

Consolidated Financial Statements of

BATCHEWANA FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2021

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

Chief Financial Officer



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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, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net assets 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, 2021 and its consolidated results of operations and accumulated surplus, its consolidated changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"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

May 11, 2022

BATCHEWANA FIRST NATION

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Year ended March 31, 2021

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BATCHEWANA FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash (note 2)	\$ 23,331,211	\$ 14,826,199
Restricted cash (note 3)	1,419,045	825,216
Accounts receivable (note 4)	4,570,209	4,232,751
Investment in Batchewana Band Industries Limited (note 5)	1,679,621	1,574,186
Investment in Mukwaa 2 Inc. (note 6)	688,229	689,501
Investment in Nodin Kitagan Limited Partnerships (note 7)	4	4
Investment in Chi-Wiikwedong LP (note 8)	9,981,257	10,347,431
Investment in GBG-BFN Limited Partnership (note 9)	361,461	341,777
Investment and advances in Zaagate Giizis Energy Inc. (note 10)	3,008,638	1,481,989
Trust funds held by federal government	497,330	478,836
	45,537,005	34,797,890
Financial liabilities		
Operating lines of credit (note 2)	-	2,032,822
Accounts payable and accrued liabilities	2,864,403	3,115,315
Deferred revenue (note 11)	13,566,551	1,648,403
Term demand loans (note 12)	6,630,677	7,382,499
Long-term debt (note 14)	17,059,599	18,409,923
	40,121,230	32,588,962
Net assets	5,415,775	2,208,928
Non-financial assets		
Tangible capital assets (note 13)	32,536,910	29,747,505
Prepaid expenses and inventory of supplies	144,065	233,305
	32,680,975	29,980,810
Contingent liabilities (note 16)		
Accumulated surplus (note 15)	\$ 38,096,750	\$ 32,189,738

See accompanying notes to consolidated financial statements.

Approved:

Chief

Chief Financial Officer

BATCHEWANA FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2021, with comparative information for 2020

	Budget	2021	2020
	(note 18)		
Revenue:			
Indigenous Services Canada (note 17)	\$ 11,951,781	\$ 13,748,532	\$ 11,856,934
Province of Ontario	2,593,630	2,592,421	2,424,257
Government of Canada	986,153	2,577,094	782,514
Ontario First Nations Limited Partnership	899,418	1,463,874	1,499,030
North Shore Tribal Council	1,353,084	1,332,046	1,381,717
Band operated enterprises	597,651	182,381	9,169,973
Other	8,759,342	8,436,384	22,653,858
Government of Canada Trust Funds	10,500	18,494	27,673
	27,151,559	30,351,226	49,795,956
Expenses:			
Niigaanin	1,276,352	1,297,008	1,286,588
Government	2,590,042	1,336,625	1,575,844
Lands, Memberships and Estates	73,482	65,308	67,312
Elections	22,150	11,000	-
Licensing	6,000	-	6,000
Community Services	1,345,814	1,483,763	1,251,519
Education	6,782,204	7,006,163	6,672,750
Child Day Care	911,452	824,120	897,512
Cultural Education Centre	-	8,304	1,573
Capital Projects	1,212,888	775,383	928,226
Other Subsidized Programs	2,815,885	2,473,628	1,871,898
Health	4,035,004	3,236,482	3,350,680
Employment and Training	531,371	489,413	503,750
Arena Operations	959,985	716,119	1,386,260
Band Operated Activities - Buildings	1,042,885	748,513	586,425
Band Operated Activities - CMHC	1,113,399	1,162,440	1,090,721
Bingo Operations	856,645	581,738	9,102,481
Other Band Activities	1,374,540	620,706	538,883
Renewable Energy Development	202,600	96,828	25,472
Other Band Activities - Natural Resources	777,396	400,020	785,888
Band Committees	60,850	25,821	35,869
Other Band Operated Enterprises	241,500	257,153	416,851
Batchewana First Nation Housing ed			
Authority Incorporated	164,940	307,658	248,692
Batchewana Band Industries Ltd.	(32,000)	(105,435)	(32,077)
Renewable Energy Enterprises	986,927	625,456	3,878,910
	29,352,311	24,444,214	36,478,027
Excess (deficiency) of revenue over expenses	(2,200,752)	5,907,012	13,317,929
Accumulated surplus, beginning of year	32,189,738	32,189,738	18,871,809
Accumulated surplus, end of year	\$ 29,988,986	\$ 38,096,750	\$ 32,189,738

See accompanying notes to consolidated financial statements.

