

Aboriginal Affairs and Northern Development Canada  
Sudbury Business Center  
40 Elm Street, Suite 290  
Sudbury, ON P3C 1S8

**Attention: Mr. Bradley Stewart, Sr. Funding Services Officer**

July 30, 2014

**Re: Batchewana First Nation**

Dear Sir

We enclose herewith for your information and retention, copies of the following documents to be published on the internet:

1. Consolidated financial statements without schedules for the year ended March 31, 2014.
2. Schedule of Remuneration and Expenses for Chief and Council along with an accompanying Review Engagement Report for the year ended March 31, 2014.

Should you have any questions concerning the foregoing, please contact the writer or Jeanine Laity of this office.

Yours sincerely

BDO Canada LLP  
Chartered Accountants, Licensed Public Accountants



Jennifer A. Archambault, CPA, CA, B.Sc  
Partner  
/sb

Enclosures

**Batchewana First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2014

**Batchewana First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2014

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**Batchewana First Nation**  
**Management's Responsibility for Financial Reporting**  
**March 31, 2014**

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The accompanying consolidated financial statements of the Batchewana First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Batchewana First Nation and meet when required.



Cliff Bruneau

Chief



Kim Lumbard

Chief Executive Officer

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## Independent Auditor's Report

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### To the Members of Batchewana First Nation

We have audited the accompanying consolidated financial statements of the Batchewana First Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Batchewana First Nation as at March 31, 2014 and the consolidated results of its operations, change in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
July 30, 2014

**Batchewana First Nation**  
**Consolidated Statement of Financial Position**

<b>March 31</b>	Restated (see Note 17)	
	<b>2014</b>	<b>2013</b>
<b>Financial assets</b>		
Cash (Note 2)	\$ 1,333,805	\$ 4,018,446
Accounts receivable (Note 3)	6,039,103	1,488,212
Band members' advances	-	3,295
Band members' loans (Note 4)	22,247	86,430
Due from funders (Note 5)	1,242,494	1,098,137
Investment in Batchewana Band Industries Limited (Note 6)	1,487,676	1,482,229
Investment in government business partnerships (Note 7)	7,691,710	5,191,710
Trust Funds held by Federal Government (Note 8)	<u>370,001</u>	<u>360,362</u>
	<u>18,187,036</u>	<u>13,728,821</u>
<b>Liabilities</b>		
Bank loan (Note 9)	21,942	85,976
Demand loans (Note 10)	8,782,593	5,191,710
Accounts payable (Note 11)	1,418,185	1,688,159
Deferred revenue (Note 12)	1,471,046	347,196
Long term debt (Note 13)	<u>12,555,523</u>	<u>12,415,692</u>
	<u>24,249,289</u>	<u>19,728,733</u>
<b>Net debt</b>	<u>(6,062,253)</u>	<u>(5,999,912)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	26,634,030	25,710,054
Prepaid expenses and inventory of supplies	<u>200,342</u>	<u>261,257</u>
	<u>26,834,372</u>	<u>25,971,311</u>
<b>Accumulated surplus, end of year (Note 14)</b>	<b>\$ 20,772,119</b>	<b>\$ 19,971,399</b>

**Batchewana First Nation**  
**Consolidated Statement of Operations**

For the year ended March 31	Budget	2014	Restated (see Note 17) 2013
<b>Revenue</b>			
Aboriginal Affairs	7,565,352	9,577,638	7,386,585
Province of Ontario	925,733	1,445,748	1,231,283
Government of Canada	1,655,526	2,130,210	1,478,039
OFNLP	-	1,150,915	1,151,857
North Shore Tribal Council	1,532,693	1,567,825	1,588,633
Band operated enterprises	10,916,292	10,629,366	10,951,307
Other revenue	1,034,266	2,429,971	1,911,205
Government of Canada Trust Funds	-	9,639	148,514
	<hr/>	<hr/>	<hr/>
	23,629,862	28,941,312	25,847,423
Deferred revenue, beginning of year	289,668	322,374	377,189
Deferred revenue, end of year	-	(1,446,132)	(322,374)
Due (to) from funders	-	106,568	766,831
Recovery of prior years	-	(57,121)	(43,950)
	<hr/>	<hr/>	<hr/>
	23,919,530	27,867,001	26,625,119
<b>Expenses</b>			
Social assistance	1,431,747	1,469,803	1,446,357
BFN government and administration	581,982	572,466	654,955
Lands, memberships and estates	42,795	40,837	43,117
Elections	-	(8,000)	-
Licensing	37,803	29,727	37,645
Community services	949,878	960,187	862,656
Education	4,317,976	5,623,266	5,796,788
Child day care	673,134	671,124	604,241
Cultural education centre	15,729	15,729	15,729
Capital programs	163,000	1,242,800	(2,009,002)
Other A.A.N.D.C. subsidized programs	809,462	825,742	812,030
Other subsidized programs	2,544,567	2,570,607	2,863,993
Band operated enterprises	11,995,998	13,057,440	15,972,040
	<hr/>	<hr/>	<hr/>
	23,564,071	27,071,728	27,100,549
	<hr/>	<hr/>	<hr/>
	355,459	795,273	(475,430)
<b>Net income (loss) of Batchewana Band Industries</b>	<hr/>	<hr/>	<hr/>
	-	5,447	(170,335)
<b>Annual surplus (deficit)</b>	355,459	800,720	(645,765)
<b>Accumulated surplus, beginning of year</b>	19,971,399	19,971,399	20,617,164
<b>Accumulated surplus, end of year</b>	<b>\$ 20,326,858</b>	<b>\$ 20,772,119</b>	<b>\$ 19,971,399</b>

