



## BATCHEWANA FIRST NATION OF OJIBWAYS

RANKIN RESERVE 15 D  
GOULAIS BAY RESERVE 15 A  
OBADJIWAN RESERVE 15 E  
WHITEFISH ISLAND 15

Administration Office: 236 Frontenac Street  
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Batchewana First Nation, ON P6A 6Z1  
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[www.batchewana.ca](http://www.batchewana.ca)

**PRIVATE AND CONFIDENTIAL**  
**Indigenous and Northern Affairs Canada**  
40 Elm Street, Suite 290  
Rainbow Centre - 2nd floor  
Sudbury ON P3C 1S8

July 28, 2016

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Dear Sir or Madam:

### **Batchewana First Nation**

From the package submitted on July 28, 2016 to your office re: the March 31, 2016 year end, please accept that the following items are part of the FNFTA requirements:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council
- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Revenues and Expenses – Aboriginal Affairs and Northern Development Canada
- Revenues and Expenses – Health Canada

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours very truly

Kim Lambert, Chief Executive Officer

Consolidated Financial Statements of

**BATCHEWANA FIRST NATION**

Year ended March 31, 2016

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

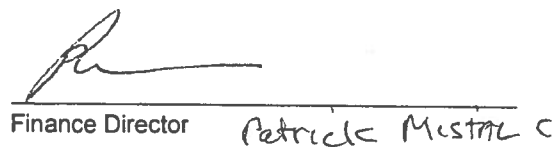
Batchewana maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Batchewana's assets are appropriately accounted for and adequately safeguarded.

Batchewana is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council reviewed Batchewana's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. KPMG LLP has full access to the Council.

  
Chief

  
Finance Director *Patrick Mustac*



KPMG LLP  
111 Elgin Street, Suite 200  
Sault Ste. Marie ON P6A 6L6  
Canada  
Telephone (705) 949-5811  
Fax (705) 949-0911

## INDEPENDENT AUDITORS' REPORT

To the Council and Members of Batchewana First Nation

We have audited the accompanying consolidated financial statements of **Batchewana First Nation** which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statements of financial activities, changes in net financial debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider 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 opinion.



*Opinion*

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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

July 28, 2016

Sault Ste. Marie, Canada

# BATCHEWANA FIRST NATION

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Year ended March 31, 2016

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### Financial Statements

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# BATCHEWANA FIRST NATION

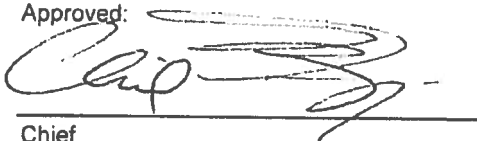
## Exhibit A - Consolidated Statement of Financial Position


March 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets:</b>		
Cash (note 2)	\$ 1,889,490	\$ 2,094,081
Restricted cash (note 3)	2,025,248	226,665
Accounts receivable (note 4)	1,711,070	3,068,980
Band members' loans (note 5)	1,947	2,046
Investment in Batchewana Band Industries Limited (note 6)	1,439,584	1,443,976
Investment in Mukwaa 2 Inc. (note 7)	428,018	464,259
Investment in Nodin Kitagan Limited Partnerships (note 8)	21,079,675	24,066,672
Investment in Chi-Wiikwedong Holdings Limited Partnership (Note 9)	9,904,396	11,500,001
Investment in GBG-BFN Limited Partnership (note 10)	489,028	-
Trust funds held by federal government	406,354	387,283
	<u>39,374,810</u>	<u>43,253,963</u>
<b>Financial liabilities:</b>		
Accounts payable	1,999,585	789,764
Deferred revenue (note 11)	69,537	154,302
Term demand loans (note 12)	10,902,565	8,607,068
Long-term debt (note 14)	44,326,293	44,204,065
	<u>57,297,980</u>	<u>53,755,199</u>
Net debt	(17,923,170)	(10,501,236)
<b>Non-financial assets:</b>		
Tangible capital assets (note 13)	25,784,159	26,636,627
Prepaid expenses and inventory of supplies	121,748	180,447
	<u>25,905,907</u>	<u>26,817,074</u>
Contingent liabilities (note 16)		
Accumulated surplus (note 15)	\$ 7,982,737	\$ 16,315,838

See accompanying notes to consolidated financial statements.

