. The total fund balance at December 31, 2017 is \$2,448,063 (2016 - \$1,215,499).

Education Trust

The Band is the beneficiary of the McLeod Lake Indian Band (2017) Education Trust which was established in April 2017. The purpose of the Trust is to administer these funds for the long-term benefit of the membership of the Band. The total fund balance at December 31, 2017 is \$5,955,099 (2016 - \$nil).

14. Contingent liabilities

As at March 31, 2018 there existed outstanding claims against the Band. These claims have been referred to legal counsel. It is not possible to determine the Band's potential liability, if any, with respect to these matters.

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Segments

During the year, the Band had 10 reportable segments. These segments are differentiated by factors such as major activities, services lines, accountability, and control relationships. For management and reporting purposes, the revenues, expenses, surpluses or deficits are organized by the following segments:

Administration:

This segment reflects funding and expenditures related to Band governance activities.

Business Enterprises:

This segment includes activities related to the growth of revenue producing projects with the Band.

Capital Projects:

This segment includes services relating to housing renovations and repairs.

Community Health:

This segment includes activities related to the provision of health services within the Band.

Education:

This segment includes revenues and expenditures relating to the elementary, secondary and post-secondary education of the members of the Band.

Infrastructure:

This segment relates to the operation and maintenance of the Band's community buildings and water facilities.

Membership:

This segment includes the revenues and expenses relating to youth, elders, employment training and distributions.

Natural Resource:

This segment relates to forestry, land management and consultation programs and services.

Social Development:

This segment includes the revenues and expenses relating to the social assistance of the members of the Band.

Social Housing:

This segment includes the revenues and expenses relating to the social housing of the members of the Band.

16. Pension plan

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

17. Correction of an error

During the year, the Band determined that the trusts under administration are not controlled by the Band and therefore should not be included as part of the reporting entity. The impact of this correction has resulted in the following impact on the March 31, 2017 financial statements:

- Investment in Treaty 8 Trust decreased by \$3,033,957
- Investment in Land and Minerals Trust decreased by \$1,729,578
- Investment in Provincial Revenues Trust decreased by \$612,743
- Annual surplus decreased by \$3,321,178
- Accumulated surplus decreased by \$5,376,278

McLeod Lake Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

18. Budget information

Budgets were not prepared for all segments and all departments in 2018. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

The disclosed budget information has been approved by the Chief and Council of the McLeod Lake Indian Band. The original budget was approved at the Chief and Council meeting held on March 19, 2017.

19. Comparative figures

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

McLeod Lake Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Buildings</i>	<i>Water Systems & Fire Protection</i>	<i>Automotive Equipment</i>	<i>Silviculture Equipment</i>	<i>Office Equipment</i>	<i>Computer Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	12,891,577	1,610,695	1,737,321	89,994	204,491	92,096	16,626,174
Acquisition of tangible capital assets	506,825	91,788	272,317	-	9,701	44,603	925,234
Disposal of tangible capital assets	(1,048)	-	(919,913)	(89,994)	(26,502)	(61,679)	(1,099,136)
Balance, end of year	13,397,354	1,702,483	1,089,725	-	187,690	75,020	16,452,272
Accumulated amortization							
Balance, beginning of year	2,221,994	222,028	1,387,022	86,987	122,762	66,377	4,107,170
Annual amortization	584,849	138,867	59,795	-	15,922	20,678	820,111
Accumulated amortization on disposals	(493)	(168)	(910,296)	(86,987)	(16,741)	(55,467)	(1,070,152)
Balance, end of year	2,806,350	360,727	536,521	-	121,943	31,588	3,857,129
Net book value of tangible capital assets	10,591,004	1,341,756	553,204	-	65,747	43,432	12,595,143
Net book value of tangible capital assets - 2017	10,669,583	1,388,667	350,299	3,007	81,729	25,719	12,519,004

McLeod Lake Indian Band

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Paving</i>	<i>Land</i>	<i>Social Housing</i>	<i>Manufacturing Equipment</i>	<i>Small Tools</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	16,626,174	1,014,543	1,636,951	3,213,274	9,601,190	62,704	32,154,836
Acquisition of tangible capital assets	925,234	-	-	-	265,489	-	1,190,723
Disposal of tangible capital assets	(1,099,136)	(29,937)	-	-	-	-	(1,129,073)
Balance, end of year	16,452,272	984,606	1,636,951	3,213,274	9,866,679	62,704	32,216,486
Accumulated amortization							
Balance, beginning of year	4,107,170	884,036	-	2,581,099	1,677,980	62,079	9,312,364
Annual amortization	820,111	12,946	-	23,577	791,357	625	1,648,616
Accumulated amortization on disposals	(1,070,152)	(28,892)	-	-	-	-	(1,099,044)
Balance, end of year	3,857,129	868,090	-	2,604,676	2,469,337	62,704	9,861,936
Net book value of tangible capital assets	12,595,143	116,516	1,636,951	603,598	7,397,342	-	22,354,550
Net book value of tangible capital assets - 2017	12,519,004	130,507	1,636,951	632,175	7,923,210	625	22,842,472

