

**McLeod Lake Indian Band**  
**Consolidated Financial Statements**  
*March 31, 2021*

# McLeod Lake Indian Band

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For the year ended March 31, 2021

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## McLeod Lake Indian Band

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### Management's Responsibility

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To the Members of McLeod Lake Indian Band:

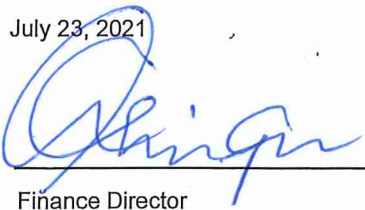
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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.

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. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditor. Chief and Council are also responsible for recommending the appointment of the Band's external auditor.

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

July 23, 2021

  
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Finance Director

# Independent Auditor's Report

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To the Members of McLeod Lake Indian Band:

## Opinion

We have audited the consolidated financial statements of McLeod Lake Indian Band (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

Prince George, British Columbia

July 23, 2021

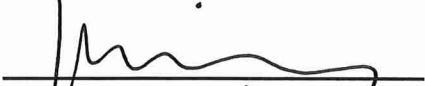
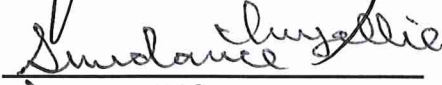
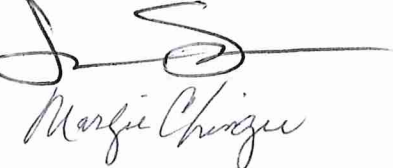
*MNP* LLP

Chartered Professional Accountants

**McLeod Lake Indian Band**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2021*




	2021	2020
<b>Financial assets</b>		
Cash (Note 4)	23,877,897	22,142,279
Accounts receivable and accruals (Note 5)	5,514,743	1,802,265
Guaranteed investment certificate	12,142	12,142
Restricted cash (Note 6)	288,197	312,796
Advances to related Band entity (Note 7)	-	63,480
Inventory for resale (Note 8)	85,795	204,165
Investment in Band business entities (Note 9)	36,371,143	36,312,316
Funds held in trust (Note 10)	48,047	47,492
<b>Total financial assets</b>	<b>66,197,964</b>	<b>60,896,935</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 11)	1,739,698	1,636,468
Deferred revenue (Note 12)	1,124,357	4,803
Debt (Note 13)	6,495,227	6,879,974
Advances from related Band entities (Note 14)	3,087,775	23,073,145
Capital lease obligation	-	232,802
<b>Total liabilities</b>	<b>12,447,057</b>	<b>31,827,192</b>
<b>Net financial assets</b>	<b>53,750,907</b>	<b>29,069,743</b>
<b>Contingent liabilities (Note 15)</b>		
<b>Significant event (Note 16)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	21,680,746	20,659,101
Prepaid expenses	141,067	19,383
Purchased intangibles (Note 17)	1,091,954	-
<b>Total non-financial assets</b>	<b>22,913,767</b>	<b>20,678,484</b>
<b>Accumulated surplus (Note 18)</b>	<b>76,664,674</b>	<b>49,748,227</b>

Approved on behalf of Chief and Council:

  
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 Chief  
  
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 Councilor  
  
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Chief

Councilor

  
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# McLeod Lake Indian Band

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2021*

	<i>Schedules</i>	<i>2021 Budget (Note 24)</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>				
Debt forgiveness		-	11,972,365	-
Sale of logs from settlement lands		-	10,018,913	16,644,789
Trust revenue		-	9,774,440	2,883,000
Other revenue		79,000	5,300,060	124,652
Province of British Columbia		25,000	3,898,369	1,252,107
Contract revenue		1,516,500	3,454,026	2,783,392
Indigenous Services Canada (Note 19)		2,175,468	3,307,620	2,360,765
First Nations Health Authority		645,915	1,169,319	788,365
Sale of goods and services		-	1,043,777	1,213,727
Earnings from investment in Band business entities (Note 9)		-	758,814	3,416,543
Oil and Gas Commission		500,000	621,750	503,000
Rental revenue		-	275,616	278,894
Canada Mortgage and Housing Corporation		-	206,869	31,595
Prince George Nechako Aboriginal Employment & Training Association		176,000	203,162	203,885
Forest products		-	190,750	3,949,965
Ministry of Children and Family Development		85,000	187,067	158,816
Housing rental revenue		-	142,858	136,456
Interest income		-	131,694	696,053
Donations		100,000	118,899	128,810
Expense reimbursement		-	113,290	28,336
Gain on sale of tangible capital assets		-	81,526	13,989
First Nations Education Steering Committee		-	69,522	3,530
Royalty income		-	20,058	72,352
Daycare revenue		10,000	1,650	12,133
		<b>5,312,883</b>	<b>53,062,414</b>	<b>37,685,154</b>
<b>Expenses</b>				
Administration	3	3,219,661	2,775,375	2,846,712
Business Enterprises	4	136,061	4,214,140	16,167,195
Capital Projects	5	363,347	297,506	251,420
Community Health	6	745,915	1,640,479	634,493
Education	7	1,294,126	1,176,817	1,353,885
Infrastructure	8	701,937	1,163,571	1,260,527
Membership	9	2,884,490	5,246,196	6,143,465
Natural Resources	10	5,508,406	7,086,829	4,912,516
Social Development	11	858,940	729,744	733,360
Social Housing	12	-	6,500	(72,592)
		<b>15,712,883</b>	<b>24,337,157</b>	<b>34,230,981</b>
<b>Surplus (deficit) before transfer</b>		<b>(10,400,000)</b>	<b>28,725,257</b>	<b>3,454,173</b>
<b>Transfer to trust (Note 14)</b>		<b>-</b>	<b>(1,808,810)</b>	<b>(11,765,708)</b>
<b>Annual surplus (deficit)</b>		<b>(10,400,000)</b>	<b>26,916,447</b>	<b>(8,311,535)</b>
<b>Accumulated surplus, beginning of year</b>		<b>49,748,227</b>	<b>49,748,227</b>	<b>58,059,762</b>
<b>Accumulated surplus, end of year</b>		<b>39,348,227</b>	<b>76,664,674</b>	<b>49,748,227</b>

