

**McLeod Lake Indian Band  
Consolidated Financial Statements**

*March 31, 2023*

# McLeod Lake Indian Band Contents

For the year ended March 31, 2023

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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 has full and free access to both Chief and Council and management to discuss their audit findings.

October 5, 2023

A handwritten signature in blue ink, appearing to read "Abigail".

Band Manager

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, 2023, 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, 2023, and the results of its consolidated operations, changes in its 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

October 5, 2023

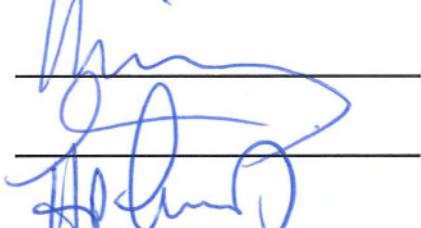
*MNP LLP*

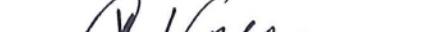
Chartered Professional Accountants

**McLeod Lake Indian Band**  
**Consolidated Statement of Financial Position**  
As at March 31, 2023

	2023	2022
<b>Financial assets</b>		
Cash (Note 4)	65,284,971	34,441,174
Accounts receivable and accruals (Note 5)	4,114,082	15,150,044
Guaranteed investment certificate	12,032	12,142
Restricted cash (Note 6)	218,134	174,266
Inventory for resale	118,139	92,210
Investment in Band business entities (Note 7)	67,049,744	47,395,786
Funds held in trust (Note 8)	48,239	47,973
<b>Total financial assets</b>	<b>136,845,341</b>	97,313,595
<b>Liabilities</b>		
Accounts payable and accruals (Note 9)	3,417,921	1,502,459
Deferred revenue (Note 10)	6,089,406	219,385
Debt (Note 11)	5,587,423	6,092,680
Advances from related Band entities (Note 12)	6,791,527	8,387,406
<b>Total financial liabilities</b>	<b>21,886,277</b>	16,201,930
<b>Net financial assets</b>	<b>114,959,064</b>	81,111,665
<b>Contingent liabilities (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	23,376,033	22,359,880
Prepaid expenses and deposits	3,320,190	3,033,754
Purchased intangibles (Note 14)	-	747,126
<b>Total non-financial assets</b>	<b>26,696,223</b>	26,140,760
<b>Accumulated surplus (Note 15)</b>	<b>141,655,287</b>	107,252,425

Approved on behalf of Chief and Council:


Chief	_____	Councilor
Councilor	_____	Councilor
Councilor	_____	Councilor
Councilor	_____	

**McLeod Lake Indian Band**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2023*

	<i>Schedules</i>	<i>2023 Budget (Note 22)</i>	<i>2023</i>	<i>2022</i>
<b>Revenue</b>				
Contract revenue		1,267,587	18,634,493	9,659,944
Province of British Columbia		225,000	9,781,106	11,635,077
Earnings from investment in Band business entities (Note 7)		-	7,754,784	11,365,987
Trust revenue		4,736,757	5,226,762	8,544,681
Indigenous Services Canada (Note 16)		8,187,462	4,077,711	3,492,486
First Nations Health Authority		5,132,987	4,394,605	1,546,938
Sale of goods and services		-	1,752,516	1,547,686
Interest income		-	1,351,051	137,465
Government of Canada		-	1,302,145	204,572
Debt forgiveness		-	985,320	827,877
Forestry		-	277,660	13,078,394
Other revenue		2,740,000	8,502,071	5,638,720
Prince George Nechako Aboriginal Employment & Training Association		245,000	266,878	100,051
Donations		10,000	131,180	182,187
Canada Mortgage and Housing Corporation		-	235,912	901,036
Housing and other rental revenue		10,000	150,125	295,601
First Nation Education Steering Committee		-	69,484	306,382
BC Hydro		-	483,325	206,233
Daycare revenue		-	3,084	578
		<b>22,554,793</b>	<b>65,380,212</b>	<b>69,671,895</b>
<b>Expenses</b>				
Administration	3	6,408,582	9,303,640	8,914,535
Education	4	1,379,226	1,050,463	1,084,446
Social Development	5	1,755,029	1,063,025	543,179
Public Works & Capital	6	17,849,489	1,632,514	1,526,652
Own Source	7	2,309,441	6,406,472	13,379,322
Health & Wellness	8	1,783,159	1,543,596	1,671,074
Lands & Resources	9	1,757,664	3,052,781	2,891,193
Housing	10	513,674	924,859	438,290
		<b>33,756,264</b>	<b>24,977,350</b>	<b>30,448,691</b>
<b>Surplus (deficit) before transfer</b>		<b>(11,201,471)</b>	<b>40,402,862</b>	<b>39,223,204</b>
<b>Transfer to trust (Note 12)</b>		<b>(6,000,000)</b>	<b>(6,000,000)</b>	<b>(6,035,453)</b>
<b>Annual surplus (deficit)</b>		<b>(11,201,471)</b>	<b>34,402,862</b>	<b>33,187,751</b>
<b>Accumulated surplus, beginning of year</b>		<b>107,252,425</b>	<b>107,252,425</b>	<b>74,064,674</b>
<b>Accumulated surplus, end of year</b>		<b>96,050,954</b>	<b>141,655,287</b>	<b>107,252,425</b>

**McLeod Lake Indian Band**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 22)</i>	<b>2023</b>	2022
<b>Annual surplus (deficit)</b>	<b>(11,201,471)</b>	<b>34,402,862</b>	33,187,751
Purchase of tangible capital assets	-	(9,146,571)	(2,098,635)
Amortization on tangible capital assets	-	1,155,622	1,224,526
Amortization on purchased intangibles	-	-	344,828
Proceeds of disposal of tangible capital assets	-	977,580	148,496
Acquisition of prepaid expenses	-	(286,436)	(2,892,687)
Loss on disposal of tangible capital assets	-	-	16,840
Purchased intangible disposal and transferred out	-	747,126	-
Adjustment to tangible capital assets	-	96,903	29,639
TCDC asset disposed and transferred out at cost	-	5,900,313	-
	-	(555,463)	(3,226,993)
<b>Increase (decrease) in net financial assets</b>	<b>(11,201,471)</b>	<b>33,847,399</b>	29,960,758
<b>Net financial assets, beginning of year</b>	<b>81,111,665</b>	<b>81,111,665</b>	51,150,907
<b>Net financial assets, end of year</b>	<b>69,910,194</b>	<b>114,959,064</b>	81,111,665