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

**Batchewana First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>Restated (see Note 17)</b>	
		<b>2014</b>	<b>2013</b>
<b>Annual surplus (deficit)</b>	\$ 355,459	\$ 800,720	\$ (645,765)
Acquisition of tangible capital assets	(785,553)	(2,051,323)	(3,487,753)
Amortization of tangible capital assets	1,127,347	1,127,347	958,570
Loss (gain) on disposal of tangible capital assets	-	-	13,750
Prepaid expenses and inventory of supplies	-	60,915	39,716
<b>Net change in net debt</b>	697,253	(62,341)	(3,121,482)
<b>Net debt, beginning of year</b>	(5,999,912)	(5,999,912)	(2,878,430)
<b>Net debt, end of year</b>	<b>\$ (5,302,659)</b>	<b>\$ (6,062,253)</b>	<b>\$ (5,999,912)</b>

**Batchewana First Nation**  
**Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 800,720	\$ (645,765)
Items not involving cash		
Amortization	1,127,347	958,570
Loss on disposal of tangible capital assets	-	13,750
	<u>1,928,067</u>	<u>326,555</u>
Changes in non-cash working capital balances		
Accounts receivable	(4,550,891)	312,938
Band members' advances and loans	67,478	75,417
Investment in Batchewana Band Industries	(5,447)	170,335
Investment in government business partnerships	(2,500,000)	(5,191,710)
Trust Funds held by Federal Government	(9,639)	(148,514)
Prepaid expenses and inventory of supplies	60,915	39,716
Accounts payable	(269,973)	245,065
Deferred revenue	1,123,850	(56,489)
Due to/from funders	(144,357)	(766,831)
Bank loan	(64,034)	(67,326)
Demand loan	3,590,883	5,191,710
	<u>(773,148)</u>	<u>130,866</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(2,051,323)	(3,487,753)
<b>Financing activities</b>		
Advances of long term debt	859,071	1,620,278
Repayment of long term debt	(719,241)	(627,282)
	<u>139,830</u>	<u>992,996</u>
<b>Decrease in cash</b>	<b>(2,684,641)</b>	<b>(2,363,891)</b>
<b>Cash, beginning of year</b>	<b>4,018,446</b>	<b>6,382,337</b>
<b>Cash, end of year</b>	<b>\$ 1,333,805</b>	<b>\$ 4,018,446</b>
<b>Supplemental Information</b>		
Interest paid	\$ 631,062	\$ 316,705
Interest received	\$ 48,086	\$ 87,454

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

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**1. Summary of significant accounting policies**

<b>Accounting Principles</b>	These consolidated financial statements of the Batchewana First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.														
<b>Basis of Consolidation</b>	<p>These financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.</p> <p>All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Under the modified equity method of accounting, only Batchewana First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are not eliminated.</p> <p>Organizations consolidated include:</p> <ul style="list-style-type: none"><li>- Rankin Reserve Community Services Incorporated</li><li>- Mukwaa Inc.</li><li>- Mukwaa 2 Inc.</li></ul> <p>Organizations accounted for on a modified equity basis include:</p> <ul style="list-style-type: none"><li>- Batchewana Band Industries Limited</li></ul> <p>Batchewana First Nation has invested through Mukwaa Inc., a bare trust corporation, for a 50% investment in both Nodin Kitagan Limited Partnership and Nodin Kitagan 2 Limited Partnership. The First Nation accounts for its investment in these government business partnerships using the modified equity method.</p>														
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tbody><tr><td>Land improvements</td><td>10 to 30 years</td></tr><tr><td>Buildings</td><td>30 to 40 years</td></tr><tr><td>Housing</td><td>30 years</td></tr><tr><td>Infrastructure</td><td>30 years</td></tr><tr><td>Machinery and equipment</td><td>10 years</td></tr><tr><td>Vehicles</td><td>10 years</td></tr><tr><td>Furniture and equipment</td><td>4 to 10 years</td></tr></tbody></table> <p>Tangible capital assets are all located on Batchewana First Nation reserve land and cannot be sold or used for any other purposes than that as determined by the Chief and Council.</p>	Land improvements	10 to 30 years	Buildings	30 to 40 years	Housing	30 years	Infrastructure	30 years	Machinery and equipment	10 years	Vehicles	10 years	Furniture and equipment	4 to 10 years
Land improvements	10 to 30 years														
Buildings	30 to 40 years														
Housing	30 years														
Infrastructure	30 years														
Machinery and equipment	10 years														
Vehicles	10 years														
Furniture and equipment	4 to 10 years														

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**1. Summary of significant accounting policies (continued)**

<b>Inventories</b>	Inventories are stated at lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.
<b>Revenue Recognition</b>	Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.  Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.  Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.  Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.
<b>Use of Estimates</b>	The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**2. Cash**

Cash consists of cash on hand, bank balances and investments in money market instruments with maturities of one year or less.

The First Nation has an operating line of credit of \$70,000 with Scotiabank. At March 31, 2014 there is an outstanding balance of nil. The line of credit is due on demand and has an interest rate of prime plus 1%.