McLeod Lake Indian Band

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Mobile Equipment</i>	<i>Other Equipment</i>	<i>2018</i>	<i>2017</i>
Cost					
Balance, beginning of year	32,154,836	135,628	5,181	32,295,645	30,416,744
Acquisition of tangible capital assets	1,190,723	523,785	10,000	1,724,508	2,925,146
Disposal of tangible capital assets	(1,129,073)	-	-	(1,129,073)	(1,046,245)
Balance, end of year	32,216,486	659,413	15,181	32,891,080	32,295,645
Accumulated amortization					
Balance, beginning of year	9,312,364	52,035	2,161	9,366,560	8,525,191
Annual amortization	1,648,616	71,883	1,036	1,721,535	1,723,420
Accumulated amortization on disposals	(1,099,044)	-	-	(1,099,044)	(882,051)
Balance, end of year	9,861,936	123,918	3,197	9,989,051	9,366,560
Net book value of tangible capital assets	22,354,550	535,495	11,984	22,902,029	22,929,085
Net book value of tangible capital assets - 2017	22,842,472	83,593	3,020	22,929,085	

McLeod Lake Indian Band
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 18)</i>	2018	2017
Consolidated expenses by object			
Accommodation	33,000	91,221	56,059
Administration	1,000	10,807	11,176
Advertising	34,400	15,763	43,817
Amortization	-	1,721,535	1,723,420
Bad debts	-	23,725	59,189
Bank charges and interest	-	16,040	48,397
Brighter futures	38,526	57,627	38,763
Capital expenditures	125,716	-	-
Conferences & gathering	145,700	153,145	193,742
Consulting	124,700	170,119	459,133
Contracted services	661,500	805,619	443,227
Distributions to members	-	4,141,112	10,918,691
Dues and subscriptions	9,650	5,797	13,951
Education	477,146	353,708	329,468
Emergency funding	15,000	6,907	13,785
Funeral	48,000	16,909	12,113
Honourarium	520,000	594,240	506,446
Insurance & taxes	62,000	505,465	181,620
Interest on long-term debt	17,100	168,649	149,471
Living allowances	216,800	146,400	140,094
Logging and silviculture	-	1,927,742	567,450
Materials and supplies	101,600	461,779	129,889
Meals	48,100	78,527	58,815
Meeting expenses	93,700	49,456	139,700
Miscellaneous (recovery)	-	(10,784)	18,633
Office supplies	34,200	124,862	144,098
Professional fees	209,300	922,648	716,821
Purchases of goods for resale	-	9,039,191	9,176,972
Rent	86,480	109,997	92,364
Repairs and maintenance	69,700	1,221,132	122,679
Salaries and wages	2,526,996	4,594,774	4,306,863
Social assistance	355,000	357,581	204,378
Social housing rental subsidy	-	-	154,769
Technical support	32,550	64,151	24,812
Telephone	121,500	143,735	147,449
Training	39,400	43,875	37,066
Travel	147,792	214,121	207,275
Trust expense	-	625	26,630
Utilities	-	301,233	53,422
Vehicle	103,400	212,743	113,417
Workshops	37,300	21,732	19,518
	6,537,256	28,883,908	31,805,582