BATCHEWANA FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Assets (Debt)

Year ended March 31, 2021, with comparative information for 2020

	Budget	2021	2020
	(note 18)		
Excess of revenue over expenses	\$ (2,200,752)	\$ 5,907,012	\$ 13,317,929
Acquisition of tangible capital assets	-	(4,316,022)	(2,798,133)
Loss on disposal of tangible capital assets	-	-	111,358
Amortization of tangible capital assets	1,386,070	1,526,617	1,409,642
Change in prepaid expenses and inventory of supplies	-	89,240	(92,125)
Change in net assets	(814,682)	3,206,847	11,948,671
Net assets (debt), beginning of year	2,208,928	2,208,928	(9,739,743)
Net assets, end of year	\$ 1,394,246	\$ 5,415,775	\$ 2,208,928

See accompanying notes to consolidated financial statements.

BATCHEWANA FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Operating transactions:		
Excess of revenue over expenses	\$ 5,907,012	\$ 13,317,929
Adjustment for:		
Amortization of tangible capital assets	1,526,617	1,409,642
Loss on disposal of tangible capital assets	-	111,358
Income from Nodin Kitagan Limited Partnerships distribution above book value	(3,090,000)	(12,595,003)
Share of operating profit from investment in Batchewana Band Industries Limited	(105,435)	(32,077)
Share of operating loss (profit) from investment in Mukwaa 2 Inc.	1,272	(12,235)
Share of operating profit from Nodin Kitagan Limited Partnerships	-	(4,092,498)
Share of operating profit from Chi-Wiikwedong LP	(1,192,031)	(776,421)
Share of operating profit from investment in GBG-BFN Limited Partnership	(19,684)	(20,364)
Share of operating loss (profit) from Zaagate Giizis Energy Inc.	53,907	(26,958)
	3,081,658	(2,716,627)
Changes in non-cash working capital:		
Increase in accounts receivable	(337,458)	(997,586)
Decrease (increase) in prepaid expenses and inventory of supplies	89,240	(92,125)
Increase (decrease) in accounts payable and accrued liabilities	(250,912)	(249,638)
Increase in deferred revenue	11,918,148	35,061
Decrease in term demand loans	(751,822)	(793,180)
	13,748,854	(4,814,095)
Capital transactions:		
Cash used to acquire tangible capital assets	(4,316,022)	(2,798,133)
Financing transactions:		
Increase (decrease) in operating lines of credit	(2,032,822)	2,031,489
Long-term debt advanced during year	239,067	-
Principal payments on long-term debt	(1,589,391)	(18,100,155)
	(3,383,146)	(16,068,666)
Investing transactions:		
Distributions from Chi-Wiikwedong LP	1,558,205	995,505
Distributions from Nodin Kitagan Limited Partnerships	3,090,000	29,817,086
Distributions from GBG-BFN Limited Partnership	-	40,904
Investment and advances in Zaagate Giizis Energy Inc.	(1,580,556)	-
Increase in trust funds held by federal government	(18,494)	(27,673)
	3,049,155	30,825,822
Net increase in cash	9,098,841	7,144,928
Cash, beginning of year	15,651,415	8,506,487
Cash, end of year	\$ 24,750,256	\$ 15,651,415
Represented by:		
Cash	\$ 23,331,211	\$ 14,826,199
Restricted cash	1,419,045	825,216
	\$ 24,750,256	\$ 15,651,415

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

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.

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

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.

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

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.

(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) Trust funds held by federal government:

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, 2021

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, 2021, there is an outstanding balance of \$nil (2020 – \$1,080,000).
- (b) The First Nation has an overdraft line of credit of \$50,000 with CIBC. At March 31, 2021, there is an outstanding balance of \$nil (2020 – \$nil). 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, 2021, there is an outstanding balance of \$nil (2020 – \$952,822). 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, 2021 there is an outstanding balance of \$nil (2020 – \$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) 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;

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

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 \$621,732 (2020 – \$557,842) 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 March 31, 2021, the First Nation is required to have set aside \$666,704 (2020 – \$621,565).