The First Nation has an overdraft line of credit of \$50,000 with CIBC. At March 31, 2014 there is an outstanding balance of \$15,650. The line of credit is due on demand and has an interest rate of prime plus 1.25%.

The First Nation also has several operating lines of credit available with the Bank of Montreal. All are due on demand and have an interest rate of prime plus 1%.

- a) An operating demand loan with a limit of \$350,000 for Renewable Energy Directive. At March 31, 2014 there is an outstanding balance of nil.
- b) An operating demand loan with a limit of \$300,000 for Solar Energy. At March 31, 2014 there is an outstanding balance of nil.
- c) An operating demand loan with a limit of \$1,200,000 for general operating expenses. At March 31, 2014 there is an outstanding balance of nil.
- d) An operating demand loan with a limit of \$1,200,000. At March 31, 2014 there is an outstanding balance of \$698,763.

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**3. Accounts receivable**

	<b>2014</b>	<b>2013</b>
Aboriginal Affairs and Northern Development Canada	\$ 2,655,091	\$ 132,133
Province of Ontario	33,542	37,598
Government of Canada	1,270,774	472,893
North Shore Tribal Council / Niigaaniin	223,149	253,177
ALFDC	74,017	72,392
NOHFC	437,896	-
OPA - AREF	642,266	-
Due from members	80,738	83,549
Outside Bands (Education Boarding Homes)	222,925	332,686
Other	465,252	167,496
	<hr/>	<hr/>
Less: allowance for doubtfuls	6,105,650	1,551,924
	<hr/>	<hr/>
	<b>\$ 6,039,103</b>	<b>\$ 1,488,212</b>

**4. Band members' loans**

	<b>2014</b>	<b>2013</b>
Housing - revolving loan fund	\$ 142,946	\$ 139,904
- new project	968,050	1,146,347
Renovations	362,046	362,751
CAEDS / MPFP	69,299	69,776
RRAP	2,426	2,426
	<hr/>	<hr/>
Housing receivables	1,544,767	1,721,204
Allowance for doubtfuls	(220,463)	(157,777)
Future rental payments	(1,302,057)	(1,476,997)
	<hr/>	<hr/>
	<b>\$ 22,247</b>	<b>\$ 86,430</b>

Revenue from rent to own arrangements are not recorded as revenue until payments are received from the band member.

**5. Due from / (to) funders**

	<b>2014</b>	<b>2013</b>
Aboriginal Affairs	\$ 1,255,141	\$ 1,144,287
Health Canada	(8,361)	(8,361)
Government of Canada	(4,286)	-
Province of Ontario	-	(37,789)
	<hr/>	<hr/>
	<b>\$ 1,242,494</b>	<b>\$ 1,098,137</b>

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**6. Investment - Batchewana Band Industries Limited (BBI)**

Dec 31, 2013    Dec 31, 2012

Capital Stock - one common share of no residual value was issued November 12, 1982 to the Batchewana First Nation Council acting as Trustee on behalf of all the members of the Batchewana First Nation

\$	\$
1,472,076	1,466,629
<u>15,600</u>	<u>15,600</u>
<hr/>	<hr/>
<b>\$ 1,487,676</b>	<b>\$ 1,482,229</b>

Financial information for BBI for its non-coterminous fiscal periods reflected herein is as follows:

Dec 31, 2013    Dec 31, 2012

Assets	\$ 1,797,314
Liabilities	\$ 309,638
Revenues	251,719
Net earnings for the year	5,447
	\$ 1,857,021
	374,792
	292,437
	(162,620)

Batchewana Band Industries Limited operates an industrial park on lands owned by Batchewana First Nation. Its major assets include income producing properties and investments.

**Commitments**

BBI has entered into a lease agreement on certain lands known as Blue Heron Industrial Park with the Batchewana First Nation and the Crown commencing May 1, 1972 and ending April 30, 2012. The agreement was extended to cover the periods May 1, 2012 to October 31, 2012, and November 1, 2012 to April 30, 2013. The agreement has also been extended to cover the period May 1, 2013 to April 30, 2014. Semi-annual rent is payable on October 1 and is to be a percentage as may be determined by Her Majesty for each five year period of the gross receipts of the lease. Such percentage will not be lower than 10% or more than 20% of gross receipts. Annual rent, which is currently calculated at 10%, is deposited by the Crown into the Fund Held in Trust Account on behalf of the Batchewana First Nation.

**Contingencies**

BBI has neither charged Harmonized Sales Tax to its tenants nor made remittances to the Receiver General for Canada. While it is the position of BBI that they are not responsible for collection of federal taxes, regulations indicate that Harmonized Sales Tax should be charged on revenue from income producing properties. Exemption from collection and remittance may be available to BBI should it become a registrant and qualify as a public service body. The resultant liability, if any exists, is not determinable at this time. Therefore, no provision has been made in these financial statements for any liability related to unremitted Harmonized Sales Tax.

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**7. Investment - Government Business Partnerships**

Batchewana First Nation has invested through Mukwaa Inc., a bare trust corporation, into Nodin Kitagan Limited Partnership ("NKLP") and Nodin Kitagan 2 Limited Partnership ("NK2LP") for the purposes of designing, developing, constructing, financing and operating a wind-powered electricity generating facility. Mukwaa Inc.'s share is 50% of both NKLP and NK2LP.