The accompanying notes are an integral part of these financial statements

**McLeod Lake Indian Band**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Annual surplus (deficit)</b>	<b>(10,400,000)</b>	<b>26,916,447</b>	<b>(8,311,535)</b>
Purchases of tangible capital assets	-	<b>(2,268,087)</b>	(2,625,754)
Purchases of leased assets	-	-	(334,902)
Purchase of intangible assets	-	<b>(1,250,000)</b>	-
Amortization on tangible capital assets of tangible capital assets	-	<b>1,115,345</b>	1,606,939
Amortization on purchased intangibles	-	<b>158,046</b>	-
Proceeds of disposal of tangible capital assets	-	<b>212,623</b>	227,326
Use (accumulation) of prepaid expenses	-	<b>(121,684)</b>	433
Loss (gain) on disposal of tangible capital assets	-	<b>(81,526)</b>	(13,989)
Impairment	-	-	7,577,089
	-	<b>(2,235,283)</b>	6,437,142
<b>Increase (decrease) in net financial assets</b>	<b>(10,400,000)</b>	<b>24,681,164</b>	<b>(1,874,393)</b>
<b>Net financial assets, beginning of year</b>	<b>29,069,743</b>	<b>29,069,743</b>	30,944,136
<b>Net financial assets, end of year</b>	<b>18,669,743</b>	<b>53,750,907</b>	29,069,743

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



**McLeod Lake Indian Band**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	26,916,447	(8,311,535)
Non-cash items		
Amortization on tangible capital assets	1,115,345	1,606,939
Amortization on purchased intangibles	158,046	-
Loss (gain) on disposal of tangible capital assets	(81,526)	(13,989)
Bad debt recovery	(114,167)	(156,374)
Forgiveness of debt between Band-owned entities (Note 9)	11,972,351	-
Earnings from investment in Band business entities (Note 9)	(12,731,178)	(3,416,543)
Ottawa trust funds	(555)	-
Impairment	-	7,577,089
	27,234,763	(2,714,413)
Changes in working capital accounts		
Accounts receivable and accruals	(3,712,478)	7,875,780
Restricted cash	24,599	3,744
Accounts payable and accruals	103,230	(1,771,553)
Inventory for resale	118,370	1,186,834
Deferred revenue	1,119,554	(485,902)
Prepaid expenses	(121,684)	433
Short-term investment	-	(110)
	24,766,354	4,094,813
<b>Financing activities</b>		
Repayment of debt	(384,747)	(366,804)
Payment of capital lease	(232,802)	(102,100)
Net advances from related entities	(19,807,723)	(54,922,250)
	(20,425,272)	(55,391,154)
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,268,087)	(2,625,754)
Proceeds of disposal of tangible capital assets	212,623	227,326
Purchase of intangible assets	(1,250,000)	-
	(3,305,464)	(2,398,428)
<b>Investing activities</b>		
Distributions from Band business entities	700,000	375,000
<b>Increase (decrease) in cash</b>	1,735,618	(53,319,769)
<b>Cash, beginning of year</b>	22,142,279	75,462,048
<b>Cash, end of year</b>	23,877,897	22,142,279

The accompanying notes are an integral part of these financial statements

# McLeod Lake Indian Band

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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### 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 consolidated 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 entities***

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:

- 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 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 that are not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method.

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

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:

- Duz Cho Logging Ltd. (100% owned)
- Duz Cho Logging Limited Partnership (99.99% owned)
- Duz Cho Construction Ltd. (100% owned)
- Duz Cho Construction Limited Partnership (99.99% owned)
- Duz Cho Group of Companies Ltd. (100% owned)
- Duz Cho Group of Companies Limited Partnership (100% owned)
- Three Feathers Limited Partnership (33.3% owned)
- Three Feathers General Partnership Ltd. (33.33% owned)
- McLeod Lake Mackenzie Community Forest Limited Partnership (50% owned)
- McLeod Lake Mackenzie Community Forest Corporation (50% owned)

Entity which is not controlled or jointly controlled is accounted for at cost. This includes:

- Mackenzie Fibre Management Corporation

Entity which is a corporation acting as a bare trust is accounted for at cost. This includes:

- Tse'khene Timber Ltd.

***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 consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other Band tangible capital assets; and
- Revenue trust monies 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 consolidated 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 and comprise a second indicator of consolidated 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, prepaid expenses and purchased intangibles.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

**Cash**

Cash includes balances with banks with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**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.

**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.

	<b>Method</b>	<b>Rate</b>
Buildings (includes Social Housing) and Paving	straight-line	10 - 20 years
Water Systems & Fire Protection	straight-line	10 years
Automotive and Mobile Equipment	straight-line	5 years
Office and Computer Equipment	straight-line	5 years
Manufacturing Equipment and Small Tools	straight-line	2 - 10 years

**Purchased intangible assets**

Purchased intangible assets are initially recorded at cost based on historical cost accounting records and are amortized over their expected useful life.

Purchased intangibles includes non-renewable timber rights. These timber rights have a finite life and are amortized over the useful life of the licence.

**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.

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

*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 (use of estimates)**

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. 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.

**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, 2021.

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, 2021, no liability for contaminated site exists.

**Financial instruments**

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

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

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 consolidated 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.

**3. Change in accounting policy**

***Purchased intangible assets***

Effective April 1, 2020, the Band early adopted the recommendations relating to purchased intangible assets, as set out in the Canadian public sector accounting standards. The change was not applied retroactively.

Previously, PS 1201 prohibited recognition of purchased intangible assets. Under the new recommendations, purchased intangible assets are now prohibited and may be recognized, as described in note 2.

**4. Cash**

	<b>2021</b>	<b>2020</b>
Operations Fund	<b>20,625,172</b>	20,185,359
Social Housing Fund	<b>969,362</b>	699,469
Duz Cho Forest Products Limited Partnership	<b>41,402</b>	73,081
Tse'khene Community Development Corporation	<b>2,128,479</b>	1,166,084
Tse'khene Food & Fuel Ltd.	<b>113,482</b>	18,286
	<b>23,877,897</b>	22,142,279

**5. Accounts receivable and accruals**

	<b>2021</b>	<b>2020</b>
Operations Fund	<b>5,342,778</b>	1,598,246
Social Housing Fund	<b>320,347</b>	481,428
Duz Cho Forest Products Limited Partnership	<b>42,288</b>	26,313
Tse'khene Community Development Corporation	<b>42,987</b>	29,819
Tse'khene Food and Fuel Ltd.	<b>51,881</b>	66,163
	<b>5,800,281</b>	2,201,969
Less: Allowance for doubtful accounts	<b>285,538</b>	399,704
	<b>5,514,743</b>	1,802,265

Included in the operations fund is amounts receivable from Indigenous Services Canada of \$155,105 (2020 - \$54,908).