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

4. Accounts receivable:

	2021	2020
Indigenous Services Canada	\$ 612,519	\$ 1,465,972
Province of Ontario	233,365	108,950
Government of Canada	927,288	308,528
North Shore Tribal Council	500,145	268,769
Aboriginal Labour Force Development Corporation	132,851	112,584
Other	1,366,518	1,065,425
Investment distributions (i)	1,070,000	1,175,000
	4,842,686	4,505,228
Less: allowance for doubtful accounts	(272,477)	(272,477)
	<hr/> \$ 4,570,209	<hr/> \$ 4,232,751

- i. Included first quarter cash distributions from the investment in Nodin Kitagan Limited Partnership of \$1,070,000 (2020 – \$1,175,000). These amounts have been collected subsequent to March 31, 2021.

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, 2020	December 31, 2019
Retained earnings	\$ 1,664,021	\$ 1,558,586
Contributed surplus	15,600	15,600
	<hr/> \$ 1,679,621	<hr/> \$ 1,574,186

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

	December 31, 2020	December 31, 2019
Assets	\$ 3,304,509	\$ 2,414,653
Liabilities	1,624,88	840,467
Revenues	472,207	453,558
Net earnings for the year	105,435	32,077

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

6. Investment – Mukwaa 2 Inc.:

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

	2021	2020
Share capital	\$ 255,000	\$ 255,000
Retained earnings and advances	433,229	434,501
	\$ 688,229	\$ 689,501

Financial position

Total assets	\$ 688,229	\$ 689,501
Total liabilities	-	-
Revenue	-	20,569
Net earnings (loss) for the year	(1,272)	12,235

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 Kitigan GP Corp. (“SNKGP”) and Shongwish Nodin Kitigan 2 GP Corp. (“SNK2GP”).

	2021	2020
Nodin Kitagan Limited Partnerships	\$ 2	\$ 2
Shongwish Nodin Kitigan General Partners	2	2
	\$ 4	\$ 4

Investments in Limited Partnerships

The investments in the partnerships are measured using the modified equity method. The investment in partnerships have been reduced to nominal value of \$4 after reflecting the Partnerships’ share of the operating profits and distributions since inception.

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Notes to Consolidated Financial Statements

Year ended March 31, 2021

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

The investments at March 31, 2021 consist of the following:

	NKLP	NK2LP	2021	2020
Balance, beginning of year	\$ (5,040,468)	\$ (7,554,533)	\$ (12,595,001)	\$ 13,129,589
Regular partner distributions	(520,000)	(2,570,000)	(3,090,000)	(4,295,000)
Special partner distributions	–	–	–	(25,522,086)
First Nation's share of (loss) earnings	(2,390,998)	(2,480,998)	(4,871,996)	4,092,496
Balance, end of year	\$ (7,951,466)	\$ (12,605,531)	\$ (20,556,997)	\$ (12,595,001)

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

	NKLP	NK2LP	2021	2020
Financial position				
Current assets	\$ 2,569,000	\$ 4,896,000	\$ 7,465,000	\$ 6,983,000
Non-current assets	72,265,000	123,693,000	195,958,000	206,159,000
Total assets	\$ 74,834,000	\$ 128,589,000	\$ 203,423,000	\$ 213,142,000
Current liabilities	\$ 5,551,000	\$ 9,395,000	\$ 14,946,000	\$ 11,439,000
Non-current liabilities	84,365,000	141,236,000	225,601,000	233,002,000
Total liabilities	\$ 89,916,000	\$ 150,631,000	\$ 240,547,000	\$ 234,441,000

	NKLP	NK2LP	2021	2020
Partner's equity	\$ (15,082,000)	\$ (22,042,000)	\$ (37,124,000)	\$ (21,229,000)

Results of operations

Revenue	\$ 10,083,000	\$ 20,536,000	\$ 30,619,000	\$ 29,302,000
Operating expenses	(1,519,000)	(2,671,000)	(4,190,000)	(4,337,000)
Other expenses	(7,920,000)	(14,102,000)	(22,022,000)	(13,457,000)
Net income	644,000	3,763,000	4,407,000	11,508,000
Items of other comprehensive (loss) income	(5,426,000)	(8,725,000)	(14,151,000)	(3,323,000)
Comprehensive (loss) income	\$ (4,782,000)	\$ (4,962,000)	\$ (9,744,000)	\$ 8,185,000