The investment at March 31, 2014 consists of the following:

	NKLP	NK2LP	2014 Total	2013 Total
Balance, beginning of year	\$ 2,453,491	\$ 2,738,219	\$ 5,191,710	\$ -
Capital contributions	500,000	2,000,000	2,500,000	5,191,710
First Nation's share of earnings (loss)	-	-	-	-
Balance, end of year	<b>\$ 2,953,491</b>	<b>\$ 4,738,219</b>	<b>\$ 7,691,710</b>	<b>\$ 5,191,710</b>

Financial information for NKLP and NK2LP for their non-coterminous December 31 fiscal periods reflected herein is as follows:

	NKLP	NK2LP	Dec 31, 2013 Total	Dec 31, 2012 Total
<b>Financial Position</b>				
Current assets	\$ 1,092,720	\$ 2,241,302	\$ 3,334,022	\$ 4,881,574
Non-current assets	4,967,916	7,516,815	12,484,731	7,058,973
<b>Total assets</b>	<b>6,060,636</b>	<b>9,758,117</b>	<b>15,818,753</b>	<b>11,940,547</b>
Current liabilities	154,096	286,563	440,659	1,557,201
<b>Partners' equity</b>	<b>\$ 5,906,540</b>	<b>\$ 9,471,554</b>	<b>\$ 15,378,094</b>	<b>\$ 10,383,346</b>
<b>Results of Operations</b>				
Revenue	\$ 6,476	\$ 6,595	\$ 13,071	\$ -
Operating expenses	6,866	11,457	18,323	74
Net earnings (loss)	<b>\$ (390)</b>	<b>\$ (4,862)</b>	<b>\$ (5,252)</b>	<b>\$ (74)</b>

**Commitments**

As of December 31, 2013, NKLP has committed to spend approximately \$1,109,957 on certain capital expenditures in the next twelve months. The Partnership has also executed an agreement for the engineering, procurement and construction of the balance of plant for the Project (the "EPC Contract"). Under the EPC Contract, payments totaling \$34.1 million are required to be made between June 2014 and January 2015.

As of December 31, 2013, NK2LP has committed to spend approximately \$3,089,422 on certain capital expenditures in the next twelve months. The Partnership has also executed an agreement for the engineering, procurement and construction of the balance of plant for the Project (the "EPC Contract"). Under the EPC Contract, payments totaling \$45.8 million are required to be made between June 2014 and January 2015.

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**8. Trust Funds held by Federal Government**

	March 31, 2013	Additions		Withdrawals 2014	March 31, 2014
		2014	2014		
Revenue Capital	\$ 335,647 24,715	\$ 9,639 -	\$ - -	\$ 345,286 24,715	
	\$ 360,362	\$ 9,639	\$ -	\$ 370,001	

The trust funds 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. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

**9. Bank loan**

Royal Bank demand instalment loans used to finance rental homes. Advances are in increments of \$30,000 for each home completed. Repayments of principal and interest at 1.0% above Royal Bank prime rate commence one month after each advance and are based on a 15-year amortization. Collateral security for the loans is Band Council Resolution and Guarantee in the original amount of \$431,928. At March 31, 2014 there is an outstanding balance of \$21,942.

**10. Demand loan**

The First Nation has two demand loan credit facilities with the Bank of Montreal. Both are secured by assignment of gaming revenues received from Ontario First Nation Limited Partnership.

Non-revolving demand loan with a limit of \$8,000,000, interest-only payable for the initial 24 months, effective January 31, 2015 repayable \$51,282 monthly plus interest at prime plus 1%	\$ 8,000,000	\$ 5,191,710
Non-revolving demand loan with a limit of \$782,593, interest-only payable initially, effective January 31, 2015 repayable \$6,522 monthly plus interest at prime plus 2%	782,593	-
	\$ 8,782,593	\$ 5,191,710

**11. Accounts payable**

	2014	2013
Trade payables	\$ 643,093	\$ 924,751
Elementary and Secondary tuition payables	585,614	584,759
Accrued wages and employee benefits payable	189,478	178,649
	<b>\$ 1,418,185</b>	<b>\$ 1,688,159</b>

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**12. Deferred revenue and government transfers**

	Balance March 31, 2013	Funding Received 2014	Revenue Recognized 2014	Balance March 31, 2014
<b>Federal Government</b>				
Aboriginal Affairs	\$ 76,768	\$ 9,577,638	\$ 8,413,239	\$ 1,241,167
Health Canada	-	1,068,280	1,068,280	-
CMHC	-	513,899	513,899	-
Fednor	-	480,456	480,456	-
HRSDC	-	25,000	-	25,000
Department of Justice	-	42,575	4,286	38,289
	76,768	11,707,848	10,480,160	1,304,456
 Province of Ontario				
	65,122	1,445,748	1,510,870	-
North Shore Tribal Council	35,516	1,567,825	1,603,341	-
Other	169,790	14,219,891	14,223,091	166,590
	270,428	17,233,464	17,337,302	166,590
	<b>\$ 347,196</b>	<b>\$ 28,941,312</b>	<b>\$ 27,817,462</b>	<b>\$ 1,471,046</b>

Deferred revenue is broken down by program as follows:

	2014	2013
Niigaaniin - Service Delivery	\$ -	\$ 6,710
Niigaaniin - Client Support	-	28,806
BFN Government	25,238	-
Family Crisis Shelter	46,878	73,330
State of Emergency - Flooding	192,805	-
Aboriginal Wellness Case Manager	-	6,551
Education	35,366	-
LDM - CRF	40,436	14,854
LDM - EI	12,827	25,327
Highway 17 By-Pass	-	57,270
Community Planning	22,454	77,313
New Horizons	25,000	-
Youth Justice Initiative	38,289	-
Canadian Women's Foundation	-	6,472
Like Skills Children & Youth	-	7,852
Whitefish Island Restoration	9,026	3,438
Communications	22,924	10,251
RBC Housing Loans	3,469	-
Wind Farm Partnership	251,403	-
Wiidanokiindiwag (Batchmill)	715,817	-
Seniors Complex - Last month's rent	4,200	4,200
 Bingo - Progressive Prizes	 1,446,132	322,374
	24,914	24,822
	 <b>\$ 1,471,046</b>	 <b>\$ 347,196</b>

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**13. Long term debt**

**Mortgages payable**

CMHC project	Renewal date	Monthly Payment	Interest rate	<b>Balances</b>	
				2014	2013
08-163-909	June 1, 2014	\$3,377	10.00 %	\$ 9,980	\$ 47,504
08-508-277	June 1, 2014	\$2,292	10.00 %	6,752	32,221
08-509-622	July 1, 2016	\$4,998	5.39 %	129,214	181,025
10-449-270	April 1, 2017	\$477	7.19 %	16,358	21,306
Senior's complex	April 1, 2017	\$3,825	1.67 %	714,531	748,300
16-135-543-002	March 1, 2019	\$4,039	2.04 %	621,408	657,018
16-135-543-003	August 1, 2015	\$3,800	2.78 %	599,817	628,510
16-135-543-004	August 1, 2015	\$5,971	2.78 %	942,538	987,628
16-135-543-005	April 1, 2019	\$4,881	1.92 %	768,131	812,100
16-135-543-006	May 1, 2017	\$9,526	1.80 %	1,773,775	1,855,650
16-135-543-007	May 1, 2017	\$5,656	1.80 %	1,053,082	1,101,697
16-135-543-008	May 1, 2018	\$3,117	1.52 %	622,532	-
16-135-543-009	September 1, 2018	\$6,735	2.35 %	1,250,668	-
CMHC advances				<u>741,104</u>	<u>1,794,364</u>
				<u>9,249,890</u>	<u>8,867,323</u>

All CMHC loans and advances are secured by Ministerial guarantees.

**Royal Bank**

Term loan, repayable \$11,946 monthly including interest at 4.1%, maturing November 2015	1,327,405	1,414,382
Term loan, repayable \$16,075 monthly including interest at 4.25%, maturing November 2016	1,886,747	1,996,876

**Bank of Nova Scotia**

Term loan, repayable \$2,187 monthly plus interest at 4.65% maturing November 2016	69,981	98,411
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**Forgivable loan**

CMHC loan agreement to finance construction of the Family Crisis Centre, forgiveness earned at the rate of \$17,200 per year (one fifteenth of the original principal \$258,000) as long as the project meets certain operating criteria	<u>21,500</u>	<u>38,700</u>
--	---------------	---------------

\$ 12,555,523 \$ 12,415,692

Mortgage principal repayments over the next five years and thereafter, assuming refinancing under similar terms, are as follows:

Year	Amount
2015	\$ 685,369
2016	688,894
2017	666,954
2018	662,618
2019	680,963
Thereafter	<u>9,170,725</u>
	<u>\$ 12,555,523</u>

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**14. Accumulated surplus**

	<b>2014</b>	<b>2013</b>
Reserves set aside for specific purposes by the First Nation		
CMHC - Operating Reserves	\$ 379,739	\$ 352,134
CMHC - Replacement Reserves	464,986	226,001
Seniors Complex - Non-Residential Replacement Reserve	10,000	8,000
Casino Rama Distributions	2,201,186	1,529,215
RRCS Replacement Reserve	34,505	23,943
Equipment and Major Repairs	73,769	73,769
Medical Van	27,760	27,760
Education Program	5,408,201	4,983,438
Computers	154,489	154,489
Elections	8,000	-
Major Capital Projects	149,286	149,286
Police Agreement	22,158	17,455
Turnkey Housing	500,139	430,144
CMHC Housing	156,631	170,712
Renovations	242,293	168,819
Capital Programs	469,131	1,187,344
EAS	2,690	8,771
WFI	17,320	17,320
Band Operated Buildings	917,369	4,693
Membership Prosperity	40,379	47,138
Fundraising	25,753	26,451
Sault College Training Program	-	46,412
Food Bank	180,512	120,563
Medical Travel	-	91,120
Ortho FNIB Reimbursement	-	30,000
Natural Resources	146,046	182,905
Committees	57,676	50,517
Health Centre	20,768	-
Reserves	<b>11,710,786</b>	10,128,399
Equity in tangible capital assets	<b>14,078,507</b>	13,294,361
Members' deficit	<b>(5,387,175)</b>	(3,811,723)
Funds held in trust	<b>370,001</b>	360,362
	<b>\$ 20,772,119</b>	<b>\$ 19,971,399</b>
Allocation of annual surplus (deficit):		
Reserves	\$ 1,582,387	\$ (740,845)
Equity in tangible capital assets	784,145	1,522,437
Members' deficit	(1,580,898)	(1,405,536)
Portion of members' deficit represented by equity in BBI	5,447	(170,335)
Funds held in trust	9,639	148,514
	<b>\$ 800,720</b>	<b>\$ (645,765)</b>

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**15. Pension plan costs**

Employees are eligible to participate in a Registered Pension Plan, administered by London Life, with contribution levels determined by formula. Employer contributions totalled \$285,833 (2013 - \$285,122) during the current period and were fully expensed.

