

Consolidated Financial Statements of

BATCHEWANA FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2019

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of 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. Consolidated 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 consolidated 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 consolidated financial statements.

The Chief and Council reviewed Batchewana's consolidated 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 consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated 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 Manager



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INDEPENDENT AUDITORS' REPORT

To the Council and Members of Batchewana First Nation

Opinion

We have audited the consolidated financial statements of Batchewana First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019 and its consolidated results of operations and accumulated surplus, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"** section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
July 16, 2019

BATCHEWANA FIRST NATION

Index to Consolidated Financial Statements

Year ended March 31, 2019

Financial Statements

Exhibit A	Consolidated Statement of Financial Position	1
Exhibit B	Consolidated Statement of Operations and Accumulated Surplus	2
Exhibit C	Consolidated Statement of Changes in Net Debt	3
Exhibit D	Consolidated Statement of Cash Flows	4
	Notes to Consolidated Financial Statements	5 - 25

BATCHEWANA FIRST NATION

Exhibit A - Consolidated Statement of Financial Position


March 31, 2019, with comparative information for 2018

	2019	2018
Financial assets		
Cash (note 2)	\$ 6,066,422	\$ 5,306,217
Restricted cash (note 3)	2,440,065	2,841,554
Accounts receivable (note 4)	3,235,163	3,164,843
Investment in Batchewana Band Industries Limited (note 5)	1,542,109	1,447,195
Investment in Mukwaa 2 Inc. (note 6)	677,266	742,327
Investment in Nodin Kitagan Limited Partnerships (note 7)	13,129,591	12,294,594
Investment in Chi-Wiikwedong LP (note 8)	10,566,515	10,536,210
Investment in GBG-BFN Limited Partnership (note 9)	362,317	404,921
Investment and advances in Zaagate Giizis Energy Inc. (note 10)	1,455,031	1,403,215
Trust funds held by federal government	451,163	440,922
	<u>39,925,642</u>	<u>38,581,998</u>
Financial liabilities		
Operating line of credit (note 2)	1,333	1,408,904
Accounts payable	3,364,953	2,684,099
Deferred revenue (note 11)	1,613,342	265,658
Term demand loans (note 12)	8,175,679	8,906,296
Long-term debt (note 14)	36,510,078	37,722,798
	<u>49,665,385</u>	<u>50,987,755</u>
Net debt	(9,739,743)	(12,405,757)
Non-financial assets		
Tangible capital assets (note 13)	28,470,372	28,517,104
Prepaid expenses and inventory of supplies	141,180	149,078
	<u>28,611,552</u>	<u>28,666,182</u>
Contingent liabilities (note 16)		
Accumulated surplus (note 15)	\$ 18,871,809	\$ 16,260,425

See accompanying notes to consolidated financial statements.

Approved:


Chief


Finance Manager

BATCHEWANA FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	Budget (note 18)	2019	2018
Revenue:			
Indigenous Services Canada (note 17)	\$ 9,919,609	\$ 9,970,817	\$ 9,394,830
Province of Ontario	2,511,818	2,777,861	1,928,061
Government of Canada	2,711,749	2,486,514	2,241,386
Ontario First Nations Limited Partnership	1,352,000	1,729,738	1,365,259
North Shore Tribal Council	1,333,730	1,373,986	1,443,248
Band operated enterprises	7,505,511	9,371,906	9,248,013
Other	4,718,116	8,853,971	16,883,940
Government of Canada Trust Funds	-	10,240	17,224
	30,052,533	36,575,033	42,521,961
Expenses:			
Niigaanin	1,284,900	1,317,116	1,328,809
Government	622,996	490,102	112,504
Lands, Memberships and Estates	67,786	73,865	62,459
Elections	20,000	19,015	-
Licensing	6,000	6,750	6,000
Community Services	923,977	1,059,074	1,029,169
Education	7,213,228	7,203,205	7,038,460
Child Day Care	1,005,835	871,178	868,500
Cultural Education Centre	1,573	1,573	1,573
Capital Projects	1,771,827	819,797	569,465
Other Subsidized Programs	1,991,845	1,645,216	1,497,557
Health	3,282,472	3,632,108	2,715,049
Employment and Training	509,993	510,788	494,517
Arena Operations	1,502,409	1,302,594	1,489,920
Band Operated Activities - Buildings	316,644	416,399	531,296
Band Operated Activities - CMHC	290,219	1,120,536	868,952
Bingo Operations	8,107,665	8,947,686	8,890,087
Other Band Activities	634,711	710,146	617,128
Renewable Energy Development	-	217,408	1,326,949
Other Band Activities - Natural Resources	668,721	628,093	848,045
Band Committees	26,200	33,089	43,972
Other Band Operated Enterprises	-	333,983	758,581
Batchewana First Nation Housing Authority Incorporated	156,312	325,701	355,799
Batchewana Band Industries Ltd.	-	(94,914)	(349)
Renewable Energy Enterprises	-	2,373,141	2,553,648
	30,405,313	33,963,649	34,008,090
Excess (deficiency) of revenue over expenses	(352,780)	2,611,384	8,513,871
Accumulated surplus, beginning of year	16,260,425	16,260,425	7,746,554
Accumulated surplus, end of year	\$ 15,907,645	\$ 18,871,809	\$ 16,260,425