**McLeod Lake Indian Band**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	34,402,862	33,187,751
Non-cash items		
Amortization on tangible capital assets	1,155,622	1,224,526
Amortization on purchased intangibles	-	344,828
Proceeds of disposal of purchased intangibles	747,126	-
Loss on disposal of tangible capital assets	-	16,840
Bad debt (recovery)	181,528	(35,498)
Forgiveness of debt between Band-owned entities (Note 7)	(985,630)	827,877
Forest products	-	(305)
Earnings from investment in Band business entities (Note 7)	(7,757,263)	(11,767,164)
Ottawa trust funds	(266)	74
	<b>27,743,979</b>	23,798,929
Changes in working capital accounts		
Accounts receivable and accruals	10,854,434	(9,635,301)
Restricted cash	(43,868)	113,931
Accounts payable and accruals	1,915,462	(237,240)
Inventory for resale	(25,929)	(6,415)
Deferred revenue	5,870,021	(904,972)
Prepaid expenses	(286,436)	(2,892,687)
Guaranteed investment certificates	110	-
	<b>46,027,773</b>	10,236,245
<b>Financing activities</b>		
Repayment of debt	(505,257)	(402,547)
Net advances to (from) related entities	(1,595,879)	3,626,999
	<b>(2,101,136)</b>	3,224,452
<b>Capital activities</b>		
Purchase of tangible capital assets	(9,146,571)	(2,098,635)
Adjustments to tangible capital assets	96,903	29,639
Proceeds of disposals of tangible capital assets	977,580	148,496
TCDC asset disposed and transferred out at cost	5,900,313	-
	<b>(2,171,775)</b>	(1,920,500)
<b>Investing activities</b>		
Distributions from Band business entities	350,000	2,774,180
Note receivable (Note 7)	(7,305,938)	-
Investment in Band business entities	(3,955,127)	(3,751,100)
	<b>(10,911,065)</b>	(976,920)
<b>Increase in cash</b>	<b>30,843,797</b>	10,563,277
<b>Cash, beginning of year</b>	<b>34,441,174</b>	23,877,897
<b>Cash, end of year</b>	<b>65,284,971</b>	34,441,174

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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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. Change in accounting policies**

***Financial instruments***

Effective April 1, 2022, the Band adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

***Asset retirement obligations***

Effective April 1, 2022, the Band adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. The Band does not expect application of the new standard to have a material effect on the consolidated financial statements.

**3. 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 consolidated***

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 (inactive during 2023)
- Tse'khene Food and Fuel Ltd.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

- 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.

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. ("DCL Ltd.") - 100% owned
- Duz Cho Logging Limited Partnership ("DCL LP") - 99.99% owned
- Duz Cho Construction Ltd. ("DCC Ltd") - 100% owned
- Duz Cho Construction Limited Partnership ("DCC LP") - 99.99% owned
- Duz Cho Group of Companies Ltd. ("DCGC Ltd") - 100% owned
- Duz Cho Group of Companies Limited Partnership ("DCGC LP") - 100% owned
- Three Feathers Limited Partnership - 33.3% owned
- Three Feathers GP Ltd. - 33.33% owned
- McLeod Lake Mackenzie Community Forest Limited Partnership ("MLMCF LP") - 50% owned
- McLeod Lake Mackenzie Community Forest Corporation ("MLMCF") - 50% owned
- Tse'khene Development Limited Partnership ("TD LP") - 99.99% owned
- Tse'khene GP Ltd. ("TGP Ltd.") - 100% owned
- Sekani Forest Products Limited Partnership ("SFP LP") - 99.99% owned
- Sekani Forest Products Ltd. ("SFP Ltd.") - 100% owned

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

- Mackenzie Fibre Management Corporation
- Dlezeh Industrial Park Limited Partnership (Formerly Shas Ti-Dlezeh Industrial Park Limited Partnership)
- Dlezeh NGL Limited Partnership (Formerly Shas Ti-Dlezeh NGL Extraction Plant Limited Partnership)
- MIXT Energy Exports Limited Partnership

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

- Tse'khene Timber Ltd.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***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 are 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 deposits, and purchased intangibles.

***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

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***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***

**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 when the corresponding payment is settled and the liability is fulfilled in accordance with the stipulated conditions.

*i) Indigenous Services Canada ("ISC")*

Under the terms of the "Comprehensive Funding Arrangement", the funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the Band is permitted to use the surpluses at its own discretion provided the terms and conditions of the agreement are met but must take responsibility for any deficits. In the case of contribution payments, any surpluses must be returned to ISC and deficits are recoverable.

*ii) First Nations Health Authority ("FNHA")*

FNHA revenue is recognized as it becomes receivable under the terms of the funding agreements.

*iii) Province of British Columbia ("BC")*

Province of BC revenue is recognized as it becomes receivable under the terms of the funding agreements.

*iv) First Nation 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.

**Other revenue sources**

*i) Earnings from investment in Band business entities*

The Band recognizes proportionate share of post acquisition net earnings from its investment in Band business entities.

*ii) 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.

*iii) Housing and other rental revenue*

Housing and other rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

*iv) Revenue from own sources*

Revenue from own source, such as 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.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***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, 2023.

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, 2023, no liability for contaminated site exists.

***Asset retirement obligation***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the Band to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

At each financial reporting date, the Band reviews the carrying amount of the liability. The Band recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

***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.

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.

The Band subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating 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 except derivatives are tested annually for impairment. 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 consolidated statement of remeasurement gains and losses.

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 market, currency or credit risks arising from these financial instruments except as otherwise disclosed.

**Interest rate risk**

Interest rate risk is the risk to the Band's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The Band does not use derivative instruments to reduce its exposure to interest rate risk. During 2023, interest rate has risen significantly but management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**4. Cash**

	2023	2022
Operations Fund	62,997,953	30,266,263
Social Housing Fund	1,549,112	1,327,610
Duz Cho Forest Products Limited Partnership	474,181	62,891
Tse'khene Community Development Corporation	-	2,511,777
Tse'khene Food & Fuel Ltd.	263,725	272,633
	<b>65,284,971</b>	<b>34,441,174</b>

Included in cash is restricted cash of \$668,245 (2022 - \$369,248) related to unexpended gaming funds. Effective April 1, 2022, Tse'khene Community Development Corporation transferred its cash balances to Tse'khene Development Limited Partnership.

**5. Accounts receivable and accruals**

	2023	2022
Trade and accrued receivables	2,808,441	2,519,016
Dividends receivable	-	2,774,181
First Nation Health Authority	29,697	370,039
Province of British Columbia	778,804	9,377,417
Oil and Gas Commission	126,000	203,000
First Nation Education Steering Committee	31,718	10,000
Prince George Nechako Aboriginal Employment & Training Association	79,950	-
BC Hydro	11,000	52,500
Government of Canada	394,796	8,903
	<b>4,260,406</b>	<b>15,315,056</b>
Less: Allowance for doubtful accounts	<b>(146,324)</b>	<b>(165,012)</b>
	<b>4,114,082</b>	<b>15,150,044</b>

**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 \$5,000 (2022 - \$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.