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

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

Investments in General Partnership

The investments at March 31, 2021 consists of the following:

	SNKGP	SNK2GP	2021	2020
Number of common shares Class A	\$ 1	\$ 1	\$ 2	\$ 2
Cost of investment	\$ 1	\$ 1	\$ 2	\$ 2

Subsequent event

Subsequent to year-end, one of the wind turbines was severely damaged and resulted in the Bow Lake Wind Facility to be partially shut down for approximately 4 months while repairs and maintenance procedures were performed. As of the date of these statements, the full financial impact of this incident on future cash flows is still being assessed and cannot be reasonably estimated at this time.

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 \$1,558,205 (2020 – \$995,505) of which included income in the amount of \$1,192,031 (2019 – \$776,421).

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

9. Investment – GBG-BFN Limited Partnership:

The First Nation has invested through 6597982 Manitoba Ltd., a bare trustee corporation, 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 Solar Projects 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.

	2021	2020
GBG-BFN Limited Partnership	\$ 361,461	\$ 341,777

GBG-BFN Limited Partnership

The investment at March 31, 2020 consists of the following:

	2021	2020
Balance, beginning of year	\$ 341,777	\$ 362,317
Partner distributions	–	(40,904)
First Nation's share of earnings	19,684	20,364
Balance, end of year	\$ 361,461	\$ 341,777

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

	2021	2020
Financial position		
Total assets	\$ 815,349	\$ 775,540
Total liabilities	(106,648)	(105,434)
Partner's equity	\$ 708,701	\$ 670,106

	2021	2020
Results of operations		
Revenue	\$ 112,707	\$ 104,387
Expenses	(74,112)	(64,458)
Net income	\$ 38,595	\$ 39,929

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

10. Investment and advances – Zaagate Giizis Energy Inc.:

On July 10, 2020, the First Nation purchased 49 common shares representing the remaining 49% equity interest in ZGEI for \$364,432. The First Nation also advanced an additional \$1,149,592 to ZGEI to repay all loans owing to the former shareholder. This advance is a loan bearing interest at 4%, repayable to the First Nation over 15 years.

The investment in Zaagate Giizis Energy Inc. ("ZGEI") is comprised of a 100% equity interest. ZGEI constructed, operates and manages on reserve rooftop and ground mount solar electrical generating projects.

	2021	2020
Zaagate Giizis Energy Inc. (100 common shares)	\$ 364,483	\$ 51
Advances to Zaagate Giizis Energy Inc.	1,420,957	1,387,913
Loan receivable from Zaagate Giizis Energy Inc.	1,111,781	–
Share of ZEGI's retained earnings	111,417	94,025
	<hr/> \$ 3,008,638	<hr/> \$ 1,481,989

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

	2021	2020
Financial position		
Total assets	\$ 2,753,694	\$ 2,728,665
Total liabilities	2,642,177	2,544,203
Revenue	325,794	303,073
Net (loss) earnings for the year	(72,945)	51,379

11. Deferred revenue:

Deferred revenue is broken down by program as follows:

	March 31, 2020	Funding received	Revenue recognized	March 31, 2021
Indigenous Services Canada	\$ 949,745	\$ 14,480,201	\$ (5,825,934)	\$ 9,604,012
Province of Ontario	323,692	1,434,064	(1,030,243)	727,313
Government of Canada	–	2,400,000	–	2,400,000
Other	374,966	1,566,869	(1,106,508)	835,327
Balance, end of year	<hr/> \$ 1,648,403	<hr/> \$ 19,881,134	<hr/> \$ (7,962,685)	<hr/> \$ 13,566,852

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

12. Term demand loans:

	Operating	Investing	2021	2020
Loan 1 – Bank of Montreal, non-revolving term demand loan, related to the First Nation's equity investment in Mukwaa Inc., repayable at \$45,241 monthly plus interest at prime plus 1%, renewable August 2021	\$ 182,885	\$ 4,567,435	\$ 4,750,320	\$ 5,293,213
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	–	1,880,357	1,880,357	2,089,286
	\$ 182,885	\$ 6,447,792	\$ 6,630,677	\$ 7,382,499

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

Interest expense incurred during the year on term demand loans was \$230,352 (2020 – \$348,786).