See accompanying notes to consolidated financial statements.

BATCHEWANA FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Debt

Year ended March 31, 2019, with comparative information for 2018

	Budget (note 18)	2019	2018
Excess (deficiency) of revenue over expenses	\$ (352,780)	\$ 2,611,384	\$ 8,513,871
Acquisition of tangible capital assets	-	(1,338,966)	(3,281,288)
Amortization of tangible capital assets	-	1,385,698	1,296,677
Change in prepaid expenses and inventory of supplies	-	7,898	10,034
Change in net financial debt	(352,780)	2,666,014	6,539,294
Net debt, beginning of year	(12,405,757)	(12,405,757)	(18,945,051)
Net debt, end of year	\$ (12,758,537)	\$ (9,739,743)	\$ (12,405,757)

See accompanying notes to consolidated financial statements.

BATCHEWANA FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Operating transactions:		
Excess of revenue over expenses	\$ 2,611,384	\$ 8,513,871
Adjustment for:		
Amortization of tangible capital assets	1,385,698	1,296,677
Share of operating profit from investment in Batchewana Band Industries Limited	(94,914)	(349)
Share of operating loss from investment in Mukwaa 2 Inc.	65,061	(22,855)
Share of operating profit from Nodin Kitagan Limited Partnerships	(3,234,997)	(6,640,993)
Share of operating profit from Chi-Wiikwedong LP	(1,466,469)	(984,817)
Share of operating profit from investment in GBG-BFN Limited Partnership	(21,146)	(23,129)
Share of operating loss (profit) from Zaagate Giizis Energy Inc.	(64,174)	(5,037)
	(819,557)	2,133,368
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	(70,320)	2,432,098
Decrease in prepaid expenses and inventory of supplies	7,898	10,034
Increase in accounts payable and accrued liabilities	680,854	569,146
Increase in deferred revenue	1,347,684	265,658
Decrease in demand loans	(730,617)	(1,258,711)
	415,942	4,151,593
Capital transactions:		
Cash used to acquire tangible capital assets	(1,338,966)	(3,281,288)
Financing transactions:		
Decrease in operating line of credit	(1,407,571)	(637,394)
Long-term debt advanced during year	338,394	1,378,953
Principal payments on long-term debt	(1,551,114)	(2,679,170)
	(2,620,291)	(1,937,611)
Investing transactions:		
Distributions from Chi-Wiikwedong LP	1,436,164	1,198,240
Distributions from Nodin Kitagan Limited Partnerships	2,400,000	4,720,000
Distributions from (investments in) GBG-BFN Limited Partnership	63,750	71,628
Repayment from (advances to) Zaagate Giizis Energy Inc.	12,358	(935,841)
Investment and advances in Mukwaa 2 Inc.	-	(309,073)
Increase in trust funds held by federal government	(10,241)	(17,224)
	3,902,031	4,727,730
Net increase in cash	358,716	3,660,424
Cash, beginning of year	8,147,771	4,487,347
Cash, end of year	\$ 8,506,487	\$ 8,147,771
Represented by:		
Cash	\$ 6,066,422	\$ 5,306,217
Restricted cash	2,440,065	2,841,554
	\$ 8,506,487	\$ 8,147,771

See accompanying notes to consolidated financial statements.