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**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 \$10,000 (2020 - \$10,000) 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 revenue 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:

	<b>2021</b>	<b>2020</b>
Replacement reserve	<b>153,281</b>	153,281
Operating reserve	<b>134,916</b>	159,515
	<b>288,197</b>	312,796

**7. Advances to related Band entity**

	<b>2021</b>	<b>2020</b>
Tse'Khene Timber Ltd.	-	63,480

**8. Inventory for resale**

	<b>2021</b>	<b>2020</b>
Duz Cho Forest Products Limited Partnership	<b>13,020</b>	140,916
Tse'khene Food and Fuel Ltd.	<b>47,775</b>	38,249
Tse'khene Community Development Corporation	<b>25,000</b>	25,000
	<b>85,795</b>	204,165

The cost of inventories recognized as an expense during the year was \$1,151,491 (2020 - \$4,122,866).

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**9. Investment in Band business entities**

	<i>Balance, beginning of year</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2021 Total investment</i>
<b>Portfolio Investments:</b>				
Mackenzie Fibre Management Corporation	400	-	-	400
Tse'khene Timber Ltd.	-	1	-	1
	<b>400</b>	<b>1</b>	<b>-</b>	<b>401</b>
<b>Wholly-owned Businesses:</b>				
Duz Cho Logging Ltd.	(3,698)	(1,422)	-	(5,120)
Duz Cho Construction Ltd.	(3,005)	(621)	-	(3,626)
Duz Cho Group of Companies Ltd.	(4,985)	(48)	-	(5,033)
	<b>(11,688)</b>	<b>(2,091)</b>	<b>-</b>	<b>(13,779)</b>
<b>First Nation Business Partnerships - Modified Equity:</b>				
Duz Cho Logging Limited Partnership (99.99%)	12,259,032	(4,500,551)	-	7,758,481
Duz Cho Construction Limited Partnership (99.99%)	20,478,533	3,786,787	-	24,265,320
Duz Cho Group of Companies Limited Partnership (99.99%)	(85,647)	(47,499)	-	(133,146)
McLeod Lake Mackenzie Community Forest Limited Partnership (50%)	3,376,424	1,361,790	(400,000)	4,338,214
McLeod Lake Mackenzie Community Forest Corporation (50%)	-	45,967	-	45,967
Three Feathers Limited Partnership (33.3%)	295,262	115,967	(300,000)	111,229
Three Feathers General Partnership Ltd. (33.3%)	-	(1,544)	-	(1,544)
	<b>36,323,604</b>	<b>760,917</b>	<b>(700,000)</b>	<b>36,384,521</b>
	<b>36,312,316</b>	<b>758,827</b>	<b>(700,000)</b>	<b>36,371,143</b>



**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

	<i>Balance, beginning of year</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2020 Total investment</i>
<b>Portfolio Investments:</b>				
Mackenzie Fibre Management Corporation	400	-	-	400
<b>Wholly-owned Businesses:</b>				
Duz Cho Logging Ltd.	(2,503)	(1,195)	-	(3,698)
Duz Cho Construction Ltd.	(2,531)	(474)	-	(3,005)
Duz Cho Group of Companies Ltd.	(5,066)	81	-	(4,985)
	(10,100)	(1,588)	-	(11,688)
<b>First Nation Business Partnerships – Modified Equity:</b>				
Duz Cho Logging Limited Partnership (99.90%)	14,205,592	(1,946,560)	-	12,259,032
Duz Cho Construction Limited Partnership (99.90%)	16,213,797	4,264,736	-	20,478,533
Duz Cho Group of Companies Limited Partnership (99.99%)	(91,413)	5,766	-	(85,647)
McLeod Lake Mackenzie Community Forest Limited Partnership (50%)	2,696,402	755,022	(75,000)	3,376,424
Three Feathers Limited Partnership (33.3%)	256,095	339,167	(300,000)	295,262
	33,280,473	3,418,131	(375,000)	36,323,604
	33,270,773	3,416,543	(375,000)	36,312,316

*Continued on next page*

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**9. 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.

Each of the Band's investees has a different year-end than March 31, 2021, 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.

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

Duz Cho Forest Products Limited Partnership has been accounted for using the consolidation method as the Limited Partnership is not self-sustaining. Included in the Band's consolidated financial statements are revenue of \$12,068,769 (2020 - \$3,975,696), expenses of \$1,495,157 (2020 - \$14,651,423) and net earnings of \$10,573,612 (2020 - net loss of \$10,675,727).

	<i>Duz Cho Logging Limited Partnership As at October 31, 2020</i>	<i>Duz Cho Construction Limited Partnership As at October 31, 2020</i>	<i>McLeod Lake Mackenzie Community Forest Limited Partnership As at December 31, 2020</i>	<i>Three Feathers Limited Partnership As at April 30, 2021 (Unaudited)</i>
<b>Assets</b>				
Cash	1,085,325	1,974,900	1,188,036	1,272,027
Accounts receivable	3,642,535	22,526,031	823,142	394,025
Inventory	422,658	1,653,092	-	-
Investments	51,663	-	8,210,028	-
Advances to related parties	19,042	262,187	-	3,225
Property, plant and equipment	9,495,780	19,460,883	105,373	-
Prepaid expenses	-	121,997	28,598	13,200
Intangible assets	819,441	13,653	-	-
Goodwill	-	331,450	-	-
<b>Total assets</b>	<b>15,536,444</b>	<b>46,344,193</b>	<b>10,355,177</b>	<b>1,682,477</b>
<b>Liabilities</b>				
Accounts payable and accruals	1,430,598	8,759,991	224,243	1,326,284
Deferred revenue	-	-	-	-
Advances from related parties	1,292,375	-	71,529	-
Long-term debt	1,219,979	3,639,827	-	-
Capital leases	4,864,223	9,676,536	-	-
Other long-term liabilities	-	-	1,382,977	-
<b>Total liabilities</b>	<b>8,807,175</b>	<b>22,076,354</b>	<b>1,678,749</b>	<b>1,326,284</b>
<b>Partners' Capital</b>	<b>6,729,269</b>	<b>24,267,839</b>	<b>8,676,428</b>	<b>356,193</b>
<b>Total revenue (loss)</b>	<b>27,492,332</b>	<b>60,473,947</b>	<b>4,213,178</b>	<b>1,160,440</b>
<b>Total expenses</b>	<b>31,710,907</b>	<b>56,686,781</b>	<b>1,489,598</b>	<b>812,493</b>
<b>Comprehensive income (loss)</b>	<b>(4,218,575)</b>	<b>3,787,166</b>	<b>2,723,580</b>	<b>347,947</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