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

	Operating	Investing	Total
2022	\$ 20,901	\$ 730,922	\$ 751,823
2023	20,901	730,922	751,823
2024	20,901	730,922	751,823
2025	20,901	730,922	751,823
2026	20,901	730,922	751,823
Thereafter	78,380	2,793,182	2,871,562
	\$ 180,885	\$ 6,447,792	\$ 6,630,677

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

13. Tangible capital assets:

Cost	Balance at March 31, 2020	Additions	Disposals and transfers	Balance at March 31, 2021
Land	\$ 783,001	-	-	783,001
Land improvements	372,235	-	-	372,235
Buildings	19,499,843	39,412	-	19,539,255
Housing	15,200,590	-	-	15,200,590
Infrastructure	9,276,828	1,692,616	-	10,969,444
Machinery and equipment	1,037,443	372,575	(39,780)	1,370,238
Vehicles	550,951	176,274	-	727,225
Furniture and equipment	833,672	47,580	-	881,252
Construction in progress	1,314,027	2,296,287	(308,722)	3,301,592
Total	\$ 48,868,590	4,624,744	(348,502)	53,144,832

Accumulated Amortization	Balance at March 31, 2020	Disposals	Amortization	Balance at March 31, 2021
Land	\$ -	-	-	-
Land improvements	176,258	-	18,612	194,870
Buildings	7,116,763	-	488,041	7,604,804
Housing	4,758,306	-	473,074	5,231,380
Infrastructure	5,499,358	-	323,244	5,822,602
Machinery and equipment	604,682	(39,780)	114,584	679,486
Vehicles	279,891	-	60,301	340,192
Furniture and equipment	685,827	-	48,761	734,588
Total	\$ 19,121,085	(39,780)	1,526,617	20,607,922

	Net book value, March 31, 2020	Net book value, March 31, 2021
Land	\$ 783,001	783,001
Land improvements	195,977	177,365
Buildings	12,383,080	11,934,451
Housing	10,442,284	9,969,210
Infrastructure	3,777,470	5,146,842
Machinery and equipment	432,761	690,752
Vehicles	271,060	387,033
Furniture and equipment	147,845	146,664
Construction in progress	1,314,027	3,301,592
Total	\$ 29,747,505	32,536,910

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

13. Tangible capital assets (continued):

	Cost	Balance at March 31, 2019	Additions	Disposals and transfers	Balance at March 31, 2020
Land	\$ 383,001	400,000	-	783,001	
Land Improvements	372,235	-	-	372,235	
Buildings	18,451,316	1,170,227	(121,700)	19,499,843	
Housing	15,120,350	213,869	(133,629)	15,200,590	
Infrastructure	9,276,828	-	-	9,276,828	
Machinery and equipment	1,037,443	-	-	1,037,443	
Vehicles	504,565	46,386	-	550,951	
Furniture and equipment	695,874	137,798	-	833,672	
Construction in progress	484,174	1,314,027	(484,174)	1,314,027	
Total	\$ 46,325,786	3,282,307	(739,503)	48,868,590	

	Accumulated Amortization	Balance at March 31, 2019	Disposals	Amortization	Balance at March 31, 2020
Land	\$ -	-	-	-	-
Land improvements	157,646	-	-	18,612	176,258
Buildings	6,751,408	(121,700)	487,055	7,116,763	
Housing	4,299,587	(22,271)	480,990	4,758,306	
Infrastructure	5,228,727	-	270,631	5,499,358	
Machinery and equipment	527,355	-	77,327	604,682	
Vehicles	237,218	-	42,673	279,891	
Furniture and equipment	653,473	-	32,354	685,827	
Construction in progress	-	-	-	-	
Total	\$ 17,855,414	(143,971)	1,409,642	19,121,085	