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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 consolidated 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:

Batchewana First Nation Housing Authority 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.
Zaagate Giizis Energy 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, 2019

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 consolidated 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 consolidated 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, 2019

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, 2019

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 unrestricted operating line of credit of \$1,500,000 with Scotiabank. At March 31, 2019, there is an outstanding balance of nil (2018 - \$1,345,000).

The balance has been used to finance First Nation's investment in Zaagate Giizis Energy Inc.

- (b) The First Nation has an overdraft line of credit of \$50,000 with CIBC. At March 31, 2019, there is an outstanding balance of \$52,251 (2018 - \$12,664). 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, 2019, there is an outstanding balance of \$1,333 (2018 - \$63,904). 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, 2019 there is an outstanding balance of nil (2018 - \$3,464). 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. facility, 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 7 and 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-Wiikwedong LP ("CWLP") are permitted via a Proceeds Account which are subject to the following conditions:
 - (i) debt service ratio for 2419656 Ontario Inc. 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;

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

3. Restricted cash (continued):

- (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;
- (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.

- c) In accordance with the operating agreements between the First Nation and Canada Mortgage Housing Corporation ("CMHC"), cash in the amount of \$123,833 (2018 – \$122,069) is restricted for this purpose. Under the agreement, the First Nation is required to set aside funding to maintain a replacements reserve bank account. As of fiscal year end, this First Nation is required to have set aside \$470,395 (2018 - \$637,749).

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

4. Accounts receivable:

	2019	2018
Indigenous Services Canada	\$ 963,845	\$ 247,159
Province of Ontario	788,705	447,036
Government of Canada	48,934	58,313
North Shore Tribal Council	259,897	187,611
Aboriginal Labour Force Development Corporation	39,243	78,391
Other First Nations (Education Boarding Homes)	254,554	207,129
Other	765,439	724,996
Investment distributions (i)	580,000	1,610,000
	3,700,617	3,560,635
Less: allowance for doubtful accounts	(465,454)	(395,792)
	\$ 3,235,163	\$ 3,164,843

- i. Included first quarter cash distributions from the investment in Nodin Kitagan Limited Partnership of \$580,000 (2018 - \$1,610,000). These amounts have been collected subsequent to March 31, 2019.

5. 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, 2018	December 31, 2017
Retained earnings	\$ 1,526,509	\$ 1,431,595
Contributed surplus	15,600	15,600
	\$ 1,542,109	\$ 1,447,195

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

	December 31, 2018	December 31, 2017
Assets	\$ 2,452,014	\$ 2,419,580
Liabilities	909,905	922,536
Revenues	435,518	349,246
Net earnings for the year	94,914	349

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

6. Investment – Mukwaa 2 Inc.:

Mukwaa 2 Inc. is a wholly owned corporation of Batchewana First Nation. The corporation undertakes economic development activities on behalf of the First Nation.

	2019	2018
Share capital	\$ 255,000	\$ 255,000
Retained earnings and advances	422,266	487,327
	\$ 677,266	\$ 742,327

Financial position

Total assets	\$ 743,940	\$ 745,160
Total liabilities	66,674	2,833
Revenue	–	22,855
Net earnings (loss) for the year	(65,061)	22,855

7. 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").

	2019	2018
Nodin Kitagan Limited Partnerships	\$ 13,129,589	\$ 12,294,592
Shongwish Nodin Kitagan General Partners	2	2
	\$ 13,129,591	\$ 12,294,594

Investments in Limited Partnerships

The investments at March 31, 2018 consist of the following:

	NKLP	NK2LP	2019	2018
Balance, beginning of year	\$ 4,372,132	\$ 7,922,460	\$ 12,294,592	\$ 10,373,599
Partner distributions	(295,000)	(2,105,000)	(2,400,000)	(4,720,000)
First Nation's share of earnings	509,499	2,725,498	3,234,997	6,640,993
Balance, end of year	\$ 4,586,631	\$ 8,542,958	\$ 13,129,589	\$ 12,294,592