**16. Contingent liabilities**

Batchewana First Nation has neither charged Goods and Services Tax nor made remittances to the Receiver General for Canada. While it is the position of the First Nation that they are not responsible for collection of federal taxes, regulations indicate that Goods and Services Tax should be charged on certain revenue from band operated enterprises. The resultant liability, if any exists, is not determinable at this time. Therefore, no provision has been made in these financial statements for any liability related to unremitted Goods and Services Tax.

The First Nation has an agreement with the Royal Bank under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of \$2,500,000 for qualified members of Batchewana First Nation. As of March 31, 2014 the First Nation has guaranteed loans in the original amount of \$1,988,190, with remaining principal balances of \$1,699,194.

The First Nation has an agreement with the Bank of Montreal providing for an aggregate credit facility in the amount of \$2,500,000 under the First Nation on Reserve Loan Program and \$250,000 under the First Nation on Reserve Renovation Loan Program for qualified members of Batchewana First Nation. As of March 31, 2014 the First Nation has guaranteed loans in the original amount of \$330,000, with remaining principal balances of \$325,155.

The First Nation has provided a guarantee and postponement of claim in the amount of \$940,595 in favour of the Royal Bank on behalf of Batchewana Band Industries Limited (BBI). As of March 31, 2014 BBI had not drawn on this loan with the Royal Bank.

The First Nation has been named as a defendant in various legal actions. The outcome of these actions are not determinable at this time and accordingly, no amounts have been reflected in the accounts of the First Nation for this matter.

**17. Comparative figures**

To comply with the presentation in the Aboriginal Affairs and Northern Development Canada Year End Reporting Handbook, the financial statement amounts that are presented for comparative purposes have been restated as follows:

Increase in 2013 Trust Funds held by Federal Government	\$360,362
Increase in 2013 accumulated surplus, beginning of year	\$211,848
Increase in 2013 accumulated surplus, end of year	\$360,362
Increase in 2013 amounts earned in Trust Funds	\$148,514
Increase in 2013 annual surplus	\$148,514

**18. Segmented information**

The Batchewana First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**18. Segmented information (continued)**

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Social assistance**

The social assistance department is responsible for administering assistance payments as well as providing services directed towards members.

**Administration**

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council.

**Infrastructure maintenance**

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

**Education**

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

**Capital**

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

**Medical and other health services**

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

**Enterprises**

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time.

**Other services**

The First Nation provides a wide array of other services, including youth employment projects, library, economic development, housing activities, forestry and others.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see the Consolidated Schedule of Segment Disclosure - Service (Schedule 2).

**Batchewana First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**19. Budget**

The budget adopted by the First Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense, and expensed principal payments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the budget adopted by the First Nation with adjustments as follows:

<b>Budget surplus for the year</b>	\$ 983,297
<b>Add:</b>	
Capital expenditures	785,553
Principal portion of loan payments	659,662
Transfers to reserves	122,230
<b>Less:</b>	
Transfers from reserves	(1,067,936)
Amortization	<u>(1,127,347)</u>
<b>Budget surplus per statement of operations</b>	<b>\$ 355,459</b>

**20. AANDC revenue**

AANDC funding per confirmation	\$ 9,577,638
AANDC funding per the financial statements	<u>\$ 9,577,638</u>

**21. Subsequent events**

On April 29, 2014, May 5, 2014 and June 5, 2014, Nodin Kitagan Limited Partnership ("NKLP") issued Limited Partnership ("LP") units for cash consideration. Batchewana First Nation's share, through its bare trust corporation Mukwaa Inc., of \$1,450,000 was funded by another party. In exchange, NKLP issued a promissory note for \$1,450,000 and Mukwaa Inc. has pledged 1,450,000 LP units as security for the note. In addition, Mukwaa Inc. will pay interest on the note at 15% per annum.

On May 5, 2014, Nodin Kitagan 2 Limited Partnership ("NK2LP") issued LP units for cash consideration. Batchewana First Nation's share, through its bare trust corporation Mukwaa Inc., of \$1,419,000 was funded by another party. In exchange, NKLP issued a promissory note for \$1,419,000 and Mukwaa Inc. has pledged 1,419,000 LP units as security for the note. In addition, Mukwaa Inc. will pay interest on the note at 15% per annum.

On July 28, 2014 Mukwaa Inc. was advanced \$4,046,509 from Bow Lake Phase 1 Wind Farm Ltd. and \$10,742,781 from Bow Lake Phase 2 Wind Farm Ltd., for a total of \$14,789,290. Mukwaa Inc. will pay interest on the notes at 15% per annum. Mukwaa Inc. has pledged its LP units as security for the advances.