Approved:

  
Chief

  
Finance Director Patrick Mistral CPA

# BATCHEWANA FIRST NATION

## Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	Budget (note 18)	2016	2015
<b>Revenue:</b>			
Indigenous and Northern Affairs Canada (note 17)	\$ 8,127,684	\$ 8,089,276	\$ 9,341,915
Province of Ontario	1,115,842	1,134,131	922,758
Government of Canada	1,732,928	1,621,530	1,693,888
Ontario First Nations Limited Partnership	1,179,861	1,189,824	1,179,861
North Shore Tribal Council	1,640,830	1,590,573	1,667,688
Band operated enterprises	8,761,108	9,043,590	8,939,703
Other	4,213,321	3,302,382	4,835,708
Government of Canada Trust Funds	-	19,072	17,281
	26,771,574	25,990,378	28,598,802
<b>Expenses:</b>			
Niigaanin	1,529,587	1,465,416	1,498,906
Government	423,015	384,823	775,675
Lands, Memberships and Estates	62,608	64,638	58,803
Elections	-	-	6,000
Licensing	7,600	7,283	6,423
Community Services	754,198	999,782	1,049,640
Education	6,787,365	6,005,286	6,052,348
Child Day Care	879,091	816,246	746,434
Cultural Education Centre	1,573	1,573	1,573
Capital Projects	578,886	452,823	194,198
Other Subsidized Programs	1,109,724	1,114,455	1,158,576
Health	1,989,940	1,961,580	1,900,486
Employment and Training	110,247	459,825	541,319
Arena Operations	780,155	1,077,113	871,272
Band Operated Activities - Buildings	367,358	569,728	499,190
Band Operated Activities - CMHC	184,215	656,282	679,565
Bingo Operations	7,974,637	8,674,904	8,729,799
Other Band Activities	557,925	727,363	847,791
Renewable Energy Development	243,909	1,163,943	1,841,760
Other Band Activities - Natural Resources	412,125	619,903	279,420
Band Committees	22,400	32,552	15,150
Other Band Operated Enterprises	48,500	219,487	399,144
Rankin Reserve Community Services Incorporated	278,797	464,365	306,899
Batchewana Band Industries Ltd.	-	4,392	43,700
Renewable Energy Partnerships	-	6,379,717	4,551,012
	25,103,855	34,323,479	33,055,083
<b>Excess (deficiency) of revenue over expenses</b>	1,667,719	(8,333,101)	(4,456,281)
Accumulated surplus, beginning of year	16,315,838	16,315,838	20,772,119
<b>Accumulated surplus, end of year</b>	\$ 17,983,557	\$ 7,982,737	\$ 16,315,838

See accompanying notes to consolidated financial statements.



# BATCHEWANA FIRST NATION

## Exhibit C - Consolidated Statement of Changes in Net Debt

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Deficiency of revenue over expenses	\$ (8,333,101)	\$ (4,456,281)
Acquisition of tangible capital assets	(322,629)	(1,141,832)
Amortization of tangible capital assets	1,175,097	1,139,235
Change in prepaid expenses and inventory of supplies	58,699	19,895
<b>Change in net financial debt</b>	<b>(7,421,934)</b>	<b>(4,438,983)</b>
Net debt, beginning of year	(10,501,236)	(6,062,253)
<b>Net debt, end of year</b>	<b>\$ (17,923,170)</b>	<b>\$ (10,501,236)</b>

See accompanying notes to consolidated financial statements.

# BATCHEWANA FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Operating transactions:		
Deficiency of revenue over expenses	\$ (8,333,101)	\$ (4,456,281)
Adjustment for:		
Amortization of tangible capital assets	1,175,097	1,139,235
Share of operating loss from Nodin Kitagan Limited Partnerships	2,986,997	1,283,330
Share of operating loss from Chi-Wiikwedong Holdings Limited Partnership	133,767	-
Share of operating loss from investment in Batchewana Band Industries Limited	4,392	43,700
Share of operating (loss) profit from investment in Mukwaa 2 Inc.	36,241	(227,740)
Share of operating loss from investment in GBG-BFN Limited Partnership	9,247	-
	(3,987,360)	(2,217,756)
Changes in non-cash working capital:		
Decrease in accounts receivable	1,357,910	4,212,617
Decrease in band member loans	99	20,201
Decrease in prepaid expenses and inventory of supplies	58,699	19,895
Increase (decrease) in accounts payable and accrued liabilities	1,209,821	(650,365)
Decrease in deferred revenue	(84,765)	(1,316,744)
Increase (decrease) in demand loans	2,295,497	(175,525)
	849,901	(107,677)
Capital transactions:		
Cash used to acquire tangible capital assets	(322,629)	(1,141,832)
Financing transactions:		
Long-term debt advanced during year	16,137,797	32,344,272
Principal payments on long-term debt	(16,015,569)	(695,730)
	122,228	31,648,542
Investing transactions:		
Distributions from (investment in) Chi-Wiikwedong Holdings Limited Partnership	1,461,838	(11,500,001)
Investment in Nodin Kitagan Limited Partnerships	-	(17,658,290)
Investment in GBG-BFN Limited Partnership	(498,275)	-
Investment in Mukwaa 2 Inc.	-	(236,519)
Increase in trust funds held by federal government	(19,071)	(17,282)
	944,492	(29,412,092)
Net increase in cash	1,593,992	986,941
Cash, beginning of year	2,320,746	1,333,805
Cash, end of year	\$ 3,914,738	\$ 2,320,746
Represented by:		
Cash	\$ 1,889,490	\$ 2,094,081
Restricted cash	2,025,248	226,665
	\$ 3,914,738	\$ 2,320,746

See accompanying notes to consolidated financial statements.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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The Batchewana First Nation (the "First Nation"), located in Sault Ste. Marie Ontario, administers programs and provides services to First Nation members.