	<i>Duz Cho Group of Companies Ltd. As at October 31, 2020 (Unaudited)</i>	<i>Duz Cho Logging Ltd. As at October 31, 2020 (Unaudited)</i>	<i>Duz Cho Construction Ltd. As at October 30, 2020 (Unaudited)</i>	<i>Duz Cho Group of Companies Limited Partnership As at October 31, 2020 (Unaudited)</i>
<b>Assets</b>				
Cash	-	-	-	54
Accounts receivable	-	-	-	20,554
Inventory	-	-	-	-
Investments	366	3,414,192	2,519	27,580,397
Advances to related parties	1	-	-	-
Property, plant and equipment	-	-	-	3,219
Prepaid expenses	-	-	-	8,361
Intangible assets	-	-	-	-
Goodwill	-	-	-	-
<b>Total assets</b>	<b>367</b>	<b>3,414,192</b>	<b>2,519</b>	<b>27,612,585</b>
<b>Liabilities</b>				
Accounts payable and accruals	5,400	1,000	1,000	55,653
Deferred revenue	-	-	-	-
Advances from related parties	-	3,418,212	5,145	14,030
Long-term debt	-	-	-	-
Capital leases	-	-	-	-
Other long-term liabilities	-	-	-	-
<b>Total liabilities</b>	<b>5,400</b>	<b>3,419,212</b>	<b>6,145</b>	<b>69,683</b>
<b>Partners' Capital</b>	<b>(5,033)</b>	<b>(5,020)</b>	<b>(3,626)</b>	<b>27,542,902</b>
<b>Total revenue (loss)</b>	<b>(48)</b>	<b>(422)</b>	<b>379</b>	<b>477,049</b>
<b>Total expenses</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>	<b>955,910</b>
<b>Comprehensive income (loss)</b>	<b>(48)</b>	<b>(1,422)</b>	<b>(621)</b>	<b>(478,861)</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

	<i>Three Feathers General Partner Ltd. As at April 30, 2021 (Unaudited)</i>	<i>McLeod Lake Mackenzie Community Forest Corp. As at December 31, 2020</i>
<b>Assets</b>		
Cash	-	51,551
Accounts receivable	-	-
Inventory	-	-
Investments	243	1
Advances to related parties	300	71,529
Property, plant and equipment	-	-
Prepaid expenses	-	2,776
Intangible assets	-	-
Goodwill	-	-
<b>Total assets</b>	<b>543</b>	<b>125,857</b>
<b>Liabilities</b>		
Accounts payable and accruals	1,650	14,823
Deferred revenue	-	18,900
Advances from related parties	3,225	-
Long-term debt	-	-
Capital leases	-	-
Other long-term liabilities	-	-
<b>Total liabilities</b>	<b>4,875</b>	<b>33,723</b>
<b>Partners' Capital</b>	<b>(4,332)</b>	<b>92,134</b>
<b>Total revenue (loss)</b>	<b>14</b>	<b>216,000</b>
<b>Total expenses</b>	<b>1,575</b>	<b>205,068</b>
<b>Comprehensive income (loss)</b>	<b>(1,561)</b>	<b>10,932</b>

**10. 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 Chief and Council.

	<b>2021</b>	<b>2020</b>
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>47,492</b>	47,492
<b>Revenue Trust</b>		
Balance, beginning of year	-	529
Interest	<b>916</b>	400
Transferred out to cash	<b>(361)</b>	(929)
Balance, end of year	<b>555</b>	-
	<b>48,047</b>	47,492

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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**10. Funds held in trust** *(Continued from previous page)*

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*.

**11. Accounts payable and accruals**

	<b>2021</b>	2020
Accounts payable general	<b>995,707</b>	557,068
Accrued liabilities	<b>155,622</b>	554,855
Wages payable	<b>329,916</b>	221,990
Government remittances	<b>236,218</b>	220,273
Housing	<b>10,481</b>	12,110
Other	<b>11,754</b>	70,172
	<b>1,739,698</b>	1,636,468

**12. Deferred revenue**

	<b>2021</b>	2020
Deferred revenue from government organizations	<b>1,119,592</b>	-
Prepaid sales	<b>4,765</b>	4,803
	<b>1,124,357</b>	4,803

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**13. Debt**

	<b>2021</b>	<b>2020</b>
BMO - demand loan repayable in monthly instalments of \$38,284 including interest at prime plus 4.6% per annum, maturing October 2038, secured by all properties of Duz Cho Forest Products Limited Partnership with a net realizable value of \$5,590,793 (2020 - \$5,673,982)	<b>5,616,560</b>	5,813,121
RBC - term loan repayable in monthly instalments of \$14,500 including interest at prime plus 5.6% per annum, maturing March 2025, secured by all properties of Duz Cho Forest Products Limited Partnership with a net realizable value of \$5,590,793 (2020 - \$5,673,982)	<b>673,190</b>	805,305
All Nations Trust Company - repayable in monthly instalments of \$1,754 including interest at 1.3% per annum, maturing April, 2027, secured by the guarantee of the Band and the Government of Canada	<b>123,071</b>	144,982
All Nations Trust Company - repayable in monthly instalments of \$2,445 including interest at 2.5% per annum, maturing May, 2023, secured by the guarantee of the Band and the Government of Canada	<b>61,836</b>	86,685
Ford Credit - loan payable in monthly instalments of \$859, including interest at 3.99% per annum, maturing November 2022, secured by a specific piece of equipment with a net realizable of \$23,200 (2020 - \$29,000)	<b>20,570</b>	29,881
	<b>6,495,227</b>	6,879,974

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

2022	402,544
2023	421,587
2024	407,279
2025	421,376
2026	331,021
	1,983,807
Thereafter	4,511,420
<b>Total</b>	<b>6,495,227</b>

The prime rate for both RBC and BMO is 2.45% (2020 - 2.45%).

# McLeod Lake Indian Band

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

### 14. Advances from related Band entities

Advances from 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.

	2021	2020
McLeod Lake Indian Band Treaty 8 Trust	1,741,534	11,668,006
McLeod Lake Indian Band Land and Minerals Trust	265,100	121,235
McLeod Lake Indian Band Silviculture Trust	1,057,667	1,167,837
Duz Cho Construction Limited Partnership	-	5,265,880
Duz Cho Logging Limited Partnership	-	4,826,713
Duz Cho Group of Companies Limited Partnership	23,474	23,474
	<b>3,087,775</b>	<b>23,073,145</b>

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.

Under Section 2.8 of the Trust Agreement for McLeod Lake Indian Band Treaty 8 Trust, the Band is required to contribute the net income earned each year from the forest resources, mineral resources and right of way revenue to McLeod Lake Indian Band Treaty 8 Trust. The cumulative amount of net forestry revenue contributed by the Band for the current year is \$1,808,810 (2020 - \$11,765,708).

### 15. Contingent liabilities

- (a) As at March 31, 2021 there are existing 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.
- (b) The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.
- (c) The Band is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2021 might be recovered.

### 16. Significant event

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Band's operations were not significantly impacted by COVID-19 during the year ended March 31, 2021. At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Band as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Band's business and financial condition.