	Net book value, March 31, 2019	Net book value, March 31, 2020
Land	\$ 383,001	783,001
Land improvements	214,589	195,977
Buildings	11,699,908	12,383,080
Housing	10,820,763	10,442,284
Infrastructure	4,048,101	3,777,470
Machinery and equipment	510,088	432,761
Vehicles	267,347	271,060
Furniture and equipment	42,401	147,845
Construction in progress	484,174	1,314,027
Total	\$ 28,470,372	29,747,505

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

14. Long-term debt:

CMHC Project	Renewal Date	Monthly Payment	Interest Rate	2021	2020
Senior's complex	Apr. 1, 2022	\$ 3,760	1.43%	\$ 459,101	\$ 497,393
16-135-543-002	Mar. 1, 2024	4,059	2.14%	351,098	391,865
16-135-543-003	Mar. 1, 2026	3,335	0.96%	357,160	394,009
16-135-543-004	Mar. 1, 2026	5,241	0.96%	561,230	619,133
16-135-543-005	Apr. 1, 2024	4,867	1.86%	438,123	487,924
16-135-543-006	May 1, 2022	9,222	1.35%	1,146,762	1,241,330
16-135-543-007	May 1, 2022	5,475	1.35%	680,812	736,955
16-135-543-008	May 1, 2023	3,338	2.49%	420,437	449,710
16-135-543-009	Oct. 1, 2023	6,889	2.68%	877,901	936,368
16-135-543-010	May 1, 2021	1,195	0.46%	122,978	136,119
16-135-543-011	May 1, 2021	3,997	1.21%	664,513	704,219
16-135-543-012	Oct. 1, 2022	5,084	2.13%	994,683	1,032,910
16-135-543-013	June 1, 2023	7,391	2.50%	1,354,954	1,405,386
CMHC subtotal				8,429,752	9,033,321
All CMHC loans and advances are secured by Ministerial guarantees.					
Royal Bank, term loan, repayable \$11,132 monthly including interest at 4.43%, renewable November 2021				633,376	736,375
Royal Bank, term loan, repayable \$15,858 monthly including interest at 3.96%, renewable November 2021				964,938	1,113,782
Brant Tractor, term loan, repayable \$4,760 monthly including interest at 3.99%, maturing November 2027				239,067	—
Operating loans subtotal				10,267,133	10,883,478
Bank of Montreal, term loan, repayable at \$155,198 to \$254,528 quarterly including interest at 3.95% maturing February 2030 (a)				6,792,466	7,526,445
Investing loans subtotal				6,792,466	7,526,445
				\$ 17,059,599	\$ 18,409,923

Interest expense incurred during the year on long term debt was \$558,79 (2020 – \$868,827).

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

14. Long-term debt (continued):

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

	Operating	Investing	Total
2022	\$ 924,639	\$ 749,276	\$ 1,673,915
2023	948,070	757,813	1,705,883
2024	972,245	763,011	1,735,256
2025	997,192	776,109	1,773,301
2026	998,985	763,505	1,762,490
Thereafter	5,425,998	2,982,756	8,408,754
	\$ 10,267,129	\$ 6,792,470	\$ 17,059,599

- (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 CWHL and CWGP, an assignment of the Proceeds Account (see note 3) and payments made by CWHL, 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:

	2021	2020
Reserves	\$ 14,826,739	\$ 14,278,869
Equity in tangible capital assets	22,269,777	17,911,205
Renewable Energy Enterprises surplus (deficit)	111,102	(3,613,956)
Members’ equity	391,802	3,134,784
Funds held in trust	497,330	478,836
	\$ 38,096,750	\$ 32,189,738

Allocation of annual surplus:

	2021	2020
Reserves	\$ 547,870	\$ 261,277
Equity in tangible capital assets	4,358,572	1,206,178
Operations	(2,744,439)	(1,853,844)
Renewable Energy Enterprises	3,622,352	13,632,332
Batchewana Band Industries Limited	105,435	32,077
Mukwaa 2 Inc.	(1,272)	12,235
Funds held in trust	18,494	27,674
	\$ 5,907,012	\$ 13,317,929

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

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, 2021, the First Nation has guaranteed loans with remaining principal balances of \$1,608,497 (2020 – \$1,487,575).
- (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, 2021, the First Nation has guaranteed loans with remaining principal balances of \$565,337 (2020 – \$595,722).
- (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, 2021, its proportional outstanding loan balance as part of the Trust is \$507,500 (2020 – \$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, 2021, 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:

	2021	2020
Revenue per confirmation	\$ 21,989,602	\$ 11,595,548
ISC funding deferred in prior year	608	1,333,745
ISC funding receivable in prior year	–	(95,000)
ISC funding receivable (repayable)	413,195	(27,614)
ISC funding deferred	(8,654,873)	(949,745)
	<hr/>	<hr/>
	\$ 13,748,532	\$ 11,856,934

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

18. Budget:

The operating budget approved by the First Nation for 2021 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 Assets (Debt) 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 surplus for the year:	\$ —
<hr/>	
Adjustments to adopted budget:	
Amortization	(1,386,070)
Principal portion of loan payments	900,352
Transfers from reserves and other	(1,715,034)
<hr/>	
Budgeted deficit per statements of operations	<u>\$ (2,200,752)</u>

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. Financial risks and concentration of risks:

a) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of debt instruments because of changes in market interest rates. The First Nation is exposed to this risk through its long-term debt. The First Nation monitors interest rate risk on a continuing basis.

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

20. Financial risks and concentration of risks (continued):

b) Other risk:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.

21. 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.

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.

BATCHEWANA FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

21. Segmented information (continued):

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 as well as major projects such as water services and building construction.

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, gaming income and other projects from time to time.

Other services

The First Nation provides a wide array of other services, including youth employment projects, natural resource management, 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 21 - Segmented Information (continued)

Year ended March 31, 2021

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2021 Total
Revenue	\$ 1,290,057	1,444,949	534,555	7,169,318	3,901,869	3,039,932	4,730,366	8,240,180	\$ 30,351,226
Expenses:									
Salaries and benefits	252,884	1,636,110	442,675	1,018,414	76,830	1,626,809	534,946	2,913,292	8,501,960
Materials, supplies and capital	37,851	234,776	204,215	428,395	568,123	510,551	172,152	1,065,947	3,222,010
Contracted services	-	694,308	330,325	11,137	20,870	298,144	229,757	422,595	2,007,136
Rents and financial expenses	25,751	38,114	56,912	2,143	1,380	44,991	575,248	240,248	984,787
External transfers and other	979,170	(1,297,297)	82,926	5,527,697	108,180	615,532	353,743	1,897,030	8,266,981
Amortization of tangible capital assets	1,352	30,614	366,710	18,377	-	140,455	154,295	749,537	1,461,340
	1,297,008	1,336,625	1,483,763	7,006,163	775,383	3,236,482	2,020,141	7,288,649	24,444,214
Excess (deficiency) of revenue over expenses	\$ (6,951)	108,324	(949,208)	163,155	3,126,486	(196,550)	2,710,225	951,531	\$ 5,907,012

BATCHEWANA FIRST NATION

Note 21 - Segmented Information (continued)

Year ended March 31, 2021

	Social Assistance	Government	Infrastructure Maintenance	Education	Capital	Medical and Other Health Services	Enterprises	Other Services	2020 Total
Revenue	\$ 1,262,074	941,490	480,997	6,714,393	1,817,162	3,130,450	26,812,484	8,636,906	\$ 49,795,956
Expenses:									
Salaries and benefits	220,412	1,727,076	257,464	805,283	68,215	1,694,937	1,407,912	2,774,978	8,956,277
Materials, supplies and capital	43,400	191,443	177,259	357,841	606,245	350,023	930,811	873,350	3,530,372
Contracted services	-	635,962	327,928	27,894	32,414	399,152	223,719	665,370	2,312,439
Rents and financial expenses	45,714	38,114	90,414	-	2,422	14,280	3,851,498	255,293	4,297,735
External transfers and other	975,710	(1,040,393)	84,357	5,465,440	218,930	759,308	7,834,113	1,711,343	16,008,808
Amortization of tangible capital assets	1,352	23,642	314,097	16,292	-	132,980	145,070	738,963	1,372,396
	1,286,588	1,575,844	1,251,519	6,672,750	928,226	3,350,680	14,393,123	7,019,297	36,478,027
Excess (deficiency) of revenue over expenses	\$ (24,514)	(634,354)	(770,522)	41,643	888,936	(220,230)	12,419,361	1,617,609	\$ 13,317,929