### 1. Significant accounting policies:

These consolidated financial statements of the First Nation are the representations of management and have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

#### (a) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

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 transaction are eliminated upon consolidation.

Under the modified equity method of accounting, only Batchewana First Nation's portion of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are eliminated.

Organizations consolidated include:

Rankin Reserve Community Services Incorporated  
Mukwaa Inc. - a bare trustee corporation  
2419656 Ontario Inc. - a bare trustee corporation

Organizations accounted for on a modified equity basis include:

Batchewana Band Industries Limited  
Mukwaa 2 Inc.  
6597982 Manitoba Ltd. - a bare trustee corporation  
2425771 Ontario Inc.

Batchewana First Nation has invested in limited partnerships through Mukwaa Inc. and 2419656 Ontario Inc. The First Nation accounts for its investment in these business partnerships using the modified equity method.

#### (b) Inventories:

Inventories are stated at lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 1. Significant accounting policies (continued):

#### (d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Useful Life - Years
Land improvements	20 years
Buildings	40 years
Infrastructure	30 years
Machinery and equipment	10 years
Furniture, computers and fixtures	4 to 10 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### (ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

#### (iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

#### (e) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments with audit adjustments repayable to the government. Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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### 1. Significant accounting policies (continued):

#### (f) 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. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the First Nation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

#### (g) Revenue recognition:

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.

#### (h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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### 2. Cash and lines of credit:

#### *Cash*

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

#### *Lines of credit*

- (a) The First Nation has an operating line of credit of \$70,000 with Scotiabank. At March 31, 2016, there is an outstanding balance of \$Nil (2015 - \$Nil). The line of credit is due on demand and has an interest rate of prime plus 1.25%.
- (b) The First Nation has an overdraft line of credit of \$50,000 with CIBC. At March 31, 2016, there is an outstanding balance of \$4,519 (2015 - \$17,603). The line of credit is due on demand and has an interest rate of prime plus 1.5%
- (c) The First Nation has an overdraft line of credit of \$1,200,000 with the Bank of Montreal for the Renewable Energy Department. At March 31, 2016, there is an outstanding balance of \$647,765 (2015 - \$346,303). The line of credit is due on demand and has an interest rate of prime plus 1%.
- (d) In accordance with the terms and conditions of the BMO Loan Agreement (see note 3) 2419656 Ontario Inc. (a bare trustee corporation) has established a revolving \$1,015,000 debt service reserve loan (the "DSR Loan") arrangement bearing interest at the prime rate. At March 31, 2016 there is an outstanding balance of nil (2015 - nil). The DSR Loan has been established to make principal, interest and fee payments to the extent there are insufficient funds in the Proceeds Account (see note 3(b)).

### 3. Restricted cash:

- a) As a condition of the Siemens Financial Ltd. Tranche A and B facilities, Mukwaa Inc. (a bare trustee corporation) is required to maintain a debt service reserve account equal to six months principal and interest of the outstanding loan balance (see note 14).
- b) Pursuant to a Bank of Montreal loan agreement (the "BMO Loan Agreement") (see note 14), between the Bank of Montreal ("BMO") and 2419656 Ontario Inc. and Batchewana First Nation ("the Project Parties") distributions to the Project Parties from the Chi-Wikwedong Holdings Limited Partnership ("CWHLP") are permitted via a Proceeds Account which are subject to the following conditions:
  - (i) debt service ratio for CWHLP for the previous 12 consecutive months is not less than 1:05 to 1:00 and the projected debt service ratio on a rolling 12 month basis shall not be less than 1:05 to 1:00;
  - (ii) all amounts including accrued interest and principal and all other amounts due in respect of the BMO Loan Agreement have been paid in full;
  - (iii) no balance is outstanding on the DSR Loan (see note 2(d));
  - (iv) no event of default has occurred or would reasonably be expected to occur;

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 3. Restricted cash (continued):

(v) No breach of the Province Guarantee has occurred.

Distributions must be applied in the following order of priority.

- (i) first, to pay taxes of the Project Parties to the extent such amounts are due and payable;
- (ii) second, to pay scheduled BMO loan interest due and payable. If sufficient funds are not available then to draw upon the DSR Loan to extent of any shortfall;
- (iii) third, to pay scheduled BMO loan principal due and payable. If sufficient funds are not available then to draw upon the DSR Loan to extent of any shortfall;
- (iv) fourth, to pay BMO an amount equal to the annual renewal fee, quarterly standby and processing fee and any account transaction fees;
- (v) fifth, to pay the Province guarantee and indemnification fees;
- (vi) sixth, to pay any interest due and payable on the DSR loan;
- (vii) seventh; to repay any balance outstanding on the DSR loan;
- (viii) eighth, only to the extent the account balance will be at least \$2,500.

If sufficient funds are not available to pay BMO principal, interest and related fees or the Province guarantee and indemnification fees then the DSR loan may be drawn upon to the extent of any shortfall.