	2023	2022
Replacement reserve	145,521	153,281
Operating reserve	72,613	20,985
	<b>218,134</b>	<b>174,266</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**7. Investment in Band business entities**

	<i>Balance, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Net contribution (distributions)</i>	<i>Note receivable</i>	<b>2023</b>
<b>Portfolio Investments:</b>						
Mackenzie Fibre Management Corporation	400	-	-	-	-	400
Dlezeh Industrial Park Limited Partnership	125,000	-	-	-	-	125,000
Dlezeh NGL Limited Partnership	125,000	-	-	-	-	125,000
MIXT Energy Exports Limited Partnership	1,500,000	-	-	-	-	1,500,000
BC First Nations Gaming Revenue Sharing Limited Partnership	-	110	-	-	-	110
	<b>1,750,400</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,750,510</b>
<b>Wholly-owned Businesses:</b>						
DCL Ltd.	(6,096)	100	(1,572)	-	-	(7,568)
DCC Ltd.	(3,503)	-	(595)	-	-	(4,098)
DCGC Ltd.	(4,896)	-	(437)	-	-	(5,333)
TGP Ltd.	(944)	405	125	-	-	(414)
Timber Development Ltd.	-	(3)	-	3,355	-	3,352
	<b>(15,439)</b>	<b>502</b>	<b>(2,479)</b>	<b>3,355</b>	<b>-</b>	<b>(14,061)</b>
<b>First Nation Business Partnerships and Enterprises – Modified Equity:</b>						
DCL LP (99.99%)	9,114,697	2,449,973	(2,618,448)	-	-	8,946,222
DCC LP (99.99%)	32,210,358	(999,998)	9,046,509	-	-	40,256,869
DCGC LP (99.99%)	(249,084)	93,485	203,379	-	-	47,780
MLMCF LP (50%)	3,772,303	-	15,142	(350,000)	-	3,437,445
MLMCF (50%)	50,658	-	(5,168)	-	-	45,490
Three Feathers Limited Partnership (33.3%)	41,896	1	(52,157)	-	-	(10,260)
Three Feathers GP Ltd. (33.3%)	(1,981)	18,891	(443)	-	-	16,467
TD LP (99.99%)	1,721,977	(961,176)	1,254,656	3,338,094	6,558,812	11,912,363
SFP LP (99.99%)	-	-	(86,207)	-	747,126	660,919
	<b>46,660,824</b>	<b>601,176</b>	<b>7,757,263</b>	<b>2,988,094</b>	<b>7,305,938</b>	<b>65,313,295</b>
	<b>48,395,785</b>	<b>601,788</b>	<b>7,754,784</b>	<b>2,991,449</b>	<b>7,305,938</b>	<b>67,049,744</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**7. 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>Net contribution (distributions)</i>	<i>Note receivable</i>	<i>2022</i>	<i>Total investment</i>
<b>Portfolio Investments:</b>							
Mackenzie Fibre Management Corporation	400	-	-	-	-	400	
Tse'khene Timber Ltd.	1	-	-	-	-	-	1
Dlezeh Industrial Park Limited Partnership	-	-	-	125,000	-	125,000	
Dlezeh NGL Limited Partnership	-	-	-	125,000	-	125,000	
MXT Energy Exports Limited Partnership	-	-	-	1,500,000	-	1,500,000	
	401	-	-	1,750,000	-	1,750,401	
<b>Wholly-owned Businesses:</b>							
DCL Ltd.	(5,120)	-	(976)	-	-	(6,096)	
DCC Ltd.	(3,626)	-	123	-	-	(3,503)	
DCGC Ltd.	(5,033)	-	137	-	-	(4,896)	
TGP Ltd.	-	-	(944)	-	-	(944)	
	(13,779)	-	(1,660)	-	-	(15,439)	
<b>First Nation Business Partnerships and Enterprises – Modified Equity:</b>							
DCL LP (99.99%)	7,158,481	(246,933)	230,457	1,972,692	-	9,114,697	
DCC LP (99.99%)	22,265,320	(41,333)	11,233,244	(2,246,873)	-	31,210,358	
DCGC LP (99.99%)	(156,620)	331	(92,795)	-	-	(249,084)	
MLMCF LP (50%)	4,338,214	-	(65,911)	(500,000)	-	3,772,303	
MLMCFC (50%)	45,967	-	4,691	-	-	50,658	
Three Feathers Limited Partnership (33.3%)	111,229	(72,167)	2,834	-	-	41,896	
Three Feathers GP Ltd. (33.3%)	(1,544)	-	(437)	-	-	(1,981)	
TD LP (99.99%)	-	1,665,413	55,564	1,000	-	1,721,977	
	33,761,047	1,305,311	11,367,647	(773,181)	-	45,660,824	
	<b>33,747,669</b>	<b>1,305,311</b>	<b>11,365,987</b>	<b>976,819</b>	<b>-</b>	<b>47,395,786</b>	

*Continued on next page*

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

Each of the Band's investees has a different year-end than March 31, 2023, 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 audited:

- Duz Cho Construction Limited Partnership ("DCC LP")
- Duz Cho Logging Limited Partnership ("DCL LP")
- McLeod Lake Mackenzie Community Forest Limited Partnership ("MLMCF LP")
- McLeod Lake Mackenzie Community Forest Corporation ("MLMCF")

The following entities are unaudited:

- Duz Cho Group of Companies Ltd. ("DCGC Ltd.")
- Duz Cho Logging Ltd. ("DCL Ltd.")
- Duz Cho Construction Ltd. ("DCC Ltd.")
- Duz Cho Group of Companies Limited Partnership ("DCGC LP")
- Three Feathers Limited Partnership
- Three Feathers General Partner Ltd.
- Tse'khene Development Limited Partnership ("TD LP")
- Tse'khene General Partnership Ltd. ("TGP Ltd.")
- Sekani Forest Products Limited Partnership ("SFP LP")
- Sekani Forest Products Ltd. ("SFP 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 \$986,985 (2022 - \$841,076), expenses of \$1,433,674 (2022 - \$748,936) and net earnings (loss) of (\$446,689) (2022 - net earnings of \$92,140).

Tse'khene Food and Fuel Ltd. has been accounted for using the consolidation method as the Company is not self-sustaining. Included in the Band's consolidated financial statements are revenue of \$1,754,610 (2022 - \$1,580,516), expenses of \$1,778,521 (2022 - \$1,335,756) and net earnings (loss) of (\$23,911) (2022 - net earnings of \$244,760).

During the year, Band acquired 99.99% ownership of Sekani Forest Products Limited Partnership ("SFP LP") as the limited partner, whereas Sekani Forest Products Ltd. owns 0.01% as the general partner. The Band has also acquired 100% ownership of Sekani Forest Products Ltd. as the sole shareholder. Both entities are accounted for using modified equity method.

On April 1, 2022, Tse'khene Community Development Corporation ("TCDC"), a wholly owned subsidiary of McLeod Lake Indian Band that was previously consolidated into the Band, became inactive and transferred its assets and operations to Tse'khene Development Limited Partnership ("TD LP"). TCDC initially recognized \$6,558,812 in note receivable from TD LP for this contribution. In addition, TCDC also transferred its forest license to SFP LP at net book value. TCDC initially recognized \$747,126 in note receivable from TD LP for this contribution. Following the transfers, TCDC became inactive and the note receivables were reclassified as receivables held by McLeod Lake Indian Band.