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

7. Investment – Nodin Kitagan Limited Partnerships (continued):

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

	NKLP	NK2LP	2019	2018
Financial position				
Current assets	\$ 3,674,000	\$ 7,525,000	\$ 11,199,000	\$ 10,471,000
Non-current assets	79,842,000	135,680,000	215,522,000	224,517,000
Total assets	\$ 83,516,000	\$ 143,205,000	\$ 226,721,000	\$ 234,988,000
Current liabilities	\$ 4,417,000	\$ 7,783,000	\$ 12,200,000	\$ 13,151,000
Non-current liabilities	69,465,000	115,877,000	185,342,000	192,088,000
Total liabilities	\$ 73,882,000	\$ 123,660,000	\$ 197,542,000	\$ 205,239,000

	NKLP	NK2LP	2019	2018
Partner's equity	\$ 9,634,000	\$ 19,545,000	\$ 29,179,000	\$ 29,749,000

Results of operations

Revenue	\$ 9,489,000	\$ 19,424,000	\$ 28,913,000	\$ 29,463,000
Operating expenses	(1,388,000)	(2,364,000)	(3,752,000)	(4,666,000)
Other expenses	(7,226,000)	(11,987,000)	(19,213,000)	(19,457,000)
Net income	875,000	5,073,000	5,948,000	5,340,000
Items of other comprehensive income	144,000	378,000	522,000	7,942,000
Comprehensive income	\$ 1,019,000	\$ 5,451,000	\$ 6,470,000	\$ 13,282,000

Investments in General Partnership

The investments at March 31, 2018 consists of the following:

	SNKGP	SNK2GP	2019	2018
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, 2019

7. Investment – Nodin Kitagan Limited Partnerships (continued):

Subsequent event

On April 3, 2019 the First Nation through Mukwaa Inc. (bare trustee corporation) received a \$25,522,086 partnership distribution from its investment in the Nodin Kitagan Limited Partnerships. The proceeds from the distribution were used to repay the outstanding Siemens Financial Ltd. debt as well as related interest and debt retirement fees in the amount of \$16,525,823 and \$3,077,606 respectively. The net distribution proceeds of \$5,918,657 and previously restricted cash in the amount of \$1,517,796 has been internally set aside by the First Nation.

8. Investment – Chi-Wiikwedong LP:

The First Nation has invested through 2419656 Ontario Inc., a bare trustee corporation ("Trustco"), a 49% equity share of Chi-Wiikwedong LP ("CWLP"). In addition, Trustco has a .001% equity interest in Chi-Wiikwedong GP Inc. ("CWGP") the related general partner. CWLP operates a 25 megawatt wind-powered electricity generating facility known as the Goulais Wind Farm which has entered into 20 year power purchase Feed-In Tariff (FIT) agreement with the IESO expiring in 2034.

Under terms of the partnership and related agreements Trustco is entitled to 49% of annual distributions based on targets which have been pre-established by the partners for the duration of the FIT of the agreement. During the year Trustco received distributions in the amount of \$1,436,164 (2018 - \$1,273,000) of which included income in the amount of \$1,273,105 (2018 - \$962,078).

9. 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.

	2019	2018
GBG-BFN Limited Partnership	\$ 362,317	\$ 404,921

GBG-BFN Limited Partnership

The investment at March 31, 2019 consists of the following:

	2019	2018
Balance, beginning of year	\$ 404,921	\$ 453,420
Partner distributions	(63,750)	(71,628)
First Nation's share of earnings	21,146	23,129
Balance, end of year	\$ 362,317	\$ 404,921

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

9. 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:

	2019	2018
Financial position		
Total assets	\$ 775,213	\$ 792,320
Total liabilities	(64,832)	–
Partner's equity	\$ 710,381	\$ 792,320
Results of operations		
Revenue	\$ 108,951	\$ 108,013
Expenses	(67,490)	(62,664)
Net income	\$ 41,461	\$ 45,349

10. Investment and advances – Zaagate Giizis Energy Inc.

The investment in Zaagate Giizis Energy Inc. ("ZGEI") is comprised of a 51% equity interest. ZGEI constructed, operates and manages on reserve rooftop and ground mount solar electrical generating projects.