Notwithstanding the above, BMO may block payments and retain such funds and apply such funds towards the reduction of the obligations, at any time after the occurrence of any event of default until such notice of default is revoked.

### 4. Accounts receivable:

	2016	2015
Indigenous and Northern Affairs Canada	\$ 503,249	\$ 1,179,283
Province of Ontario	44,239	24,357
Government of Canada	86,641	427,432
North Shore Tribal Council	199,013	316,966
ALFDC	54,022	8,868
Due from members	19,762	77,234
Other First Nations (Education Boarding Homes)	263,797	132,963
Other	624,636	968,424
	1,792,359	3,135,527
Less: allowance for doubtful accounts	(81,289)	(66,547)
	\$ 1,711,070	\$ 3,068,980

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 5. Band members' loans:

	2016	2015
Housing:		
Revolving loan fund	\$ 146,023	\$ 146,125
New project	808,603	783,048
Renovations	394,658	318,809
CAEDS / MPFP	61,685	67,015
RRAP	2,426	2,426
Housing receivables	1,413,395	1,317,423
Less: allowance for doubtful accounts	(235,095)	(274,540)
Future rental payments	(1,176,353)	(1,040,837)
	\$ 1,947	\$ 2,046

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

### 6. Investment – Batchewana Band Industries Limited (BBI):

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

	December 31, 2015	December 31, 2014
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	\$ -	\$ -
Retained earnings	1,423,984	1,428,376
Contributed surplus	15,600	15,600
	\$ 1,439,584	\$ 1,443,976



# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 6. Investment – Batchewana Band Industries Limited (BBI) (continued):

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

	December 31, 2015	December 31, 2014
Assets	\$ 2,481,799	\$ 2,129,879
Liabilities	1,053,110	696,797
Revenues	315,880	307,488
Net earnings (loss) for the year	(4,392)	(43,700)

#### Commitments:

BBI has entered into a lease agreement on certain lands known as Blue Heron Industrial Park with the First Nation and the Crown commencing May 1, 1972 and ending April 30, 2012. The agreement was originally extended to cover the periods May 1, 2012 to October 31, 2012 and most recently has been extended to April 30, 2017. 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 First Nation.

### 7. Investment – Mukwaa 2 Inc.:

Mukwaa 2 Inc. is a wholly owned corporation of Batchewana First Nation. The corporation provides employment services to external parties utilizing local resources.

	2016	2015
Share capital	\$ 255,000	\$ 255,000
Retained earnings	173,018	209,259
	\$ 428,018	\$ 464,259
Assets	\$ 938,167	\$ 618,924
Liabilities	510,248	172,967
Revenues	1,229,430	966,478
Net earnings (loss) for the year	(36,241)	227,740

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 8. Investment – Nodin Kitagan Limited Partnerships:

The First Nation has invested through Mukwaa Inc., a bare trustee 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 60 megawatt wind-powered electricity generating facility known as the Bow Lake Wind Farm. Mukwaa Inc.'s share is 50% of both NKLP and NK2LP. In addition, Mukwaa Inc. has a .001% equity investment in the related general partners Shongwish Nodin Kitagan GP Corp. ("SNKGP") and Shongwish Nodin Kitagan 2 GP Corp. ("SNK2GP").

	2016	2015
Nodin Kitagan Limited Partnerships	\$ 21,079,673	\$ 24,066,670
Shongwish Nodin Kitagan General Partners	2	2
	\$ 21,079,675	\$ 24,066,672

#### Investments in Limited Partnerships

The investments at March 31, 2016 consist of the following:

	NKLP	NK2LP	2016	2015
Balance, beginning of year	\$ 7,615,722	\$ 16,450,948	\$ 24,066,670	\$ 7,691,710
Capital contributions	-	-	-	17,658,290
First Nation's share of earnings	(460,000)	(2,526,997)	(2,986,997)	(1,283,330)
Balance, end of year	\$ 7,155,722	\$ 13,923,951	\$ 21,079,673	\$ 24,066,670

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

	NKLP	NK2LP	2016	2015
<b>Financial position</b>				
Current assets	\$ 6,014,000	\$ 27,903,000	\$ 33,917,000	\$ 39,945,000
Non-current assets	88,290,000	151,474,000	239,764,000	132,761,000
Total assets	94,304,000	179,377,000	273,681,000	172,706,000
Current liabilities	7,495,000	13,571,000	21,066,000	1,401,000
Non-current liabilities	72,497,000	137,959,000	210,456,000	123,172,000
Total liabilities	\$ 79,992,000	\$ 151,530,000	\$ 231,522,000	\$ 124,573,000

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 8. Investment – Nodin Kitagan Limited Partnerships (continued):

	NKLP	NK2LP	2016	2015
Partner's equity	\$ 14,312,000	\$ 27,847,000	\$ 42,159,000	\$ 48,133,000
<b>Results of operations</b>				
Revenue	\$ 3,554,000	\$ 5,189,000	\$ 8,743,000	\$ 44,000
Operating expenses	(1,085,000)	(559,000)	(1,644,000)	(161,000)
Other income	(1,326,000)	(3,035,000)	(4,361,000)	110,000
Net income (loss)	1,143,000	1,595,000	2,738,000	(7,000)
Items of other comprehensive loss	(2,063,000)	(6,649,000)	(8,712,000)	(2,556,000)
Comprehensive (loss)	\$ (920,000)	\$ (5,054,000)	\$ (5,974,000)	\$ (2,563,000)

Commercial operation was achieved in September 2015.