The financial statements for Sekani Forest Products Limited Partnership, Sekani Forest Products Ltd., Tse'khene General Partnership Ltd. and Timber Development Ltd. are not available at the Band's year end. The Band believes that the transactions involving these entities were minimal during 2023.

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

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	<i>Duz Cho Logging Limited Partnership As at October 31, 2022</i>	<i>Construction Limited Partnership As at October 31, 2022</i>	<i>McLeod Lake Mackenzie Community Forest Limited Partnership As at December 31, 2022</i>	<i>Three Feathers Limited Partnership As at April 30, 2023 (Unaudited)</i>
<b>Assets</b>				
Cash	1,292,588	9,227,834	373,694	839,615
Accounts receivable	3,699,969	22,553,126	199,255	354,273
Inventory	425,762	1,372,004	-	-
Investments	228,204	-	7,843,557	-
Advances to related parties	6,167	855,257	-	5,850
Property, plant and equipment	13,296,750	17,412,355	144,207	-
Prepaid expenses	114,701	247,047	28,079	13,200
Intangible assets	813,269	23,426	-	-
Goodwill	-	331,450	-	-
<b>Total assets</b>	<b>19,877,410</b>	<b>52,022,499</b>	<b>8,588,792</b>	<b>1,212,938</b>
<b>Liabilities</b>				
Accounts payable and accruals	2,526,141	5,882,257	400,699	42,681
Deferred revenue	-	-	-	-
Advances from related parties	5,956,572	-	100,904	-
Long-term debt	458,698	2,439,160	-	-
Capital leases	7,194,238	3,398,334	-	-
Other long-term liabilities	-	-	1,212,299	1,200,790
Provision	28,030	-	-	-
<b>Total liabilities</b>	<b>16,163,679</b>	<b>11,719,751</b>	<b>1,713,902</b>	<b>1,243,471</b>
<b>Equity/Partners' Capital</b>	<b>3,713,731</b>	<b>40,302,748</b>	<b>6,874,890</b>	<b>(30,533)</b>
<b>Total revenue</b>	<b>27,590,011</b>	<b>60,152,411</b>	<b>2,470,023</b>	<b>346,825</b>
<b>Total expenses</b>	<b>30,208,721</b>	<b>51,104,997</b>	<b>2,439,740</b>	<b>503,312</b>
<b>Comprehensive income (loss)</b>	<b>(2,618,710)</b>	<b>9,047,414</b>	<b>30,283</b>	<b>(156,487)</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	<i>Duz Cho Group of Companies Ltd.</i> <i>As at October 31, 2022</i> <i>(Unaudited)</i>	<i>Duz Cho Logging Ltd.</i> <i>As at October 31, 2022</i> <i>(Unaudited)</i>	<i>Duz Cho Construction Ltd.</i> <i>As at October 31, 2022</i> <i>(Unaudited)</i>	<i>Duz Cho Group of Companies Limited Partnership</i> <i>As at October 31, 2022</i> <i>(Unaudited)</i>
<b>Assets</b>				
Cash	-	-	-	138,033
Accounts receivable	-	-	-	111,336
Inventory	-	-	-	-
Investments	2,166	3,413,954	4,547	40,597,978
Advances to related parties	1	-	-	-
Property, plant and equipment	-	-	-	20,409
Prepaid expenses	-	-	-	19,420
Intangible assets	-	-	-	-
Goodwill	-	-	-	-
<b>Total assets</b>	<b>2,167</b>	<b>3,413,954</b>	<b>4,547</b>	<b>40,887,176</b>
<b>Liabilities</b>				
Accounts payable and accruals	1,000	1,155	1,000	133,169
Deferred revenue	-	-	-	-
Advances from related parties	6,500	3,420,367	7,645	82,940
Long-term debt	-	-	-	-
Capital leases	-	-	-	-
Other long-term liabilities	-	-	-	-
Provision	-	-	-	-
<b>Total liabilities</b>	<b>7,500</b>	<b>3,421,522</b>	<b>8,645</b>	<b>216,109</b>
<b>Equity/Partners' Capital</b>	<b>(5,333)</b>	<b>(7,568)</b>	<b>(4,098)</b>	<b>40,671,067</b>
<b>Total revenue</b>	<b>663</b>	<b>-</b>	<b>905</b>	<b>8,205,345</b>
<b>Total expenses</b>	<b>1,100</b>	<b>1,572</b>	<b>1,500</b>	<b>1,573,905</b>
<b>Comprehensive income (loss)</b>	<b>(437)</b>	<b>(1,572)</b>	<b>(595)</b>	<b>6,631,440</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	<i>McLeod Lake Mackenzie Community Forest Corporation</i>	<i>Tse'khene Development Limited Partnership</i>	<i>Tse'khene General Partnership Ltd.</i>
	As at April 30, 2023 (Unaudited)	As at December 31, 2022	As at December 31, 2022 (Unaudited)
	As at March 31, 2023 (Unaudited)		
<b>Assets</b>			
Cash	-	21,326	3,653,871
Accounts receivable	-	-	750,222
Inventory	-	-	25,000
Investments	228	1	-
Advances to related parties	300	100,904	303,606
Property, plant and equipment	-	-	7,915,163
Prepaid expenses	-	4,487	-
Intangible assets	-	-	-
Goodwill	-	-	-
<b>Total assets</b>	<b>528</b>	<b>126,718</b>	<b>12,647,862</b>
			<b>687</b>
<b>Liabilities</b>			
Accounts payable and accruals	1,650	17,537	6,830,976
Deferred revenue	-	18,000	-
Advances from related parties	5,850	-	1,166,985
Long-term debt	-	-	1
Capital leases	-	-	-
Other long-term liabilities	-	-	-
Provision	-	-	-
<b>Total liabilities</b>	<b>7,500</b>	<b>35,537</b>	<b>7,997,961</b>
			<b>1,001</b>
<b>Equity/Partners' Capital</b>	<b>(6,972)</b>	<b>91,181</b>	<b>4,649,901</b>
			<b>(314)</b>
<b>Total revenue</b>	<b>-</b>	<b>216,000</b>	<b>2,148,909</b>
<b>Total expenses</b>	<b>1,329</b>	<b>226,335</b>	<b>894,128</b>
<b>Comprehensive income (loss)</b>	<b>(1,329)</b>	<b>(10,335)</b>	<b>1,254,781</b>
			<b>125</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**8. 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.

	2023	2022
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>47,973</b>	48,047
<b>Revenue Trust</b>		
Interest	1,458	913
Transferred out to cash	(1,192)	(987)
Balance, end of year	266	(74)
	<b>48,239</b>	47,973

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*.