For the year ended March 31, 2021, the Band received a total of \$596,502 of COVID-19 related funding. \$528,933 of this was received from Indigenous Services Canada, \$31,236 was received from First Nations Health Authority and \$36,273 was received from other funding agencies.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
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**17. Purchased intangibles**

	2021	2020
Timber license - Tse'khene Community Development Corporation	1,250,000	-
Less: accumulated amortization	(158,046)	-
	<b>1,091,954</b>	<b>-</b>

Included in purchased intangible is a non-renewable forest license purchased by Tse'khene Community Development Corporation. This license grants Tse'khene Community Development Corporation the right to harvest 250,000 m3 of cut control volume as permitted under Section 3.1 of the Timber Purchase Agreement. The licence duration is from October 14, 2020 to the earlier of May 31, 2024 or when the volume commitments have been realized.

**18. Accumulated surplus**

Accumulated surplus consists of the following:

	2021	2020
Equity in Ottawa Trust funds	48,047	47,492
Equity in tangible capital assets	15,185,519	13,546,325
Investment in Band business entities (enterprise fund)	36,371,143	36,312,316
Replacement and operating reserve (social housing fund)	274,938	301,037
Surplus (deficit) in operating fund	24,785,027	(458,943)
	<b>76,664,674</b>	<b>49,748,227</b>

**19. Indigenous Services Canada ("ISC") funding reconciliation**

	2021	2020
<b>Direct Band Funding</b>		
Revenue per confirmation	3,307,620	2,360,765

**20. 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, 2020 is \$137,841,926 (2019 - \$128,481,639).

*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, 2020 is \$8,491,264 (2019 - \$8,269,324).



**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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**20. Trusts under administration** *(Continued from previous page)*

*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 from the Province of British Columbia associated with mineral taxes by the Province from the Mount Milligan mine contract with the Band. 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, 2020 is \$5,117,268 (2019 - \$4,033,177).

*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, 2020 is \$6,284,505 (2019 - \$6,266,263).

*Silviculture Trust*

The Band is the beneficiary of the McLeod Lake Silviculture Trust which was established in October 1, 2003. The purpose of the Trust is to administer the funds for the long-term benefit of the membership of the Band in accordance with the terms and conditions of the Trust Agreement. The terms and conditions of the Trust Agreement include that McLeod Lake Indian Band to provide or cause to be provided the Trustee on behalf of the Trust with funds to cover Silviculture costs of Band lands and the Trustee agrees to use the Trust property to fund the Silviculture expenses. The total fund balance at December 31, 2020 is \$6,451,605 (2019 - \$8,433,024).

**21. Financial instruments**

The Band as part of its operations carries a number of financial instruments. It is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Credit Risk***

Credit risk is the risk assumed by the creditor that the borrower will fail to fully honour its financial obligations. Financial instruments that potentially subject the Band to concentrations of credit risk consists principally of cash, accounts receivable and advances to related parties. The maximum credit risk exposure is \$5,514,743 (2020 - \$1,590,192). Management believes that the credit risk is low in regard to cash as balances are held with a chartered financial institution and low for accounts receivable and advances to related parties as management provides allowances for potentially uncollectible amounts.

***Risk management***

The Band does not have formal risk management policies in place.

***Liquidity Risk***

Liquidity risk is the risk that the Band will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Band enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Band's future net cash flows for the possibility of negative net cash flow.

The Band and its entities manage liquidity risk by maintaining liquid assets.

The current liabilities of the Band and its entities are expected to be settled and mature within one year of the year-end date.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Band exposed to interest rate risk primarily due to the long-term debt as it is subject to floating rates.

The prime rate for both RBC and BMO at March 31, 2021 was 2.45% (2020 - 2.45%).

**22. Segments**

During the year, the Band had 10 reportable segments. These segments are differentiated by factors such as major activities, service lines, accountability, and control relationships. For management and reporting purposes, the revenue, expenses, surpluses (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 revenue 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 revenue and expenses relating to youth, elders, employment training and distributions.

**Natural Resources:**

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

**Social Development:**

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

**Social Housing:**

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

**23. 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. The pension expense is \$115,582 (2020 - \$90,802). There have been no significant changes to the pension plan in the current year.

**24. Budget information**

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 10, 2020.

Budgets were not prepared for all segments and all departments in 2021. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

**25. 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, 2021*

	<i>Buildings (includes Social Housing) and Paving</i>	<i>Water Systems &amp; Fire Protection</i>	<i>Automotive and Mobile Equipment</i>	<i>Office &amp; Computer Equipment</i>	<i>Manufacturing Equipment &amp; Small Tools</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	20,156,539	1,709,907	1,842,971	253,384	2,770,000	26,732,801
Acquisition of tangible capital assets	1,695,133	-	405,734	8,400	158,820	2,268,087
Disposal of tangible capital assets	-	-	(192,599)	-	(5,564)	(198,163)
Write down of tangible capital assets	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Balance, end of year	21,851,672	1,709,907	2,056,106	261,784	2,923,256	28,802,725
<b>Accumulated amortization</b>						
Balance, beginning of year	5,741,288	658,303	765,628	188,545	-	7,353,764
Annual amortization	711,861	148,788	227,810	26,886	-	1,115,345
Accumulated amortization on disposals	-	-	(67,066)	-	-	(67,066)
Write down of tangible capital assets	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Balance, end of year	6,453,149	807,091	926,372	215,431	-	8,402,043
<b>Net book value of tangible capital assets</b>	<b>15,398,523</b>	<b>902,816</b>	<b>1,129,734</b>	<b>46,353</b>	<b>2,923,256</b>	<b>20,400,682</b>
Net book value of tangible capital assets 2020	14,415,251	1,051,604	1,077,343	64,839	2,770,000	19,379,037

**McLeod Lake Indian Band**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

	<i>Subtotal</i>	<i>Land</i>	<i>2021</i>	<i>2020</i>
<hr/>				
<b>Cost</b>				
Balance, beginning of year	26,732,801	1,280,064	28,012,865	39,026,937
Acquisition of tangible capital assets	2,268,087	-	2,268,087	2,960,664
Disposal of tangible capital assets	(198,163)	-	(198,163)	(382,354)
Write down of tangible capital assets	-	-	-	(1,810,933)
Impairment	-	-	-	(11,781,449)
<hr/>				
Balance, end of year	28,802,725	1,280,064	30,082,789	28,012,865
<hr/>				
<b>Accumulated amortization</b>				
Balance, beginning of year	7,353,764	-	7,353,764	11,931,127
Annual amortization	1,115,345	-	1,115,345	1,606,939
Accumulated amortization on disposals	(67,066)	-	(67,066)	(169,009)
Write down of tangible capital assets	-	-	-	(1,810,933)
Impairment	-	-	-	(4,204,360)
<hr/>				
Balance, end of year	8,402,043	-	8,402,043	7,353,764
<hr/>				
<b>Net book value of tangible capital assets</b>	20,400,682	1,280,064	21,680,746	20,659,101
<hr/>				
Net book value of tangible capital assets 2020	19,379,037	1,280,064	20,659,101	
<hr/>				