McLeod Lake Indian Band
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Other revenue	900,000	3,485,220	53,317
Stumpage revenue	-	492,169	295,984
Oil and Gas Commission	400,000	325,833	340,130
Indigenous Services Canada	297,555	315,001	291,541
Province of British Columbia	-	150	150,000
Contract revenue	-	12,952	-
	1,597,555	4,631,325	1,130,972
Expenses			
Accommodation	14,500	36,318	15,562
Administration	-	-	38
Advertising	26,000	5,050	6,086
Bad debts	-	23,725	24,680
Bank charges and interest	-	8,292	177
Conferences & gathering	-	18,871	5,379
Consulting	18,000	17,921	16,234
Contracted services	32,000	186,627	44,510
Dues and subscriptions	8,500	4,008	12,824
Education	2,000	-	-
Emergency funding	-	-	1,900
Funeral	-	1,000	-
Honourarium	486,000	519,323	469,130
Insurance & taxes	21,500	95,741	22,296
Interest on long-term debt	15,700	10,198	16,744
Materials and supplies	12,000	11,270	11,467
Meals	18,200	41,915	22,787
Meeting expenses	81,000	28,196	95,490
Miscellaneous (recovery)	-	(18,601)	(8,437)
Office supplies	13,500	31,834	23,426
Professional fees	115,000	551,567	547,573
Rent	6,750	16,435	15,195
Repairs and maintenance	9,000	4,906	10,259
Salaries and wages	592,005	477,258	506,422
Social housing rental subsidy	-	-	154,769
Technical support	28,200	50,884	15,192
Telephone	32,000	44,792	47,897
Training	5,000	202	1,216
Travel	34,000	86,657	67,515
Trust expense	-	625	26,630
Vehicle	29,400	16,575	31,675
Workshops	17,300	2,527	990
	1,617,555	2,274,116	2,205,626
Annual surplus (deficit)	(20,000)	2,357,209	(1,074,654)

McLeod Lake Indian Band
Business Enterprises
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Forest products	-	13,406,243	10,244,833
Indigenous Services Canada	34,209	1,143,687	33,518
Other revenue	-	650,800	3,999,926
Royalty income	-	1,762,778	1,750,140
Sale of goods and services	-	779,876	649,174
Earnings (loss) from investment in Band business entities	-	(1,046,015)	2,231,859
Housing programs	-	-	1,414
	34,209	16,697,369	18,910,864
Expenses			
Accommodation	1,000	199	150
Administration	-	-	11,138
Advertising	-	6,181	36,582
Amortization	-	1,258,294	1,136,918
Bank charges and interest	-	7,401	47,944
Consulting	70,000	3,849	198,592
Contracted services	135,000	176,148	9,339
Distributions to members	-	-	5,000
Dues and subscriptions	-	107	514
Honourarium	-	11,182	-
Insurance & taxes	5,000	333,038	88,887
Interest on long-term debt	-	150,882	123,572
Logging and silviculture	-	1,435,573	567,450
Materials and supplies	3,000	350,969	6,239
Meals	500	735	794
Meeting expenses	-	240	75
Miscellaneous	-	7,817	8,339
Office supplies	500	56,288	74,849
Professional fees	4,000	341,175	114,574
Purchases of goods for resale	-	9,039,191	8,406,129
Rent	5,300	1,279	655
Repairs and maintenance	6,000	1,181,947	40,959
Salaries and wages	171,509	2,325,230	2,024,646
Technical support	400	7,857	649
Telephone	3,500	4,716	4,050
Training	1,000	12,795	10,564
Travel	-	21,206	20,042
Utilities	-	300,068	51,775
Vehicle	7,500	116,211	14,926
Workshops	-	4,428	306
	414,209	17,155,006	13,005,657
Surplus (deficit) before transfers	(380,000)	(457,637)	5,905,207
Transfer to trust	-	(9,109,232)	(2,948,459)
Annual surplus (deficit)	(380,000)	(9,566,869)	2,956,748

McLeod Lake Indian Band
Capital Projects
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Province of British Columbia	-	315,416	-
Indigenous Services Canada	83,811	83,811	82,117
Other revenue	-	16,292	-
Contract revenue	-	689,676	5,000
	83,811	1,105,195	87,117
Expenses			
Accommodation	1,000	24,894	637
Advertising	-	482	-
Consulting	-	140,228	-
Contracted services	20,000	203,416	16,447
Education	-	2,840	-
Honourarium	-	32,599	3,472
Insurance & taxes	600	491	618
Materials and supplies	10,000	16,038	8,606
Meals	1,000	7,443	290
Meeting expenses	1,200	12,448	868
Office supplies	-	7,374	977
Professional fees	-	6,893	15
Rent	1,200	1,248	1,429
Repairs and maintenance	6,000	2,288	110
Salaries and wages	135,511	125,351	74,158
Social assistance	150,000	105,440	4,711
Technical support	200	43	175
Telephone	2,600	4,052	4,351
Training	-	10,249	-
Travel	1,500	33,263	1,035
Vehicle	3,000	11,566	4,703
Workshops	-	263	75
	333,811	748,909	122,677
Annual surplus (deficit)	(250,000)	356,286	(35,560)