	2019	2018
Zaagate Giizis Energy Inc. (51 common shares)	\$ 51	\$ 51
Advances to Zaagate Giizis Energy Inc.	1,387,159	1,399,516
Share of ZGEI's retained earnings	67,821	3,648
	\$ 1,455,031	\$ 1,403,215

Financial information for Zaagate is for its March 31 fiscal year reflected herein is as follows:

	2019	2018
Financial position		
Total assets	\$ 2,780,567	\$ 2,793,646
Total liabilities	2,647,484	2,723,451
Revenue	330,806	286,656
Net earnings for the year	125,831	9,876

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

11. Deferred revenue:

Deferred revenue is broken down by program as follows:

	2019	2018
Indigenous Services Canada:	\$ 1,333,745	\$ 94,370
Health Canada	–	133,095
Province of Ontario	189,615	–
Other	89,982	38,193
	\$ 1,613,342	\$ 265,658

12. Term demand loans:

	Operating	Investing	2019	2018
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 3.5%, renewable August 2019	\$ 226,281	5,651,184	5,877,465	6,399,153
Loan 2 – Bank of Montreal, non-revolving term demand loan, related to the First Nation's equity investment in 2419656 Ontario Inc., used to repay amounts owing to Capstone Power Corp., repayable \$52,232 quarterly plus interest at prime plus 1%, renewable December 2021	–	2,298,214	2,298,214	2,507,143
	\$ 226,281	7,949,398	8,175,679	8,906,296

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
2020	\$ 20,861	729,923	750,784
2021	21,598	748,317	769,915
2022	22,360	767,361	789,721
2023	23,150	787,077	810,227
2024	23,967	807,489	831,456
Thereafter	114,345	4,109,231	4,223,576
	\$ 226,281	7,949,398	8,175,679

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Tangible capital assets:

Cost	Balance at March 31, 2018	Additions	Disposals and transfers	Balance at March 31, 2019
Land	\$ 383,001	-	-	383,001
Land improvements	372,235	-	-	372,235
Buildings	18,346,544	104,772	-	18,451,316
Housing	12,965,924	2,154,426	-	15,120,350
Infrastructure	9,276,828	72,500	(72,500)	9,276,828
Machinery and equipment	851,813	185,630	-	1,037,443
Vehicles	337,475	167,090	-	504,565
Furniture and equipment	695,874	-	-	695,874
Construction in progress	1,829,626	484,174	(1,829,626)	484,174
Total	\$ 45,059,320	3,168,592	(1,902,126)	46,325,786

Accumulated Amortization	Balance at March 31, 2018	Disposals	Amortization	Balance at March 31, 2019
Land	\$ -	-	-	-
Land improvements	139,035	-	18,611	157,646
Buildings	6,290,125	-	461,283	6,751,408
Housing	3,808,481	-	491,106	4,299,587
Infrastructure	5,030,141	(72,500)	271,086	5,228,727
Machinery and equipment	447,297	-	80,058	527,355
Vehicles	193,970	-	43,248	237,218
Furniture and equipment	633,167	-	20,305	653,472
Construction in progress	-	-	-	-
Total	\$ 16,542,216	(72,500)	1,385,697	17,855,413

	Net book value, March 31, 2018	Net book value, March 31, 2019
Land	\$ 383,001	383,001
Land improvements	233,200	214,589
Buildings	12,056,419	11,699,908
Housing	9,157,443	10,820,763
Infrastructure	4,246,687	4,048,101
Machinery and equipment	404,516	510,088
Vehicles	143,505	267,347
Furniture and equipment	62,707	42,402
Construction in progress	1,829,626	484,174
Total	\$ 28,517,104	28,470,373

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Tangible capital assets (continued):

Cost	Balance at March 31, 2017	Additions	Disposals and transfers	Balance at March 31, 2018
Land	\$ 35,001	348,000	-	383,001
Land improvements	372,235	-	-	372,235
Buildings	17,888,373	458,171	-	18,346,544
Housing	11,860,555	1,105,369	-	12,965,924
Infrastructure	9,091,509	185,319	-	9,276,828
Machinery and equipment	635,754	216,059	-	851,813
Vehicles	287,450	50,025	-	337,475
Furniture and equipment	646,425	49,449	-	695,874
Construction in progress	960,730	1,803,614	(934,718)	1,829,626
Total	\$ 41,778,032	4,216,006	(934,718)	45,059,320