**McLeod Lake Indian Band**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Consolidated expenses by object</b>			
Contracted services	1,958,221	5,163,044	1,781,354
Distributions to members	2,400,000	4,935,005	5,636,030
Salaries and benefits	3,615,051	3,956,806	4,116,839
Logging and silviculture	-	1,079,627	1,936,242
Professional fees	4,119,000	1,037,929	1,328,220
Purchases of goods for resale	-	1,033,121	2,936,033
Emergency funding	20,000	765,175	14,033
Insurance and taxes	66,400	564,082	387,368
Honourarium	499,600	515,240	552,130
Education	520,626	500,983	545,621
Materials and supplies	205,900	438,992	951,929
Social assistance	415,000	426,768	360,264
Repairs and maintenance	79,900	390,616	1,153,510
Interest on debt	-	329,160	393,359
Consulting	68,000	294,540	349,399
Living allowances	281,000	285,303	276,575
Telephone	116,500	185,483	169,294
Vehicle	111,550	176,950	269,848
Utilities	-	172,300	243,992
Office supplies	51,800	127,119	144,765
Dues and subscriptions	14,450	110,819	15,260
Rent	98,800	109,363	110,214
Training	118,000	107,891	72,721
Travel	232,046	98,286	280,990
Technical support	41,900	69,059	70,042
Funeral	48,000	43,145	47,414
Meals	70,000	41,366	122,457
Accommodation	90,545	40,084	140,225
Advertising	75,750	39,731	47,064
Bank charges and interest	16,700	35,091	30,407
Youth activities	40,644	32,979	55,924
Conferences and gathering	240,500	29,333	331,100
Meeting expenses	67,000	20,612	138,116
Other expenses	-	15,928	13,272
Administration fees	-	5,923	7,941
Workshops	30,000	80	55,688
Funding recovery	-	-	117,687
Impairment	-	-	7,577,089
Bad debt recovery	-	(114,167)	(156,374)
Amortization on tangible capital assets	-	1,115,345	1,606,939
Amortization on purchased intangibles	-	158,046	-
	<b>15,712,883</b>	<b>24,337,157</b>	<b>34,230,981</b>

**McLeod Lake Indian Band**  
**Administration**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Province of British Columbia	-	3,412,844	855,244
Trust revenue	-	2,035,000	1,885,000
Contract revenue	375,000	1,955,685	1,092,930
Other revenue	-	1,441,233	99,351
Indigenous Services Canada	313,661	323,384	308,454
Oil and Gas Commission	196,000	224,223	195,611
Interest income	-	130,231	603,342
Expense reimbursement	-	31,384	13,857
Donations	-	12,084	7,794
Gain (loss) on sale of tangible capital assets	-	10,309	(6,361)
	<b>884,661</b>	<b>9,576,377</b>	<b>5,055,222</b>
<b>Expenses</b>			
Salaries and benefits	725,361	851,879	761,079
Professional fees	646,500	647,112	622,540
Honourarium	486,000	487,547	488,717
Contracted services	792,000	176,965	250,685
Consulting	68,000	82,785	31,835
Office supplies	27,000	72,168	62,225
Technical support	33,500	59,433	50,073
Social assistance	-	54,259	41,877
Insurance and taxes	23,000	51,892	27,007
Travel	104,000	51,430	122,987
Telephone	25,500	33,387	27,044
Bank charges and interest	16,700	24,715	18,942
Vehicle	20,000	23,978	25,617
Dues and subscriptions	11,000	23,512	11,252
Meals	29,000	22,367	32,629
Repairs and maintenance	12,500	20,323	12,108
Materials and supplies	16,000	20,185	15,660
Accommodation	44,800	19,148	53,894
Training	10,500	13,715	5,505
Rent	22,300	13,126	19,091
Meeting expenses	60,500	12,118	107,166
Advertising	33,000	6,193	28,914
Administration fees	-	2,486	4,687
Conferences and gathering	2,500	2,470	-
Living allowances	-	2,182	-
Workshops	10,000	-	24,864
Other expenses	-	-	314
	<b>3,219,661</b>	<b>2,775,375</b>	<b>2,846,712</b>
<b>Annual surplus (deficit)</b>	<b>(2,335,000)</b>	<b>6,801,002</b>	<b>2,208,510</b>

**McLeod Lake Indian Band**  
**Business Enterprises**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<i>2021 Budget (Note 24)</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>			
Debt forgiveness	-	11,972,365	-
Other revenue	-	1,249,265	(6,734)
Sale of goods and services	-	1,043,777	1,213,727
Trust revenue	-	1,007,429	100,000
Earnings from investment in Band business entities	-	758,814	3,416,543
Rental revenue	-	275,616	278,894
Forest products	-	190,750	3,949,965
Indigenous Services Canada	36,061	122,331	115,364
Gain (loss) on sale of tangible capital assets	-	71,217	20,350
Royalty income	-	20,058	72,352
Donations	-	2,000	-
Expense reimbursement	-	-	1,488
Province of British Columbia	-	-	573
Contract revenue	-	-	22,089
	<b>36,061</b>	<b>16,713,622</b>	<b>9,184,611</b>
<b>Expenses</b>			
Purchases of goods for resale	-	1,033,121	2,936,033
Salaries and benefits	33,816	829,613	1,178,928
Insurance and taxes	-	430,385	281,735
Contracted services	50,000	417,283	35,590
Interest on debt	-	325,546	388,863
Repairs and maintenance	-	253,513	1,082,790
Utilities	-	172,300	243,992
Materials and supplies	-	75,937	192,036
Vehicle	200	48,179	131,019
Telephone	-	40,077	26,182
Consulting	-	28,033	37,441
Logging and silviculture	-	16,307	768,405
Other expenses	-	15,917	10,734
Office supplies	-	12,872	29,177
Advertising	-	12,725	13,789
Bank charges and interest	-	10,040	11,123
Travel	1,000	7,235	10,836
Honourarium	-	6,358	13,998
Rent	-	5,839	7,903
Emergency funding	-	2,826	384
Technical support	-	2,227	6,855
Training	50,000	547	13,690
Meals	500	514	10,266
Dues and subscriptions	-	97	-
Meeting expenses	-	67	2,040
Impairment	-	-	7,577,089
Bad debt	-	-	252
Accommodation	545	-	6,117
Professional fees (recovery of)	-	(14,112)	203,678
Amortization on tangible capital assets	-	322,648	946,250
Amortization on purchased intangibles	-	158,046	-
	<b>136,061</b>	<b>4,214,140</b>	<b>16,167,195</b>
<b>Annual surplus (deficit)</b>	<b>(100,000)</b>	<b>12,499,482</b>	<b>(6,982,584)</b>