On July 29, 2014 Nodin Kitagan Limited Partnership and Nodin Kitagan 2 Limited Partnership signed an agreement to borrow \$203,135,000, with the total amount advanced on July 29, 2014. Interest on advances is on a sliding scale of Prime + 0.75% until Year 5, and then Prime + 1% for Years 6 and 7. Final maturity date of the loan is the earlier of the seven year anniversary of the construction facility term-out date and January 29, 2023. Mukwaa Inc. has signed a limited guarantee on the total amount borrowed, however the bank has recourse that is limited to the amount of Mukwaa Inc.'s partnership interest in NKLP and NK2LP, and its shares of Shongwish Nodin Kitagan GP Corp. and Shongwish Nodin Kitagan 2 GP Corp.

**Batchewana First Nation**  
**Schedule 1 - Consolidated Tangible Capital Assets**

**For the year ended March 31, 2014**

		Land	Improvements	Buildings	Housing	Infrastructure	Equipment	Machinery and Equipment	Vehicles	Furniture and Equipment in progress	Total
<b>Cost, beginning of year</b>	\$ 35,001	\$ 324,180	\$ 15,161,605	\$ 8,763,947	\$ 7,435,263	\$ 444,041	\$ 187,399	\$ 600,955	\$ 3,530,801	\$ 36,483,192	
Additions	- 48,055	- 1,081,141	- 168,761	- 200,462	-	-	-	-	- 540,104	2,051,323	
Capitalized construction	-	- 901,831	- 1,628,780	- 797,828	-	-	-	-	- 24,031	(3,352,470)	
<b>Cost, end of year</b>	<b>35,001</b>	<b>372,235</b>	<b>17,144,577</b>	<b>10,561,488</b>	<b>8,433,553</b>	<b>444,041</b>	<b>187,399</b>	<b>637,786</b>	<b>718,435</b>	<b>38,534,515</b>	
Accumulated amortization, beginning of year	- 45,975	- 4,077,896	- 1,945,852	- 3,978,872	- 279,315	- 87,367	- 357,861	-	-	10,773,138	
Amortization	- 18,612	- 434,154	- 333,025	- 227,768	- 22,940	- 18,740	- 72,108	-	-	1,127,347	
<b>Accumulated amortization, end of year</b>	<b>- 64,587</b>	<b>4,512,050</b>	<b>2,278,877</b>	<b>4,206,640</b>	<b>302,255</b>	<b>106,107</b>	<b>429,969</b>	<b>-</b>	<b>-</b>	<b>11,900,485</b>	
<b>Net carrying amount, end of year</b>	<b>\$ 35,001</b>	<b>\$ 307,648</b>	<b>\$ 12,632,527</b>	<b>\$ 8,282,611</b>	<b>\$ 4,226,913</b>	<b>\$ 141,786</b>	<b>\$ 81,292</b>	<b>\$ 207,817</b>	<b>\$ 718,435</b>	<b>\$ 26,634,030</b>	

**Batchewana First Nation**  
**Schedule 1 - Consolidated Tangible Capital Assets (Continued)**

For the year ended March 31, 2013 (comparative figures)

	Land	Land Improvements	Buildings	Housing	Infrastructure	Equipment	Vehicles	Machinery and	Furniture and	Construction in progress	Total
<b>Cost, beginning of year</b>	\$ 35,001	\$ 324,180	\$ 15,029,975	\$ 5,668,826	\$ 7,101,842	\$ 444,041	\$ 187,399	\$ 564,134	\$ 3,665,041	\$ 33,020,439	
Additions	-	-	156,630	45,751	333,421	-	-	36,821	2,915,130	3,487,753	
Disposals	-	-	(25,000)	-	-	-	-	-	-	(25,000)	
Capitalized construction	-	-	-	3,049,370	-	-	-	-	(3,049,370)	-	
<b>Cost, end of year</b>	<b>35,001</b>	<b>324,180</b>	<b>15,161,605</b>	<b>8,763,947</b>	<b>7,435,263</b>	<b>444,041</b>	<b>187,399</b>	<b>600,955</b>	<b>3,530,801</b>	<b>36,483,192</b>	
Accumulated amortization, beginning of year	-	29,766	3,704,566	1,691,412	3,784,380	256,375	68,627	290,692	-	9,825,818	
Amortization	-	16,209	384,580	254,440	194,492	22,940	18,740	67,169	-	958,570	
Disposals	-	-	(11,250)	-	-	-	-	-	-	(11,250)	
Accumulated amortization, end of year	-	45,975	4,077,896	1,945,852	3,978,872	279,315	87,367	357,861	-	10,773,138	
<b>Net carrying amount, end of year</b>	<b>\$ 35,001</b>	<b>\$ 278,205</b>	<b>\$ 11,083,709</b>	<b>\$ 6,818,095</b>	<b>\$ 3,456,391</b>	<b>\$ 164,726</b>	<b>\$ 100,032</b>	<b>\$ 243,094</b>	<b>\$ 3,530,801</b>	<b>\$ 25,710,054</b>	