Accumulated Amortization	Balance at March 31, 2017	Disposals	Amortization	Balance at March 31, 2018
Land	\$ -	-	-	-
Land improvements	120,423	-	18,612	139,035
Buildings	5,831,461	-	458,664	6,290,125
Housing	3,389,189	-	419,292	3,808,481
Infrastructure	4,768,954	-	261,187	5,030,141
Machinery and equipment	385,802	-	61,495	447,297
Vehicles	165,231	-	28,739	193,970
Furniture and equipment	584,479	-	48,688	633,167
Construction in progress	-	-	-	-
Total	\$ 15,245,539	-	1,296,677	16,542,216

	Net book value, March 31, 2017	Net book value, March 31, 2018
Land	\$ 35,001	383,001
Land improvements	251,812	233,200
Buildings	12,056,912	12,056,419
Housing	8,471,366	9,157,443
Infrastructure	4,322,555	4,246,687
Machinery and equipment	249,952	404,516
Vehicles	122,219	143,505
Furniture and equipment	61,946	62,707
Construction in progress	960,730	1,829,626
Total	\$ 26,532,493	28,517,104

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

14. Long-term debt:

CMHC Project	Renewal Date	Monthly Payment	Interest Rate	2019	2018
Senior's complex	Apr. 1, 2022	\$ 3,760	1.43%	\$ 535,760	\$ 573,006
16-135-543-002	Mar. 1, 2024	4,059	2.14%	432,518	471,815
16-135-543-003	Sept. 1, 2020	3,335	0.94%	430,485	466,319
16-135-543-004	Sept. 1, 2020	5,241	0.94%	676,452	732,759
16-135-543-005	Apr. 1, 2024	4,867	1.86%	537,631	585,517
16-135-543-006	May 1, 2022	9,222	1.35%	1,336,085	1,428,212
16-135-543-007	May 1, 2022	5,475	1.35%	793,209	847,903
16-135-543-008	May 1, 2023	3,338	2.49%	479,224	507,074
16-135-543-009	Oct. 1, 2023	6,889	2.68%	995,437	1,051,556
16-135-543-010	Dec. 1, 2019	1,271	1.83%	148,986	161,419
16-135-543-011	May 1, 2021	3,997	1.21%	744,174	782,955
16-135-543-012	Oct. 1, 2022	5,084	2.13%	1,072,269	1,108,927
16-135-543-013	June 1, 2023	7,391	2.50%	1,457,815	-
CHMC advances				-	1,149,244
CMHC subtotal				9,640,045	9,866,706
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 2019				867,228	938,348
Royal Bank, term loan, repayable \$15,858 monthly including interest at 3.96%, maturing November 2021				1,256,739	1,394,423
Operating loans subtotal				11,764,012	12,199,477
Bank of Montreal, term loan, repayable at \$237,912 quarterly including interest at 3.95% maturing February 2031 (a)				8,220,243	8,443,187
Siemens Financial Ltd, Tranche A, term loan, bears interest at 8.5%, and was repaid April 3, 2019 (see note 7)				16,525,823	17,080,134
Investing loans subtotal				24,746,066	25,523,321
				\$ 36,510,078	\$ 37,722,798

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

14. Long-term debt (continued):

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

	Operating	Investing	Total
2020	\$ 888,347	17,217,301	18,105,648
2021	867,896	731,521	1,599,417
2022	888,671	749,276	1,637,947
2023	910,052	757,813	1,667,865
2024	932,059	763,011	1,695,070
Thereafter	7,276,987	4,527,144	11,804,131
	\$ 11,764,012	24,746,066	36,510,078

(a) 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.

15. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2019	2018
Reserves	\$ 14,017,592	\$ 13,836,341
Equity in tangible capital assets	16,706,361	16,317,627
Renewable Energy Enterprises deficit	(7,182,010)	(11,103,526)
Members' deficit	(5,121,296)	(3,230,939)
Funds held in trust	451,162	440,922
	\$ 18,871,809	\$ 16,260,425

Allocation of annual surplus (deficit):

	2019	2018
Reserves	\$ 181,251	\$ 2,396,473
Equity in tangible capital assets	388,734	2,211,962
Operations	(1,920,210)	(1,489,316)
Renewable Energy Enterprises	3,921,516	5,354,324
Batchewana Band Industries Limited	94,914	349
Mukwaa 2 Inc.	(65,061)	22,855
Funds held in trust	10,240	17,224
	\$ 2,611,384	\$ 8,513,871

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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, 2019, the First Nation has guaranteed loans with remaining principal balances of \$933,300.
- (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, 2019, the First Nation has guaranteed loans with remaining principal balances of \$343,553 (2018 - \$508,502).
- (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, 2019, its proportional outstanding loan balance as part of the Trust is \$507,500 (2018 - \$507,500).

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, 2019, 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 Services Canada revenue:

	2019	2018
Revenue per confirmation	\$ 11,493,589	\$ 10,105,664
ISC funding deferred in prior year	94,370	-
ISC funding repayable	(283,397)	(616,464)
ISC funding deferred	(1,333,745)	(94,370)
	<u>\$ 9,970,817</u>	<u>\$ 9,394,830</u>

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

18. Budget:

The operating budget approved by the First Nation for 2019 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 consolidated financial statements is presented below:

Budgeted deficit for the year:	\$ (1,073,519)
Adjustments to adopted budget:	
Principal portion of loan payments	973,827
Transfers from reserves and other	(253,088)
Budgeted deficit per statements of operations	\$ (352,780)

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, 2019

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, 2019

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, 2019

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2019 Total
Revenue	\$ 1,317,116	651,773	495,500	6,661,188	810,735	3,460,575	11,511,488	11,666,658	\$ 36,575,033
Expenses:									
Salaries and benefits	215,332	892,002	175,743	645,234	63,610	1,559,237	1,867,370	2,154,938	7,573,466
Materials, supplies and capital	17,411	142,147	151,593	232,298	684,366	778,083	1,370,490	1,233,266	4,609,654
Contracted services	-	373,868	326,871	3,640	-	320,871	808,262	76,303	1,909,815
Rents and financial expenses	49,073	18,090	50,297	(301)	393	81,167	2,211,174	183,383	2,593,276
External transfers and other	1,033,948	(959,648)	35,559	6,306,510	71,428	759,770	7,958,323	685,851	15,891,741
Amortization of tangible capital assets	1,352	23,643	319,011	15,824	-	132,980	202,514	690,373	1,385,697
	1,317,116	490,102	1,059,074	7,203,205	819,797	3,632,108	14,418,133	5,024,114	33,963,649
Excess (deficiency) of revenue over expenses	\$ -	161,671	(563,574)	(542,017)	(9,062)	(171,533)	(2,906,645)	6,642,544	\$ 2,611,384

BATCHEWANA FIRST NATION

Note 20 - Segmented Information (continued)

Year ended March 31, 2019

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2018 Total
Revenue	\$ 1,328,809	812,763	466,916	6,810,966	1,071,012	2,607,222	15,856,999	13,567,274	\$ 42,521,961
Expenses:									
Salaries and benefits	226,564	754,644	177,051	581,160	60,578	1,216,787	1,812,473	1,898,024	6,727,281
Materials, supplies and capital	11,778	68,862	158,923	221,471	439,920	466,679	2,442,334	777,024	4,586,991
Contracted services	-	257,543	273,744	14,141	460	121,863	1,088,066	151,328	1,907,145
Rents and financial expenses	49,602	18,100	74,337	1,730	1,502	37,625	2,349,244	164,576	2,696,716
External transfers and other	1,039,513	(1,010,811)	36,742	6,204,134	67,005	747,215	8,553,761	1,155,722	16,793,281
Amortization of tangible capital assets	1,352	24,166	308,372	15,824	-	124,880	203,203	618,879	1,296,676
	1,328,809	112,504	1,029,169	7,038,460	569,465	2,715,049	16,449,081	4,765,553	34,008,090
Excess (deficiency) of revenue over expenses	\$ -	700,259	(562,253)	(227,494)	501,547	(107,827)	(592,082)	8,801,721	\$ 8,513,871