**McLeod Lake Indian Band**  
**Capital Projects**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Trust revenue	-	275,000	275,000
Indigenous Services Canada	88,347	93,683	86,881
Other revenue	-	-	13,163
Expense reimbursement	-	-	500
	<b>88,347</b>	<b>368,683</b>	<b>375,544</b>
<b>Expenses</b>			
Salaries and benefits	160,347	190,416	158,823
Social assistance	130,000	38,978	23,763
Materials and supplies	20,000	30,571	30,658
Vehicle	8,000	11,323	11,688
Repairs and maintenance	1,400	7,794	3,139
Contracted services	30,000	6,064	7,501
Telephone	4,000	5,786	9,198
Office supplies	-	2,571	1,913
Honourarium	3,600	1,963	803
Professional fees	-	790	911
Meeting expenses	500	593	437
Rent	1,200	560	1,244
Technical support	300	50	154
Meals	1,000	41	20
Travel	1,000	6	635
Accommodation	1,000	-	233
Insurance and taxes	-	-	280
Advertising	-	-	18
Bank charges and interest	-	-	2
Workshops	500	-	-
Training	500	-	-
	<b>363,347</b>	<b>297,506</b>	<b>251,420</b>
<b>Annual surplus (deficit)</b>	<b>(275,000)</b>	<b>71,177</b>	<b>124,124</b>

**McLeod Lake Indian Band**  
**Community Health**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Trust revenue	-	1,552,791	-
First Nations Health Authority	645,915	1,169,319	788,365
Earnings from investment in Nation partnerships	-	602,426	-
Contract revenue	100,000	106,000	110,000
Donations	-	32,500	-
Expense reimbursement	-	-	3,740
	<b>745,915</b>	<b>3,463,036</b>	<b>902,105</b>
<b>Expenses</b>			
Emergency funding	20,000	762,152	13,703
Salaries and benefits	327,403	524,659	311,326
Contracted services	148,000	82,849	59,759
Materials and supplies	18,000	57,478	10,074
Training	5,000	51,015	10,442
Youth activities	40,644	32,979	55,924
Rent	10,000	27,700	10,335
Travel	77,968	24,992	47,432
Vehicle	17,900	19,110	21,203
Telephone	17,000	13,278	13,058
Office supplies	6,500	12,285	9,404
Repairs and maintenance	10,000	10,021	17,485
Living allowances	-	7,150	-
Accommodation	5,500	5,215	6,857
Education	-	3,090	-
Meals	11,500	1,807	7,971
Advertising	-	1,669	916
Professional fees	-	1,196	-
Technical support	2,000	923	1,220
Dues and subscriptions	-	507	-
Conferences and gathering	12,000	314	15,000
Bank charges and interest	-	79	29
Other expenses (recoveries)	-	11	(150)
Meeting expenses	-	-	994
Insurance and taxes	1,500	-	1,196
Workshops	15,000	-	20,315
	<b>745,915</b>	<b>1,640,479</b>	<b>634,493</b>
<b>Annual surplus</b>	<b>-</b>	<b>1,822,557</b>	<b>267,612</b>

**McLeod Lake Indian Band**  
**Education**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<i>2021 Budget (Note 24)</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>			
Indigenous Services Canada	500,126	572,188	522,116
Trust revenue	-	513,720	110,000
Contract revenue	165,000	163,643	181,284
Oil and Gas Commission	139,000	158,766	139,722
Prince George Nechako Aboriginal Employment & Training Association	85,000	109,459	111,789
First Nations Education Steering Committee	-	69,522	3,530
Donations	-	54,702	16,952
Expense reimbursement	-	-	4,299
Other revenue	-	-	938
Province of British Columbia	-	-	250
	<b>889,126</b>	<b>1,642,000</b>	<b>1,090,880</b>
<b>Expenses</b>			
Education	520,626	497,893	545,466
Living allowances	281,000	275,971	276,575
Salaries and benefits	218,250	205,292	236,603
Materials and supplies	17,700	141,581	41,099
Training	16,000	15,477	18,265
Office supplies	2,900	8,927	7,787
Telephone	4,500	7,883	6,925
Travel	11,000	6,031	17,478
Meals	7,300	5,549	24,752
Contracted services	119,800	3,114	17,846
Vehicle	3,000	2,931	6,340
Accommodation	11,500	2,194	15,175
Rent	300	1,318	2,142
Honourarium	-	1,238	28,558
Technical support	800	708	1,124
Dues and subscriptions	450	298	238
Insurance and taxes	2,000	265	2,959
Bank charges and interest	-	79	58
Workshops	-	40	5,942
Repairs and maintenance	-	20	189
Interest on debt	-	8	-
Professional fees	-	-	274
Conferences and gathering	76,000	-	95,844
Meeting expenses	-	-	600
Advertising	1,000	-	1,316
Emergency funding	-	-	330
	<b>1,294,126</b>	<b>1,176,817</b>	<b>1,353,885</b>
<b>Annual surplus (deficit)</b>	<b>(405,000)</b>	<b>465,183</b>	<b>(263,005)</b>

**McLeod Lake Indian Band**  
**Infrastructure**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<i>2021 Budget (Note 24)</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>			
Trust revenue	-	805,000	245,000
Indigenous Services Canada	216,113	257,248	212,914
Expense reimbursement	-	89,200	-
Contract revenue	31,500	58,402	76,524
Other revenue	9,000	9,562	4,895
	<b>256,613</b>	<b>1,219,412</b>	<b>539,333</b>
<b>Expenses</b>			
Salaries and benefits	363,616	207,925	287,139
Telephone	38,000	52,864	54,355
Materials and supplies	47,500	43,673	55,962
Repairs and maintenance	23,000	32,840	19,454
Insurance and taxes	16,000	25,050	23,261
Vehicle	5,500	10,863	15,827
Contracted services	46,500	10,631	44,937
Training	5,000	7,681	609
Professional fees	-	3,916	269
Office supplies	500	3,268	1,684
Rent	1,000	560	1,244
Advertising	-	474	-
Technical support	300	313	89
Dues and subscriptions	-	199	-
Meals	-	111	1,161
Bank charges and interest	-	64	50
Travel	2,500	50	3,013
Interest on debt	-	31	-
Funding recovery	-	-	117,687
Meeting expenses	-	-	552
Accommodation	-	-	1,780
Capital expenditures	152,521	-	-
Honourarium	-	-	403
Amortization on tangible capital assets	-	763,058	631,051
	<b>701,937</b>	<b>1,163,571</b>	<b>1,260,527</b>
<b>Annual surplus (deficit)</b>	<b>(445,324)</b>	<b>55,841</b>	<b>(721,194)</b>