#### Investments in General Partnership

The investments at March 31, 2016 consists of the following:

	SNKGP	SNK2GP	2016	2015
Number of common shares Class A	\$ 1	\$ 1	\$ 2	\$ 2
Cost of investment	\$ 1	\$ 1	\$ 2	\$ 2

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 9. Investment – Chi-Wiikwedong Holdings Limited Partnership:

The First Nation has invested through 2419656 Ontario Inc., a bare trustee corporation has a 49% equity share of Chi-Wiikwedong Holdings Limited Partnership ("CWHLP") for the purpose of designing, developing, constructing, financing, and operating a 25 megawatt wind-powered electricity generating facility known as the Goulais Wind Farm. In addition, 2419656 Ontario Inc. has a .001% equity interest in Chi-Wiikwedong GP Inc. ("CWGP") the related general partner.

	2016	2015
Chi-Wiikwedong Holdings Limited Partnerships	\$ 9,904,395	\$11,500,000
Chi-Wiikwedong GP Inc.	1	1
	\$ 9,904,396	\$ 11,500,001

#### Investment in Chi-Wiikwedong Holdings Limited Partnership

The investment at March 31, 2016 consists of the following:

	CWHLP	CWLP	2016	2015
Balance, beginning of year	\$ 11,500,000	\$ 1	\$ 11,500,001	\$ -
Initial contribution	-	-	-	11,500,001
Partner distributions	(1,461,838)	-	(1,461,838)	-
First Nation's share of loss	(133,767)	-	(133,767)	-
Balance, end of year	\$ 9,904,395	\$ 1	\$ 9,904,396	\$ 11,500,001

Financial information for Chi-Wiikwedong Holdings Limited Partnership is for its non-coterminous December 31 fiscal years reflected herein is as follows:

Financial Position:

	2016	2015
<b>Financial position</b>		
Total assets	\$ 97,248,000	\$ 100
Total liabilities	77,035,000	-
Partner's equity	\$ 20,213,000	\$ 100

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 9. Investment – Chi-Wiikwedong Holdings Limited Partnership (continued):

#### Investment in Chi-Wiikwedong GP Inc. General Partnership

The investment at March 31, 2016 consists of the following:

	2016	2015
Number of common shares Class A	\$ 1	\$ 1
Cost of investment	\$ 1	\$ 1

Commercial operation was achieved in June 2015.

### 10. Investment – GBG-BFN Limited Partnership:

The First Nation has invested through 6597982 Manitoba Ltd., a bare trustee corporation, has a 50.999% equity share of GBG-BFN Limited Partnership. for the purpose of designing, developing, constructing, financing, owning, maintaining and operating solar electricity generating projects in Ontario, including the Solar Projects, to be developed for commercial operation under the FIT Program and all related or ancillary activities. The Partnership is currently invested in a rooftop Solar Project in Markham, Ontario.

	2016
GBG-BFN Limited Partnership	\$ 489,028
	\$ 489,028

#### GBG-BFN Limited Partnership

The investment at March 31, 2016 consists of the following:

	2016
Balance, beginning of year	\$ -
Capital contributions	498,275
First Nation's share of loss	(9,247)
Balance, end of year	\$ 489,028

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 10. Investment – GBG-BFN Limited Partnership (continued)

Financial information for GBG-BFN Limited Partnership is for its March 31 fiscal year reflected herein is as follows:

		2016
<b>Financial position</b>		
Total assets	\$	958,838
Total liabilities		-
Partner's equity	\$	958,838
<b>Results of operations</b>		
Revenue	\$	13,804
Expenses		(31,935)
Comprehensive (loss)	\$	(18,131)

### 11. Deferred revenue:

Deferred revenue is broken down by program as follows:

	2016	2015
Ministry of Culture and Tourism	\$ 18,624	\$ 34,844
RBC Housing	28,290	119,458
Other	22,623	-
	\$ 69,537	\$ 154,302

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 12. Term demand loans:

	Operating	Investing	2016	2015
Loan 1 – Bank of Montreal, non-revolving term demand loan, related to the First Nation's equity investment in Mukwaa Inc., repayable at \$61,454 monthly including interest at prime plus 1%, renewable annually	\$ 281,191	7,022,475	7,303,666	7,846,214
Loan 2 – Bank of Montreal, non-revolving term demand loan, related to the construction of the Convention Centre, repayable \$7,246 monthly plus interest at prime plus 2%, due August 2022	673,899	–	673,899	760,854
Loan 3 – Bank of Montreal, non-revolving term demand loan, related to the First Nation's equity investment in 2425771 Ontario Inc., used to repay amounts owing to Capstone Power Corp., repayable \$52,232 quarterly plus interest at prime plus 1%, renewable annually	–	2,925,000	2,925,000	–
	\$ 955,090	9,947,475	10,902,565	8,607,068

These loans are secured by a first ranking security interest over all Ontario First Nation Limited Partnership distributions.