**9. Accounts payable and accruals**

	2023	2022
Accounts payable general	2,566,453	643,842
Accrued liabilities	70,532	271,775
Wages payable	359,014	342,168
Government remittances	327,588	223,672
Other	94,334	21,002
	<b>3,417,921</b>	1,502,459

**10. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Canada Mortgage and Housing Corporation	218,556	-	218,556	-
Community Well-Being and Jurisdiction Initiatives	-	536,381	-	536,381
Indigenous Services Canada - Wellness Centre	-	5,211,101	-	5,211,101
Other funding agencies	-	341,924	-	341,924
Prepaid sales	829	-	829	-
	<b>219,385</b>	<b>6,089,406</b>	<b>219,385</b>	<b>6,089,406</b>

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**11. Debt**

	<b>2023</b>	2022
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 \$4,266,794 (2022 - \$5,438,610).	<b>5,196,243</b>	5,411,225
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 \$4,266,794 (2022 - \$5,438,610).	<b>385,444</b>	533,335
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>4,880</b>	33,711
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 \$12,760 (2022 - \$18,560)	<b>856</b>	10,909
 All Nations Trust Company - repaid during the year	 <b>-</b>	 103,500
	<b>5,587,423</b>	6,092,680

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:

2024	387,206
2025	401,032
2026	310,410
2027	258,321
2028	270,457
 Thereafter	 1,627,426
	3,959,997
 <b>Total</b>	 <b>5,587,423</b>

The prime rate for both RBC and BMO is 6.70% (2022 - 2.70%).

Subsequent to year end, the Band repaid the remaining outstanding debt to All Nations Trust loans in full.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**12. Advances (to) 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.

	<b>2023</b>	2022
McLeod Lake Indian Band Treaty 8 Trust	(255,002)	6,004,709
McLeod Lake Indian Band Land and Mineral Trust	-	368,150
McLeod Lake Indian Band Silviculture Trust	1,046,529	2,014,547
McLeod Lake Indian Band Elders Trust	6,000,000	-
	<b>6,791,527</b>	8,387,406

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 \$Nil (2022 - \$6,035,453).

On March 29, 2023, McLeod Lake Indian Band entered into a Trust Agreement with Royal Trust Corporation of Canada (the "Trustee") to establish McLeod Lake Indian Band Elders Trust (the "Trust"). The funds of the Trust are for the use and benefit of certain members of McLeod Indian Band to fund and support programs that benefit elders and promote the well-being of the elders. Per Section 1.1 (z) of the Trust Agreement for McLeod Lake Indian Band Elders Trust, the Band is required to contribute the initial capital for \$6,000,000. Subsequent to year end, the amount has been transferred to the Trust.

**13. Contingent liabilities**

- 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.
- 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, 2023 might be recovered.
- The Band is subject to legal proceedings, claims and litigations arising in the ordinary course of business. While the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Band's consolidated financial statements.

**14. Purchased intangibles**

	<b>2023</b>	2022
Timber license - Tse'khene Community Development Corporation	-	1,250,000
Less: accumulated amortization	-	(502,874)
	<b>-</b>	<b>747,126</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 m<sup>3</sup> 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.

On April 1, 2022, Tse'khene Community Development Corporation transferred its purchased intangible to Sekani Forest Products Limited Partnership.

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**15. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	2023	2022
Equity in Ottawa Trust funds	48,239	47,973
Equity in tangible capital assets	17,788,610	16,267,200
Investment in Band business entities (enterprise fund)	64,049,744	47,395,786
Replacement and operating reserve (social housing fund)	138,868	375,951
<b>Surplus in operating fund</b>	<b>59,629,826</b>	43,165,515
	<b>141,655,287</b>	107,252,425

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

	2023	2022
<b>Direct Band Funding</b>		
Revenue per confirmation	9,970,022	3,548,940
Less: amounts recognized as deferred revenue	(5,892,311)	(56,454)
	<b>4,077,711</b>	3,492,486

**17. 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, 2022 is \$150,255,851 (2021 - \$144,736,667).

*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, 2022 is \$11,385,114 (2021 - \$9,291,347).

*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, 2022 is \$5,668,544 (2021 - \$5,566,050).

*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, 2022 is \$6,466,489 (2021 - \$6,338,583).

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

**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, 2022 is \$5,206,829 (2021 - \$4,485,881).

**Elders Trust**

The Band is the beneficiary of the McLeod Lake Indian Band Elders Trust which was established in March 29, 2023. The purpose of the Trust is to administer the funds for the use and benefit of certain members of McLeod Indian Band to fund and support programs that benefit elders and promote the well-being of the elders.

**18. 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 \$4,114,082 (2022 - \$15,150,044). 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, 2023 was 6.70% (2022 - 2.70%).

**McLeod Lake Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**19. Segments**

During the year, the Band had 8 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 expenses related to Band governance activities.

Education:

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

Social Development:

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

Public Work & Capital:

This segment includes services relating to housing renovations and repairs and the operation and maintenance of the Band's community buildings and water facilities.

Own Source:

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

Health & Wellness:

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

Land & Resources:

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

Housing:

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

**20. Comparative figures**

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

**21. 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 \$133,133 (2022 - \$125,788). There have been no significant changes to the pension plan in the current year.

**22. 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 April 29, 2022.

Budgets were not prepared for all segments and all departments in 2023. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

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

For the year ended March 31, 2023

	<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><b>Subtotal</b></i>
<b>Cost</b>						
Balance, beginning of year	23,486,364	1,709,907	2,392,288	280,545	2,846,806	30,715,910
Acquisition of tangible capital assets	8,782,163	321,687	-	42,721	-	9,146,571
Disposal of tangible capital assets	(6,378,270)	-	-	(81,164)	(977,580)	(7,437,014)
Adjustments	1,209,122	-	-	-	-	1,209,122
Balance, end of year	27,099,379	2,031,594	2,392,288	242,102	1,869,226	33,634,589
<b>Accumulated amortization</b>						
Balance, beginning of year	7,204,290	955,879	1,202,874	245,544	27,507	9,636,094
Annual amortization	698,396	148,788	289,984	18,454	-	1,155,622
Accumulated amortization on disposals	(1,365,191)	-	-	(74,994)	-	(1,440,185)
Adjustments	1,306,025	-	-	-	-	1,306,025
Balance, end of year	7,843,520	1,104,667	1,492,858	189,004	27,507	10,657,556
<b>Net book value of tangible capital assets</b>	<b>19,255,859</b>	<b>926,927</b>	<b>899,430</b>	<b>53,098</b>	<b>1,841,719</b>	<b>22,977,033</b>
Net book value of tangible capital assets 2022	16,282,074	754,028	1,189,414	35,001	2,819,299	21,079,816