McLeod Lake Indian Band
Community Health
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
First Nation Health Authority	430,139	471,306	467,022
Other revenue	-	200	50,000
Contract revenue	-	132,500	6,179
	430,139	604,006	523,201
Expenses			
Accommodation	1,000	1,792	160
Advertising	3,000	1,866	125
Brighter futures	38,526	57,627	38,763
Conferences & gathering	1,200	534	-
Consulting	1,200	2,300	3,390
Contracted services	65,000	75,769	67,267
Dues and subscriptions	100	-	-
Education	-	549	2,569
Emergency funding	15,000	6,188	11,885
Insurance & taxes	2,500	1,104	618
Interest on long-term debt	-	656	-
Materials and supplies	2,000	3,044	4,053
Meals	5,000	2,070	1,734
Meeting expenses	-	213	-
Office supplies	1,000	1,508	1,074
Professional fees	-	-	2,500
Rent	600	19,147	1,427
Repairs and maintenance	4,000	7,719	15,217
Salaries and wages	202,341	181,199	203,459
Technical support	300	691	413
Telephone	5,000	4,001	4,638
Training	1,500	5,795	1,688
Travel	65,872	41,766	66,432
Vehicle	9,000	19,809	8,091
Workshops	6,000	10,067	5,049
	430,139	445,414	440,552
Annual surplus	-	158,592	82,649

McLeod Lake Indian Band
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Indigenous Services Canada	474,446	500,651	464,858
Oil and Gas Commission	100,000	81,458	79,100
Other revenue	40,000	43,697	2,528
Contract revenue	-	5,153	6,819
	614,446	630,959	553,305
Expenses			
Accommodation	500	-	-
Advertising	1,000	-	-
Conferences & gathering	-	-	400
Contracted services	800	499	373
Dues and subscriptions	-	172	135
Education	402,146	347,251	313,797
Insurance & taxes	600	491	618
Interest on long-term debt	400	210	613
Living allowances	212,800	142,800	138,444
Materials and supplies	200	2,390	2,163
Meals	200	543	1,366
Meeting expenses	-	54	50
Office supplies	1,500	658	227
Rent	-	774	212
Salaries and wages	63,500	64,361	57,650
Technical support	200	25	50
Telephone	1,500	1,582	1,602
Training	1,500	74	1,011
Travel	1,800	1,370	374
Vehicle	800	1,776	2,105
Workshops	-	313	1,013
	689,446	565,343	522,203
Annual surplus (deficit)	(75,000)	65,616	31,102

McLeod Lake Indian Band
Infrastructure
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Indigenous Services Canada	201,538	2,066,018	391,236
Other revenue	-	6,232	4,375
Contract revenue	-	-	6,726
	201,538	2,072,250	402,337
Expenses			
Accommodation	-	1,301	1,812
Advertising	500	-	-
Amortization	-	439,664	475,449
Bank charges and interest	-	167	12
Capital expenditures	125,716	-	-
Consulting	-	-	2,984
Contracted services	100,000	37,279	61,062
Dues and subscriptions	-	110	-
Education	-	676	-
Honourarium	-	378	-
Insurance & taxes	10,500	11,817	11,186
Interest on long-term debt	300	190	50
Materials and supplies	28,000	33,302	33,773
Meals	200	229	940
Office supplies	700	244	3,362
Professional fees	1,300	70	100
Rent	500	1,248	1,429
Repairs and maintenance	17,000	628	5,745
Salaries and wages	211,722	229,351	317,628
Technical support	200	170	200
Telephone	35,000	44,254	34,845
Training	1,400	1,864	4,260
Travel	-	680	1,277
Vehicle	18,500	11,378	8,332
Workshops	-	690	-
	551,538	815,690	964,446
Annual surplus (deficit)	(350,000)	1,256,560	(562,109)

McLeod Lake Indian Band
Membership
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Oil and Gas Commission	160,000	130,333	134,470
Other revenue	265,000	120,980	9,193,092
Indigenous Services Canada	4,260	4,260	4,174
Contract revenue	125,000	31,825	89,110
	554,260	287,398	9,420,846
Expenses			
Accommodation	2,000	9,636	5,238
Administration	1,000	74	-
Advertising	-	-	795
Conferences & gathering	140,000	133,740	171,120
Contracted services	29,700	8,694	3,584
Distributions to members	-	4,141,112	10,913,691
Dues and subscriptions	250	227	-
Education	23,000	2,393	11,291
Emergency funding	-	719	-
Funeral	48,000	15,909	12,113
Honourarium	-	10,370	1,132
Insurance & taxes	1,800	1,658	3,568
Living allowances	4,000	3,600	1,650
Materials and supplies	15,000	16,892	19,231
Meals	10,500	13,132	8,911
Meeting expenses	7,000	3,876	2,220
Office supplies	3,800	1,730	1,675
Professional fees	10,000	-	3,180
Rent	8,730	1,757	2,613
Repairs and maintenance	-	896	1,751
Salaries and wages	206,030	156,564	168,756
Social assistance	180,000	210,274	165,000
Technical support	250	1,058	308
Telephone	8,300	4,292	12,205
Training	21,500	7,929	16,361
Travel	6,200	4,442	2,549
Vehicle	3,200	4,076	3,121
Workshops	4,000	2,770	7,560
	734,260	4,757,820	11,539,623
Annual deficit	(180,000)	(4,470,422)	(2,118,777)