**McLeod Lake Indian Band**  
**Membership**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Other revenue	-	2,600,000	13,040
Trust revenue	-	348,000	268,000
AGA Donations	100,000	17,614	104,064
Indigenous Services Canada	4,490	4,490	4,416
Expense reimbursement	-	-	3,077
Contract revenue	-	-	30
	<b>104,490</b>	<b>2,970,104</b>	<b>392,627</b>
<b>Expenses</b>			
Distributions to members	2,400,000	4,935,005	5,636,030
Social assistance	200,000	190,000	190,000
Funeral	48,000	43,145	47,414
Contracted services	80,000	40,787	8,888
Salaries and benefits	32,440	31,955	41,985
Conferences and gathering	120,000	1,752	199,424
Telephone	1,500	1,482	1,431
Materials and supplies	200	907	211
Accommodation	200	738	-
Meals	200	225	6,232
Advertising	-	200	-
Rent	500	-	315
Travel	200	-	399
Technical support	500	-	140
Meeting expenses	-	-	10,662
Office supplies	300	-	334
Vehicle	450	-	-
	<b>2,884,490</b>	<b>5,246,196</b>	<b>6,143,465</b>
<b>Annual deficit</b>	<b>(2,780,000)</b>	<b>(2,276,092)</b>	<b>(5,750,838)</b>

**McLeod Lake Indian Band**  
**Natural Resources**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Sale of logs from settlement lands	-	10,018,913	16,644,789
Trust revenue	-	3,237,500	-
Contract revenue	845,000	1,128,161	1,289,895
Province of British Columbia	-	454,431	362,447
Indigenous Services Canada	277,730	392,956	274,981
Oil and Gas Commission	165,000	238,760	167,667
Prince George Nechako Aboriginal Employment & Training Association	91,000	59,035	83,906
Other revenue	70,000	-	-
Interest income	-	-	92,712
Expense reimbursement	-	(11,802)	(1,841)
	<b>1,448,730</b>	<b>15,517,954</b>	<b>18,914,556</b>
<b>Expenses</b>			
Contracted services	501,400	4,360,223	1,181,160
Logging and silviculture	-	1,063,320	1,167,837
Salaries and benefits	1,190,378	713,479	831,015
Professional fees	3,472,500	399,028	500,549
Consulting	-	173,223	264,624
Dues and subscriptions	3,000	86,206	3,738
Rent	63,500	60,260	66,992
Vehicle	49,000	59,871	52,869
Materials and supplies	31,000	30,163	546,437
Insurance and taxes	22,900	22,121	17,343
Repairs and maintenance	33,000	20,523	18,345
Honourarium	10,000	18,134	19,543
Training	28,000	17,878	16,414
Telephone	19,500	15,019	21,271
Accommodation	21,000	12,418	50,283
Office supplies	12,600	8,961	28,827
Meeting expenses	6,000	7,834	15,666
Meals	14,500	7,566	34,297
Travel	22,878	5,301	55,673
Technical support	3,000	4,424	9,802
Advertising	1,750	819	2,112
Workshops	2,500	40	4,289
Interest on debt	-	18	-
Conferences and gathering	-	-	1,235
Education	-	-	155
Bank charges and interest	-	-	50
Other expenses	-	-	1,990
	<b>5,508,406</b>	<b>7,086,829</b>	<b>4,912,516</b>
<b>Surplus (deficit) before transfer</b>	<b>(4,059,676)</b>	<b>8,431,125</b>	<b>14,002,040</b>
<b>Transfer to trust</b>	<b>-</b>	<b>(1,808,810)</b>	<b>(11,765,708)</b>
<b>Annual surplus (deficit)</b>	<b>(4,059,676)</b>	<b>6,622,315</b>	<b>2,236,332</b>

**McLeod Lake Indian Band**  
**Social Development**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Indigenous Services Canada	738,940	938,914	835,639
Ministry of Children and Family Development	85,000	187,067	158,816
Contract revenue	-	42,137	10,640
Prince George Nechako Aboriginal Employment & Training Association	-	34,668	8,190
Province of British Columbia	25,000	31,093	33,593
Expense reimbursement	-	4,508	3,215
Daycare revenue	10,000	1,650	12,133
	<b>858,940</b>	<b>1,240,037</b>	<b>1,062,226</b>
<b>Expenses</b>			
Salaries and benefits	563,440	401,589	309,943
Social assistance	85,000	143,531	104,624
Contracted services	38,000	65,128	174,987
Materials and supplies	55,500	38,498	59,792
Conferences and gathering	30,000	24,797	19,596
Advertising	40,000	17,651	-
Telephone	6,500	15,707	9,830
Office supplies	2,000	6,067	3,414
Repairs and maintenance	-	4,433	-
Travel	11,500	3,240	22,538
Meals	6,000	3,187	5,130
Insurance and taxes	1,000	2,093	2,522
Training	3,000	1,577	7,797
Technical support	1,500	983	584
Vehicle	7,500	695	5,285
Accommodation	6,000	371	5,886
Emergency funding	-	197	-
Honourarium	-	-	108
Workshops	2,000	-	277
Dues and subscriptions	-	-	28
Rent	-	-	946
Bank charges and interest	-	-	73
	<b>858,940</b>	<b>729,744</b>	<b>733,360</b>
<b>Annual surplus</b>	<b>-</b>	<b>510,293</b>	<b>328,866</b>

**McLeod Lake Indian Band**  
**Social Housing**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 24)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	-	<b>206,869</b>	31,595
Housing rental revenue	-	<b>142,858</b>	136,456
Interest income	-	<b>1,463</b>	-
	-	<b>351,190</b>	168,051
<b>Expenses</b>			
Repairs and maintenance	-	<b>41,150</b>	-
Insurance and taxes	-	<b>32,277</b>	31,065
Consulting	-	<b>10,500</b>	15,500
Interest on debt	-	<b>3,556</b>	4,496
Administration fees	-	<b>3,437</b>	3,254
Bank charges and interest	-	<b>108</b>	80
Bad debt recovery	-	<b>(114,167)</b>	(156,626)
Amortization on tangible capital assets	-	<b>29,639</b>	29,639
	-	<b>6,500</b>	(72,592)
<b>Annual surplus</b>	-	<b>344,690</b>	240,643