**McLeod Lake Indian Band**

**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Land</i>	<i>2023</i>	<i>2022</i>
<b>Cost</b>				
Balance, beginning of year	30,715,910	1,280,064	31,995,974	30,082,789
Acquisition of tangible capital assets	9,146,571	-	9,146,571	2,098,635
Disposal of tangible capital assets	(7,437,014)	(881,064)	(8,318,078)	(185,450)
Adjustments	1,209,122	-	1,209,122	-
<b>Balance, end of year</b>	<b>33,634,589</b>	<b>399,000</b>	<b>34,033,589</b>	<b>31,995,974</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	9,636,094	-	9,636,094	8,402,043
Annual amortization	1,155,622	-	1,155,622	1,224,526
Accumulated amortization on disposals	(1,440,185)	-	(1,440,185)	(20,114)
Adjustments	1,306,025	-	1,306,025	29,639
<b>Balance, end of year</b>	<b>10,657,556</b>	<b>-</b>	<b>10,657,556</b>	<b>9,636,094</b>
<b>Net book value of tangible capital assets</b>	<b>22,977,033</b>	<b>399,000</b>	<b>23,376,033</b>	<b>22,359,880</b>
Net book value of tangible capital assets 2022	21,079,816	1,280,064	22,359,880	

**McLeod Lake Indian Band**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 22)</i>	<b>2023</b>	2022
<b>Consolidated expenses by object</b>			
Accommodation	-	411	894
Administration fees	-	1,576	-
Advertising and promotion	83,800	102,011	106,633
Allowances	280,000	145,850	230,367
Amortization on purchased intangibles	-	-	344,828
Amortization on tangible capital assets	-	1,155,622	1,224,526
Bad debt expense	-	181,528	39,152
Band Member Assistance	350,000	239,142	306,995
Bank charges and interest	22,100	57,610	38,707
Computer, Supplies and Technical Support	94,250	73,833	85,339
Conferences and gatherings	432,032	243,012	37,912
Consulting	2,748,038	1,287,219	1,630,150
Contracted services	16,107,656	2,762,290	7,859,829
Distributions to members	2,520,480	6,020,326	5,510,546
Education, workshops and training	-	7,579	279
Emergency support	10,000	8,816	8,125
Equipment rental	104,385	73,238	19,775
Fees and dues	47,700	79,788	90,351
Forestry	-	1,046,529	2,551,679
Freight, shipping and postage	10,375	12,267	17,218
Fuel and oil	196,713	209,459	157,823
Honourarium	648,600	622,299	607,061
Insurance and taxes	93,601	194,771	157,050
Interest on debt	-	272,685	292,839
Materials and supplies	391,210	448,304	536,615
Meeting expenses	152,603	139,069	33,279
Meeting, conferences and gatherings	-	19	-
Mill disassembly and shipping	-	623,250	-
Office supplies	90,532	42,057	37,313
Office supplies	-	25,167	21,881
Other expenses	-	21,437	52,069
Patient travel	20,000	37,092	20,165
Premises	9,000	65,243	74,805
Professional fees	2,132,340	1,023,084	1,473,553
Purchases of goods for resale	-	1,464,474	1,092,547
Repairs and maintenance	114,138	242,306	437,979
Salaries and benefits	5,204,669	4,476,686	4,076,447
School Fees and Supplies	52,000	16,454	21,940
Snow removal	5,000	5,396	7,299
Social assistance	100,000	85,196	92,226
Student awards and incentives	92,500	44,650	51,420
Student support off-reserve	8,000	4,532	5,858
Telephone and internet	156,247	97,492	81,101
Travel, accommodation and meals	522,148	717,610	302,123
Tuition and Tutoring	446,655	259,826	258,957
Utilities	6,000	115,019	312,365
Workshops, training and development	503,492	225,126	140,671
	<b>33,756,264</b>	<b>24,977,350</b>	<b>30,448,691</b>

**McLeod Lake Indian Band**  
**Administration**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	377,158	621,340	642,638
Interest income	-	1,217,851	137,465
Other revenue	230,000	164,880	325,752
Trust revenue	2,852,033	2,832,033	2,898,131
	<b>3,459,191</b>	<b>4,836,104</b>	4,003,986
<b>Expenses</b>			
Advertising and promotion	38,500	79,084	44,265
Band Member Assistance	260,000	225,551	291,869
Bank charges and interest	22,000	39,137	24,667
Computer, Supplies and Technical Support	65,000	56,458	58,030
Conferences and gatherings	66,000	6,591	1,575
Consulting	304,360	560,032	509,813
Contracted services	515,000	8,675	4,153
Distributions to members	2,400,000	5,802,250	5,337,542
Equipment rental	11,000	22,488	14,223
Fees and dues	36,000	24,207	17,288
Freight, shipping and postage	1,000	5,350	3,006
Fuel and oil	51,500	64,890	20,636
Honourarium	512,000	486,051	495,801
Insurance and taxes	34,000	53,139	28,464
Materials and supplies	14,000	26,278	4,150
Meeting expenses	41,000	30,023	11,598
Office supplies	44,000	36,266	26,464
Professional fees	640,000	300,550	747,577
Repairs and maintenance	28,500	35,281	99,834
Salaries and benefits	1,017,722	1,018,300	948,649
Telephone and internet	31,000	38,539	32,942
Travel, accommodation and meals	201,000	336,016	146,973
Utilities	-	18,379	22,589
Workshops, training and development	75,000	30,105	22,427
	<b>6,408,582</b>	<b>9,303,640</b>	8,914,535
<b>Deficit before transfers</b>	<b>(2,949,391)</b>	<b>(4,467,536)</b>	(4,910,549)
<b>Transfers between programs</b>	<b>-</b>	<b>21,873,082</b>	9,448,585
<b>Annual surplus (deficit)</b>	<b>(2,949,391)</b>	<b>17,405,546</b>	4,538,036

**McLeod Lake Indian Band**  
**Education**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
BC Hydro	-	27,500	23,500
Contract revenue	110,000	-	70,776
Daycare revenue	-	3,084	578
Donations	10,000	16,020	20,468
First Nation Education Steering Committee	-	69,484	304,382
First Nations Health Authority	-	68,480	68,480
Indigenous Services Canada	557,655	595,089	616,392
Other revenue	60,000	44,884	93,072
Prince George Nchako Aboriginal Employment & Training Association	245,000	266,878	100,051
Province of British Columbia	35,000	19,592	22,739
Trust revenue	475,020	687,757	503,334
	<b>1,492,675</b>	<b>1,798,768</b>	<b>1,823,772</b>
<b>Expenses</b>			
Advertising and promotion	-	1,008	-
Allowances	280,000	145,850	230,367
Bank charges and interest	100	58	29
Computer, Supplies and Technical Support	1,000	3,690	8,491
Conferences and gatherings	500	7,261	-
Consulting	30,000	4,392	-
Contracted services	47,500	114,851	125,481
Equipment rental	-	4,233	-
Fees and dues	500	655	522
Freight, shipping and postage	250	329	2,227
Fuel and oil	13,200	5,647	5,409
Insurance and taxes	2,750	2,380	2,169
Materials and supplies	41,000	35,172	19,049
Meeting expenses	2,000	484	176
Office supplies	6,700	3,243	2,295
Repairs and maintenance	-	1,980	-
Salaries and benefits	223,180	237,788	253,052
School Fees and Supplies	52,000	16,454	21,940
Student awards and incentives	92,500	43,605	50,932
Student support off-reserve	8,000	4,532	5,858
Telephone and internet	13,000	8,543	7,290
Travel, accommodation and meals	51,000	55,993	26,675
Tuition and Tutoring	446,655	259,826	258,957
Utilities	-	6,126	8,595
Workshops, training and development	67,391	86,363	54,932
	<b>1,379,226</b>	<b>1,050,463</b>	<b>1,084,446</b>
<b>Annual surplus</b>	<b>113,449</b>	<b>748,305</b>	<b>739,326</b>