Payments assuming annual renewals with similar amortization periods are as follows:

	Operating	Investing	Total
2017	\$ 112,573	655,965	768,538
2018	117,573	676,801	794,374
2019	122,799	698,304	821,103
2020	128,262	720,497	848,759
2021	133,975	743,401	877,376
Thereafter	339,908	6,452,507	6,792,415
	\$ 955,090	9,947,475	10,902,565

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 13. Tangible capital assets:

Cost	Balance March 31, 2015	Additions	Disposals	Balance at March 31, 2016
Land	\$ 35,001	\$ -	\$ -	\$ 35,001
Land improvements	372,235	-	-	372,235
Buildings	17,444,022	-	-	17,444,022
Housing	10,779,148	1,052,042	-	11,831,190
Infrastructure	8,737,478	90,432	-	8,827,910
Machinery and equipment	444,041	-	-	444,041
Vehicles	216,026	-	-	216,026
Furniture and equipment	646,425	-	-	646,425
Construction in progress	819,845	-	(819,845)	-
<b>Total</b>	<b>\$ 39,494,221</b>	<b>\$ 1,142,474</b>	<b>\$ (819,845)</b>	<b>\$ 39,816,850</b>

Accumulated amortization	Balance March 31, 2015	Disposals	Amortization expense	Balance at March 31, 2016
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	83,199	-	18,612	101,811
Buildings	4,948,151	-	436,101	5,384,252
Housing	2,625,276	-	381,467	3,006,743
Infrastructure	4,267,722	-	246,223	4,513,945
Machinery and equipment	325,194	-	20,718	345,912
Vehicles	123,801	-	17,694	141,495
Furniture and equipment	484,251	-	54,282	538,533
Construction in progress	-	-	-	-
<b>Total</b>	<b>\$ 12,857,594</b>	<b>\$ -</b>	<b>\$ 1,175,097</b>	<b>\$ 14,032,691</b>

	Net book value March 31, 2015	Net book value March 31, 2016
Land	\$ 35,001	\$ 35,001
Land improvements	289,036	270,424
Buildings	12,495,871	12,059,770
Housing	8,153,872	8,824,447
Infrastructure	4,469,756	4,313,965
Machinery and equipment	118,847	98,129
Vehicles	92,225	74,531
Furniture and equipment	162,174	107,892
Construction in progress	819,845	-
<b>Total</b>	<b>\$ 26,636,627</b>	<b>\$ 25,784,159</b>



# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 13. Tangible capital assets (continued):

Cost	Balance March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land	\$ 35,001	\$ -	\$ -	\$ 35,001
Land improvements	372,235	-	-	372,235
Buildings	17,144,577	299,445	-	17,444,022
Housing	10,561,488	217,660	-	10,779,148
Infrastructure	8,433,553	486,051	(182,126)	8,737,478
Machinery and equipment	444,041	-	-	444,041
Vehicles	187,399	28,627	-	216,026
Furniture and equipment	637,786	8,639	-	646,425
Construction in progress	718,435	101,410	-	819,845
Total	\$ 38,534,515	\$ 1,141,832	\$ (182,126)	\$ 39,494,221

Accumulated amortization	Balance March 31, 2014	Disposals	Amortization expense	Balance at March 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	64,587	-	18,612	83,199
Buildings	4,512,050	-	436,101	4,948,151
Housing	2,278,877	-	346,399	2,625,276
Infrastructure	4,206,640	(182,126)	243,208	4,267,722
Machinery and equipment	302,255	-	22,939	325,194
Vehicles	106,107	-	17,694	123,801
Furniture and equipment	429,969	-	54,282	484,251
Construction in progress	-	-	-	-
Total	\$ 11,900,485	\$ (182,126)	\$ 1,139,235	\$ 12,857,594

	Net book value March 31, 2014	Net book value March 31, 2015
Land	\$ 35,001	\$ 35,001
Land improvements	307,648	289,036
Buildings	12,632,527	12,495,871
Housing	8,282,611	8,153,872
Infrastructure	4,226,913	4,469,756
Machinery and equipment	141,786	118,847
Vehicles	81,292	92,225
Furniture and equipment	207,817	162,174
Construction in progress	718,435	819,845
Total	\$ 26,634,030	\$ 26,636,627

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 14. Long-term debt:

CMHC Project	Renewal Date	Monthly Payment	Interest Rate	2016	2015
08-509-622	July 1, 2016	\$ 4,998	5.39%	\$ 17,573	\$ 75,355
10-449-270	April 1, 2017	458	3.14%	5,867	11,167
Senior's complex	April 1, 2017	3,825	1.67%	645,413	680,259
16-135-543-002	March 1, 2019	4,039	2.04%	550,377	585,224
16-135-543-003	Sept. 1, 2020	3,335	0.94%	536,996	570,426
16-135-543-004	Sept. 1, 2020	5,241	0.94%	843,819	896,350
16-135-543-005	April 1, 2019	4,881	1.92%	678,773	723,896
16-135-543-006	May 1, 2017	9,526	1.80%	1,605,899	1,690,589
16-135-543-007	May 1, 2017	5,656	1.80%	953,402	1,003,688
16-135-543-008	May 1, 2018	3,117	1.52%	565,772	594,367
16-135-543-009	Sept. 1, 2018	6,735	2.35%	1,162,006	1,214,976
16-135-543-010	Dec. 1, 2019	1,271	1.83%	185,340	197,095
CHMC advances				704,552	666,700
CMHC subtotal				8,455,789	8,910,092
All CMHC loans and advances are secured by Ministerial guarantees.					
Royal Bank, term loan, repayable \$11,755 monthly including interest at 3.75%, maturing November 2018				1,141,488	1,236,333
Royal Bank, term loan, repayable \$16,075 monthly including interest at 4.25%, maturing November 2016				1,650,520	1,771,117
Bank of Nova Scotia, term loan, repayable \$2,187 monthly including interest at 4.65% maturing November 2016				17,496	43,738
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 of \$258,000) as long as the project meets certain operating criteria				-	4,300
Operating loans subtotal				2,809,504	3,055,488
Bank of Montreal, term loan, repayable at \$237,912 quarterly including interest at 3.95% maturing February 2031 (b)				9,611,000	-
Capstone Power Corp, grid promissory note, bearing interest at 9%, maturing September 2034				-	12,027,425
Siemens Financial Ltd, Tranche A, term loan, bears interest at 8.5%, requires interest only payments until April 30, 2016 and is repayable quarterly thereafter, at specified amounts maturing January 2022				18,000,000	18,000,000
Siemens Financial Ltd, Tranche B, term loan, bears interest at 10%, requires interest only payments until the commencement of commercial operation at which time a long-term repayment schedule will be established as noted below (a)				5,450,000	2,211,060
Investing loans subtotal				33,061,000	32,238,485
				\$ 44,326,293	\$ 44,204,065

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 14. Long-term debt (continued):

Payments assuming annual renewals with similar amortization periods are as follows:

	Operating	Investing	
2017	\$ 696,943	1,028,262	1,725,205
2018	691,114	1,089,030	1,780,144
2019	708,010	775,127	1,483,137
2020	725,846	1,287,448	2,013,294
2021	744,233	1,373,951	2,118,184
Thereafter	7,699,147	27,507,182	35,206,329
	\$ 11,265,293	33,061,000	44,326,293

- (a) The Siemens Financial Ltd., Tranche B loan facility has a borrowing limit of \$5,450,000.

Under terms of the Tranche B loan facility agreement Batchewana First Nation shall apply 100% of the operating income from the Bow Lake wind farm project, less the aggregate of (i) debt service during the repayment period and (ii) contributions of the debt service reserve account during the repayment period to the repayment of principal outstanding on the Tranche B Loans. On each Term Loan Payment Date following the date on which the outstanding principal amount of the Tranche B Loan is reduced to \$3,500,000 or less, Batchewana First Nation shall apply 90% of the operating income from the wind farm project to the repayment of principal outstanding on the Tranche B Loans. Batchewana First Nation shall apply 100% of any Special Distributions to the repayment of principal outstanding on the Tranche B Loans.

Subsequent to year end a principal payment in the amount of \$6,664,596 was applied to the Tranche B loan.

All Siemens Financial Ltd term loans are secured by a borrower security agreements, limited recourse guarantee, Batchewana First Nation securities pledge agreement, blocked account agreement and escrow agreement. Mukwaa Inc. has established a credit facility in the aggregate amount of \$23,450,000.

- (b) The Bank of Montreal loan (the "BMO Loan Agreement") borrowed through 2419656 Ontario Inc. (the "Borrower") is secured by a security pledge agreement for the shares of Borrower held by the First Nation, a general security agreement in respect of the Borrower's interest in CWHLP and CWGP, an assignment of the Proceeds Account (see note 3) and payments made by CWHLP, and a loan guarantee by the Province of Ontario for the sum of the principal amount of the loan to a maximum of \$9,611,000 and all accrued but unpaid interest.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 15. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2016	2015
Reserves	\$ 10,882,188	\$ 11,405,322
Equity in tangible capital assets	13,844,967	13,910,193
Renewable Energy Partnerships deficit	(10,930,729)	(4,551,012)
Members' deficit	(6,220,043)	(4,835,948)
Funds held in trust	406,354	387,283
	<u>\$ 7,982,737</u>	<u>\$ 16,315,838</u>

Allocation of annual surplus (deficit):

	2016	2015
Reserves	\$ (523,134)	\$ (305,464)
Equity in tangible capital assets	(65,226)	(168,314)
Operations	(1,088,462)	367,188
Renewable Energy Partnerships	(6,379,717)	(4,551,012)
Batchewana Band Industries Limited	(4,392)	(43,700)
Mukwaa 2 Inc.	(291,241)	227,739
Funds held in trust	19,071	17,282
	<u>\$ (8,333,101)</u>	<u>\$ (4,456,281)</u>