McLeod Lake Indian Band
Natural Resources
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Sale of logs from settlement lands	10,000,000	10,572,484	4,228,337
Indigenous Services Canada	204,536	351,464	204,536
Oil and Gas Commission	300,000	244,375	237,300
Province of British Columbia	-	66,731	112,974
Other revenue	-	44,956	1,535
Contract revenue	500,000	495,843	1,116,087
	11,004,536	11,775,853	5,900,769
Expenses			
Accommodation	12,500	15,835	31,755
Advertising	2,900	2,184	229
Bank charges and interest	-	9	8
Conferences & gathering	4,000	-	86
Consulting	35,500	1,410	178,090
Contracted services	222,000	105,384	238,748
Dues and subscriptions	800	1,144	478
Honourarium	34,000	20,389	32,712
Insurance & taxes	15,900	24,911	16,139
Interest on long-term debt	200	182	964
Logging and silviculture	-	492,169	-
Materials and supplies	16,400	15,436	25,166
Meals	10,500	10,174	20,316
Meeting expenses	4,500	4,429	40,998
Office supplies	11,000	22,563	33,403
Professional fees	79,000	15,943	35,380
Purchases of goods for resale (allocation to logging)	-	-	770,843
Rent	62,500	66,068	68,504
Repairs and maintenance	27,000	19,112	24,389
Salaries and wages	688,116	748,652	698,016
Technical support	2,000	2,751	7,264
Telephone	12,600	20,952	20,446
Training	7,500	1,309	1,706
Travel	25,620	13,323	47,378
Vehicle	30,000	29,219	38,003
Workshops	-	450	3,940
	1,304,536	1,633,998	2,334,961
Annual surplus	9,700,000	10,141,855	3,565,808

McLeod Lake Indian Band
Social Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Indigenous Services Canada	660,394	658,208	649,722
Other revenue	96,368	114,278	89,836
Province of British Columbia	20,000	19,824	21,543
Contract revenue	-	5,020	11,847
	776,762	797,330	772,948
Expenses			
Accommodation	500	1,245	744
Administration	-	45	-
Advertising	1,000	-	-
Bank charges and interest	-	39	38
Conferences & gathering	500	-	16,757
Consulting	-	4,412	-
Contracted services	57,000	8,018	1,897
Dues and subscriptions	-	30	-
Education	50,000	-	1,810
Insurance & taxes	3,600	4,887	3,707
Interest on long-term debt	500	426	294
Materials and supplies	15,000	9,627	17,650
Meals	2,000	2,286	1,675
Office supplies	2,200	2,654	5,108
Rent	900	2,043	898
Repairs and maintenance	700	940	343
Salaries and wages	256,262	286,809	245,444
Social assistance	25,000	41,868	34,666
Technical support	800	673	561
Telephone	21,000	15,093	17,415
Training	-	3,659	261
Travel	12,800	11,414	674
Vehicle	2,000	2,133	2,461
Workshops	10,000	225	583
	461,762	398,526	352,986
Annual surplus	315,000	398,804	419,962

McLeod Lake Indian Band
Social Housing
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 18)</i>	2018	2017
Revenue			
Other revenue	-	75,026	-
Housing programs	-	108,193	404,114
	-	183,219	404,114
Expenses			
Administration	-	10,688	-
Amortization	-	23,577	111,053
Bad debts	-	-	34,509
Bank charges and interest	-	132	218
Consulting	-	-	59,843
Contracted services	-	3,784	-
Insurance & taxes	-	31,328	33,984
Interest on long-term debt	-	5,905	7,234
Materials and supplies	-	2,811	1,542
Miscellaneous	-	-	18,731
Professional fees	-	7,000	13,500
Repairs and maintenance	-	2,696	23,907
Salaries and wages	-	-	10,683
Utilities	-	1,165	1,647
	-	89,086	316,851
Annual surplus	-	94,133	87,263