**McLeod Lake Indian Band**  
**Social Development**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	1,210,896	1,865,530	1,240,457
Other revenue	31,689	5,504	-
Province of British Columbia	85,000	201,547	169,303
	<b>1,327,585</b>	<b>2,072,581</b>	<b>1,409,760</b>
<b>Expenses</b>			
Advertising and promotion	25,000	8,451	-
Band Member Assistance	-	12,726	-
Computer, Supplies and Technical Support	2,000	1,154	3,875
Conferences and gatherings	320,732	22,000	-
Consulting	49,080	27,366	16,853
Contracted services	130,000	14,098	9,025
Distributions to members	-	9,196	22,724
Emergency support	-	5,395	-
Fees and dues	-	2,421	355
Freight, shipping and postage	-	126	1,246
Fuel and oil	5,500	4,685	450
Honourarium	23,600	6,374	2,510
Materials and supplies	85,203	40,853	34,601
Meeting expenses	67,025	57,873	12,016
Office supplies	7,500	5,599	588
Other expenses	-	3,000	-
Professional fees	42,340	3,600	-
Repairs and maintenance	-	3,117	-
Salaries and benefits	734,869	663,985	329,116
Social assistance	100,000	84,041	92,226
Telephone and internet	11,800	7,240	6,096
Travel, accommodation and meals	89,780	54,040	5,791
Utilities	-	1,362	1,030
Workshops, training and development	60,600	24,323	4,677
	<b>1,755,029</b>	<b>1,063,025</b>	<b>543,179</b>
<b>Annual surplus (deficit)</b>	<b>(427,444)</b>	<b>1,009,556</b>	<b>866,581</b>

**McLeod Lake Indian Band**  
**Public Works & Capital**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
BC Hydro	-	19,000	2,000
Contract revenue	50,000	5,746	10,327
First Nations Health Authority (Capital)	3,974,649	3,233,704	186,851
Government of Canada	-	850,745	-
Indigenous Services Canada	5,543,503	413,041	424,752
Other revenue	-	380,188	234,964
Trust revenue	533,026	533,029	514,412
	<b>10,101,178</b>	<b>5,435,453</b>	<b>1,373,306</b>
<b>Expenses</b>			
Amortization on tangible capital assets	-	989,172	865,255
Bank charges and interest	-	108	-
Computer, Supplies and Technical Support	500	822	1,105
Consulting (recovery)	2,126,673	(103,787)	101,067
Contracted services	15,090,000	69,545	34,664
Education, workshops and training	11,500	4,159	-
Equipment rental	500	1,388	680
Fees and dues	1,500	6,701	2,583
Freight, shipping and postage	2,750	2,446	1,735
Fuel and oil	19,000	40,893	18,077
Honourarium	21,000	20,888	5,625
Insurance and taxes	22,000	28,771	23,800
Materials and supplies	81,000	84,197	49,985
Meeting expenses	500	149	459
Office supplies	2,000	3,402	5,239
Professional fees (recovery)	-	(41,523)	30,658
Repairs and maintenance	20,000	73,554	64,921
Salaries and benefits	386,366	414,246	288,025
Snow removal	-	5,396	7,299
Telephone and internet	53,200	6,893	3,656
Travel, accommodation and meals	11,000	6,602	4,038
Utilities	-	18,492	17,781
	<b>17,849,489</b>	<b>1,632,514</b>	<b>1,526,652</b>
<b>Surplus (deficit) before transfers</b>	<b>(7,748,311)</b>	<b>3,802,939</b>	<b>(153,346)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>1,523,697</b>	<b>151,440</b>
<b>Annual surplus (deficit)</b>	<b>(7,748,311)</b>	<b>5,326,636</b>	<b>(1,906)</b>

**McLeod Lake Indian Band**  
**Own Source**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 22)</i>	<b>2023</b>	2022
<b>Revenue</b>			
Forestry	-	<b>277,660</b>	13,078,394
Debt forgiveness	-	<b>985,320</b>	827,877
Province of British Columbia	-	<b>7,927,138</b>	10,525,000
Sale of goods and services	-	<b>1,752,516</b>	1,547,686
Other revenue	-	<b>7,410,010</b>	4,428,429
Trust revenue	-	<b>308,954</b>	3,244,225
Contract revenue	-	<b>14,424,154</b>	6,394,222
Other rental revenue	-	-	285,301
Earnings from investment in band business entities	-	<b>7,754,784</b>	11,365,987
	-	<b>40,840,536</b>	51,697,121
<b>Expenses</b>			
Accommodation	-	<b>411</b>	894
Amortization on purchased intangibles	-	-	344,828
Amortization on tangible capital assets	-	<b>134,443</b>	359,271
Bad debt	-	<b>201,054</b>	39,152
Bank charges and interest	-	<b>17,559</b>	13,855
Computer, Supplies and Technical Support	<b>500</b>	-	2,299
Consulting	-	<b>407,745</b>	531,317
Contracted services	<b>45,400</b>	<b>916,655</b>	6,565,307
Education, workshops and training	<b>10,000</b>	<b>3,274</b>	279
Equipment rental	<b>20,000</b>	<b>32,943</b>	984
Fees and dues	-	-	39,864
Forestry	-	<b>1,046,529</b>	2,551,679
Freight, shipping and postage	-	-	405
Fuel and oil	<b>60,500</b>	<b>39,988</b>	57,773
Honourarium	-	-	4,925
Insurance and taxes	<b>14,400</b>	<b>51,119</b>	85,526
Interest on debt	-	<b>272,014</b>	292,839
Materials and supplies	<b>30,500</b>	<b>21,248</b>	138,669
Meeting, conferences and gatherings	-	<b>19</b>	-
Mill disassembly and shipping	-	<b>623,250</b>	-
Office supplies	-	-	761
Other expenses	-	<b>18,437</b>	52,069
Professional fees	<b>1,241,500</b>	<b>484,134</b>	195,645
Purchases of goods for resale	-	<b>1,464,474</b>	1,092,547
Repairs and maintenance	<b>34,000</b>	<b>26,326</b>	203,673
Salaries and benefits	<b>835,641</b>	<b>593,739</b>	540,038
Telephone and internet	<b>7,500</b>	-	1,635
Travel, accommodation and meals	<b>9,500</b>	<b>3,354</b>	20,682
Utilities	-	<b>47,757</b>	242,406
	<b>2,309,441</b>	<b>6,406,472</b>	13,379,322
<b>Surplus before transfers</b>	<b>(2,309,441)</b>	<b>34,434,064</b>	38,317,799
<b>Transfers</b>			
Transfers between programs	-	<b>(19,099,444)</b>	(9,621,842)
Transfer to trust (Note 12)	<b>(6,000,000)</b>	<b>(6,000,000)</b>	(6,035,453)
	<b>(6,000,000)</b>	<b>(25,099,444)</b>	(15,657,295)
<b>Annual surplus (deficit)</b>	<b>(8,309,441)</b>	<b>9,334,620</b>	22,660,504