**Batchewana First Nation**  
**Schedule 2 - Consolidated Segment Disclosure**

**For the year ended March 31, 2014**

	Social Assistance	Administration	Infrastructure Maintenance	Education	Capital	Medical Enterprises	Other	Consolidated Total
<b>Revenue</b>								
Aboriginal Affairs	\$ -	\$ 607,944	\$ 317,781	\$ 5,822,824	\$ 327,801	\$ 39,300	\$ 1,440,000	\$ 1,021,988 \$ 9,577,638
Province of Ontario			38,760	-	501,296	193,096	180,000	532,596 1,445,748
Government of Canada	-	-	-	-	457,605	1,052,372	513,900	106,333 2,130,210
Band operated enterprises	-	-	83,930	184,292	199,990	100,175	9,910,860	150,119 10,629,366
Other	1,444,415	-	1,582	3,625	437,896	314,022	2,300,618	656,192 5,158,350
1,444,415	607,944	442,053	6,010,741	1,924,588	1,698,965	14,345,378	2,467,228	28,941,312
Due (to) from funders	-	-	110,854	-	-	-	(4,286)	106,568
Recovery of prior years	-	-	-	-	-	-	(57,121)	(57,121)
Deferred revenue, beginning of year	35,516	(25,238)	-	-	-	6,551	13,689	262,418 318,174
Deferred revenue, end of year	-	-	-	(35,366)	-	-	(1,002,639)	(378,689) (1,441,932)
<b>1,479,931</b>	<b>582,706</b>	<b>442,053</b>	<b>6,086,229</b>	<b>1,924,588</b>	<b>1,705,516</b>	<b>13,356,428</b>	<b>2,299,550</b>	<b>27,867,001</b>
<b>Expenses</b>								
Salaries, wages and benefits	197,792	623,722	237,814	353,335	58,578	999,924	1,946,264	1,338,029 5,755,458
Materials, supplies and capital	82,957	123,077	71,292	402,424	39,738	490,334	2,053,529	604,879 3,888,230
Contracted services	6,568	113,274	359,247	-	74,627	75,764	1,909,517	109,607 2,648,604
Rents and financial expenses	-	18,000	-	-	3,269	57,670	636,260	15,542 730,741
External transfers and other	1,181,134	(308,167)	22,141	4,840,937	1,066,588	95,979	5,835,688	201,602 12,935,902
Amortization	1,352	2,560	269,693	26,570	-	122,527	676,182	28,462 1,127,346
<b>1,469,803</b>	<b>572,466</b>	<b>960,187</b>	<b>5,623,266</b>	<b>1,242,800</b>	<b>1,842,198</b>	<b>13,057,440</b>	<b>2,298,121</b>	<b>27,066,281</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 10,128</b>	<b>\$ 10,240</b>	<b>\$ (518,134)</b>	<b>\$ 462,963</b>	<b>\$ 681,788</b>	<b>\$ (136,682)</b>	<b>\$ 298,988</b>	<b>\$ (8,571) \$ 800,720</b>

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

**Batchewana First Nation**  
**Schedule 2 - Consolidated Segment Disclosure**

For the year ended March 31, 2013 (comparative figures)

	Social Assistance	Administration	Infrastructure Maintenance	Education	Capital	Medical	Enterprises	Other	Consolidated Total
<b>Revenue</b>									
Aboriginal Affairs	\$ -	\$ 617,137	\$ 312,749	\$ 5,254,901	\$ 325,474	\$ 39,300	\$ 180,000	\$ 837,024	\$ 7,386,585
Province of Ontario			38,760	-	-	190,771	-	821,752	1,231,283
Government of Canada			-	93,570	231,060	10,000	441,004	-	1,478,039
Band operated enterprises			-	-	212,551	99,400	10,202,860	111,866	10,951,307
Other	1,443,539	-	-	23,351	300	314,934	1,938,246	1,079,839	4,800,209
1,443,539	617,137	445,079	5,509,312	548,325	1,671,440	12,762,110	2,850,481		25,847,423
Due (to) from funders	-	-	766,831	-	-	-	-	-	766,831
Recovery of prior years	-	-	-	-	-	(7,500)	(35,300)	(1,150)	(43,950)
Deferred revenue, beginning of year	36,982	-	-	-	-	6,551	167,952	161,504	372,989
Deferred revenue, end of year	(35,516)	-	-	-	-	(6,551)	(13,689)	(262,418)	(318,174)
<b>1,445,005</b>	<b>617,137</b>	<b>445,079</b>	<b>6,276,143</b>	<b>548,325</b>	<b>1,663,940</b>	<b>12,881,073</b>	<b>2,748,417</b>		<b>26,625,119</b>
<b>Expenses</b>									
Salaries, wages and benefits	213,370	605,522	235,415	249,056	178,608	974,938	1,859,989	1,529,278	5,846,176
Materials, supplies and capital	76,694	230,654	66,554	541,411	96,964	486,590	2,439,373	839,299	4,777,539
Contracted services	6,513	128,192	351,365	-	85,431	72,783	1,232,427	121,162	1,997,873
Rents and financial expenses	-	19,200	-	-	5,558	64,736	413,470	20,585	523,549
External transfers and other	1,148,428	(328,613)	(27,095)	4,982,571	(2,375,563)	84,919	9,482,918	199,612	13,167,177
Amortization	1,352	-	236,417	23,750	-	124,727	542,862	28,462	958,570
<b>1,446,357</b>	<b>654,955</b>	<b>862,656</b>	<b>5,796,788</b>	<b>(2,009,002)</b>	<b>1,898,693</b>	<b>15,972,039</b>	<b>2,738,398</b>		<b>27,270,884</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,352)</b>	<b>\$ (37,818)</b>	<b>\$ (417,577)</b>	<b>\$ 479,355</b>	<b>\$ 2,557,327</b>	<b>\$ (144,753)</b>	<b>\$ (3,090,966)</b>	<b>\$ 10,019</b>	<b>\$ (645,765)</b>

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