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 16. Contingent liabilities:

- (i) 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 the First Nation. As of March 31, 2016, the First Nation has guaranteed loans in the original amount of \$1,908,190, with remaining principal balances of \$1,527,249.
- (ii) 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 Loan Program for qualified members of Batchewana First Nation. As of March 31, 2016, the First Nation has guaranteed loans in the original amount of \$507,160, with remaining principal balances of \$501,241.
- (iii) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$507,500. As of March 31, 2016, its proportional outstanding loan balance as part of the Trust is \$227,527 (2015 – \$Nil).

The loan guarantee is secured by an assignment of the First Nation's distributions from the Ontario First Nation Limited Partnership.

- (iv) 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, 2016, BBI had not drawn on this loan with the Royal Bank.
- (v) The First Nation has been named as 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. Indigenous and Northern Affairs Canada revenue:

	2016	2015
Revenue per confirmation	\$ 8,315,025	\$ 8,621,074
Deferred revenue, prior year	-	1,263,621
Approval – Funerals and Burials	11,500	-
Prior year revenue repayable	(237,249)	(542,780)
	\$ 8,089,276	\$ 9,341,915

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 18. Budget:

The operating budget approved by the First Nation for 2016 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated use of reserves to reduce current year expenditures. In addition, the budget expensed principal payments of debt.

The consolidated budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets have been restated to be comparable with the Public Sector Accounting Standards. A reconciliation of the Council approved budget and the consolidated budget presented in these financial statements is presented below:

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Budgeted deficit for the year:	\$	(632,240)
Adjustments to adopted budget:		
Principal portion of loan payments		954,827
Transfers to reserves		1,345,132
Budgeted deficit per statements of operations	\$	1,667,719

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### 19. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

### 20. Segmented information:

Batchewana First Nation is a diversified governmental institution that provides a wide range of services to its band 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 program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by functional areas and their activities are reported in these programs. Certain functional areas 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.

# BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 20. Segmented information (continued):

### Government

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 service 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.

# BATCHEWANA FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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### 20. Segmented information (continued):

#### 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.



# BATCHEWANA FIRST NATION

Note 20 - Segmented Information (continued)

Year ended March 31, 2016

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2016 Total
Revenue	\$ 1,457,123	613,680	457,694	5,853,264	686,042	1,822,027	10,118,471	4,982,077	\$ 25,990,378
Expenses:									
Salaries and benefits	216,346	928,694	221,603	350,339	60,082	1,040,791	1,638,871	1,950,475	6,407,201
Materials, supplies and capital	21,766	82,516	115,943	306,260	478,896	298,118	1,690,660	536,288	3,530,447
Contracted services	-	172,716	271,454	11,502	142,959	47,848	1,312,881	53,712	2,013,072
Rents and financial expenses	15,000	18,000	54,287	-	774	62,404	3,129,046	199,977	3,479,488
External transfers and other	1,210,952	(819,663)	43,087	5,315,530	92,741	390,023	10,863,707	621,797	17,718,174
Amortization of tangible capital assets	1,352	2,560	293,408	21,655	-	122,396	174,426	559,300	1,175,097
	1,465,416	384,823	999,782	6,005,286	775,452	1,961,580	18,809,591	3,921,549	34,323,479
Excess (deficiency) of revenue over expenses	\$ (8,293)	228,857	(542,088)	(152,022)	(89,410)	(139,553)	(8,691,120)	1,060,528	\$ (8,333,101)

# BATCHEWANA FIRST NATION

Note 20 - Segmented Information (continued)

Year ended March 31, 2015

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2015 Total
Revenue	\$ 1,494,247	645,476	517,503	6,083,578	554,168	1,803,124	12,260,273	5,240,433	\$ 28,598,802
Expenses:									
Salaries and benefits	211,252	854,820	240,480	352,638	58,186	1,007,090	1,564,875	1,911,934	6,201,275
Materials, supplies and capital	17,520	64,326	91,645	356,772	48,793	368,005	1,778,564	631,591	3,357,216
Contracted services	-	128,811	253,309	16,258	40,771	27,098	1,484,464	91,578	2,042,289
Rents and financial expenses	20,000	18,600	80,075	-	1,701	52,375	2,657,906	235,250	3,065,907
External transfers and other	1,248,782	(293,442)	93,737	5,305,025	44,747	323,523	9,857,743	669,046	17,249,161
Amortization of tangible capital assets	1,352	2,560	290,394	21,655	-	122,395	176,646	524,233	1,139,235
	1,498,906	775,675	1,049,640	6,052,348	194,198	1,900,486	17,520,198	4,063,632	33,055,083
Excess (deficiency) of revenue over expenses	\$ (4,659)	(130,199)	(532,137)	31,230	359,970	(97,362)	(5,259,925)	1,176,801	\$ (4,456,281)