**McLeod Lake Indian Band**  
**Health & Wellness**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b> <b>Budget</b> <b>(Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
BC Hydro	-	35,000	-
Contract revenue	-	50,000	50,000
Donations	-	112,660	137,419
First Nations Health Authority	1,158,338	1,092,421	1,291,607
Indigenous Services Canada	125,049	83,917	138,450
Interest income	-	120,000	-
Other revenue	190,000	119,874	277,135
Province of British Columbia	-	89,497	116,805
Trust revenue	378,703	398,703	20,000
	<b>1,852,090</b>	<b>2,102,072</b>	2,031,416
<b>Expenses</b>			
Advertising and promotion	16,500	11,003	56,717
Bank charges and interest	-	29	137
Computer, Supplies and Technical Support	5,750	3,452	2,639
Conferences and gatherings	44,800	205,375	36,337
Consulting	41,825	17,488	6,204
Contracted services	95,550	66,495	154,229
Distributions to members	120,480	118,880	120,280
Emergency support	10,000	3,421	8,125
Equipment rental	1,000	3,677	550
Fees and dues	1,500	3,402	1,114
Freight, shipping and postage	175	1,132	4,868
Fuel and oil	23,000	15,543	33,759
Honourarium	22,000	47,235	12,200
Insurance and taxes	3,924	11,920	8,806
Materials and supplies	58,301	54,234	168,892
Meeting expenses	32,078	30,820	3,310
Office supplies	13,025	5,791	10,849
Patient travel	20,000	37,092	20,165
Premises	9,000	13,000	13,500
Professional fees	2,000	7,906	-
Repairs and maintenance	10,750	13,792	17,313
Salaries and benefits	927,233	650,718	881,869
Social assistance	5,000	1,155	-
Student awards and incentives	-	1,045	488
Telephone and internet	17,400	19,299	15,068
Travel, accommodation and meals	82,868	129,399	36,508
Utilities	-	3,728	3,144
Workshops, training and development	219,000	66,565	54,003
	<b>1,783,159</b>	<b>1,543,596</b>	1,671,074
<b>Surplus before transfers</b>	<b>68,931</b>	<b>558,476</b>	360,342
<b>Transfers between programs</b>	<b>-</b>	<b>127,079</b>	21,817
<b>Annual surplus</b>	<b>68,931</b>	<b>685,555</b>	382,159

**McLeod Lake Indian Band**  
**Lands & Resources**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
BC Hydro	-	401,825	180,733
Contract revenue	1,107,587	4,154,593	3,134,619
Donations	-	2,500	24,300
Government of Canada	-	451,400	204,572
Indigenous Services Canada	283,313	283,313	280,508
Other revenue	2,260,000	33,650	279,368
Province of British Columbia	105,000	1,543,332	801,230
	<b>3,755,900</b>	<b>6,870,613</b>	<b>4,905,330</b>
<b>Expenses</b>			
Advertising and promotion	3,800	2,465	5,651
Bank charges and interest	-	494	19
Computer, Supplies and Technical Support	19,000	8,258	8,256
Conferences and gatherings	-	1,785	-
Consulting	196,100	357,989	464,896
Contracted services	163,206	1,348,319	924,047
Equipment rental	71,385	7,949	2,731
Fees and dues	8,200	42,402	28,625
Freight, shipping and postage	2,700	571	3,076
Fuel and oil	14,013	25,735	13,140
Honourarium	65,000	61,751	84,650
Insurance and taxes	8,927	5,190	5,785
Materials and supplies	46,706	63,008	80,972
Meeting expenses	11,000	19,536	5,100
Office supplies	16,307	12,734	12,177
Premises	5,000	52,243	61,305
Professional fees	205,500	255,377	490,788
Repairs and maintenance	9,888	5,233	31,500
Salaries and benefits	767,085	621,927	596,469
Telephone and internet	12,347	10,442	8,751
Travel, accommodation and meals	76,500	131,603	58,623
Workshops, training and development	55,000	17,770	4,632
	<b>1,757,664</b>	<b>3,052,781</b>	<b>2,891,193</b>
<b>Surplus before transfers</b>	<b>1,998,236</b>	<b>3,817,832</b>	<b>2,014,137</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(4,424,414)</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>1,998,236</b>	<b>(606,582)</b>	<b>2,014,137</b>

**McLeod Lake Indian Band**  
**Housing**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 22)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Trust revenue	466,286	466,286	1,364,579
Other revenue	-	343,081	-
Canada Mortgage and Housing Corporation	-	235,912	901,036
Indigenous Services Canada	89,888	215,481	149,289
Housing and other rental revenue	10,000	150,125	10,300
Interest income	-	13,200	-
	<b>566,174</b>	<b>1,424,085</b>	<b>2,425,204</b>
<b>Expenses</b>			
Administration fees	-	1,576	-
Amortization on tangible capital assets	-	32,008	-
Bad debt (recovery)	-	(19,527)	-
Band Member Assistance	85,000	865	15,126
Bank charges and interest	-	224	-
Computer, Supplies and Technical Support	500	-	644
Consulting	-	15,994	-
Contracted services	21,000	223,651	42,923
Distributions to members	-	90,000	30,000
Education, workshops and training	5,000	147	-
Equipment rental	500	560	607
Freight, shipping and postage	3,500	2,313	655
Fuel and oil	10,000	12,078	8,579
Honourarium	3,000	-	1,350
Insurance and taxes	7,600	42,252	2,500
Interest on debt	-	671	-
Materials and supplies	34,500	123,314	40,297
Meeting expenses	1,000	184	620
Office supplies	1,000	189	821
Professional fees	1,000	13,040	8,885
Repairs and maintenance	11,000	83,023	20,738
Salaries and benefits	312,574	275,983	239,229
Telephone and internet	10,000	6,536	5,663
Travel, accommodation and meals	500	603	2,833
Utilities	6,000	19,175	16,820
	<b>513,674</b>	<b>924,859</b>	<b>438,290</b>
<b>Annual surplus</b>	<b>52,500</b>	<b>499,226</b>	<b>1,986,914</b>