

**Batchewana First Nation of  
Ojibways  
Consolidated Financial Statements  
For the year ended March 31, 2024**

**Batchewana First Nation of Ojibways**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2024**

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**Batchewana First Nation of Ojibways**  
**Management's Responsibility for Financial Reporting**  
**March 31, 2024**

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

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

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

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

Signed by:



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Chief

Signed by:



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Chief Financial Officer

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## Independent Auditor's Report

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To the Chief and Council of Batchewana First Nation of Ojibways

**Opinion**

We have audited the accompanying consolidated financial statements of the Batchewana First Nation of Ojibways, which comprise the consolidated statement of financial position as at March 31, 2024 and the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations, its change in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Other Matters**

The Financial Statements of Batchewana First Nation of Ojibways for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements January 15, 2024.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity 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 these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## Independent Auditor's Report (continued)

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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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
May 14, 2025

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

<b>March 31</b>	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
Cash (Note 2)	\$ 6,096,181	\$ 5,124,377
Restricted cash (Note 3)	869,115	1,120,628
Accounts receivable (Note 4)	5,570,654	7,634,865
Robin Huron Treaty Settlement receivable (Note 25)	608,959,273	-
Investment in Batchewana Band Industries Limited (Note 6)	2,204,879	1,963,567
Investment in Nodin Kitagan Limited Partnerships (Note 7)	2,583,002	4
Investment in Chi-Wiikwedong Limited Partnerships (Note 8)	8,930,098	9,280,290
Investment in BGB-BFN Limited Partnership (Note 9)	250,620	275,502
Investment and advances in Zaagate Giizis Energy Inc (Note 10)	3,103,714	3,085,217
Investment in Batchewana Telecom Holding Inc. (Note 11)	-	1,970,848
Due from funders (Note 5)	219,200	-
Trust Funds held by Federal Government (Note 12)	<u>584,453</u>	<u>543,411</u>
	<b>639,371,189</b>	<b>30,998,709</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,539,856	3,562,524
Demand loans (Note 13)	6,759,715	5,127,032
Deferred revenue (Note 16)	9,564,126	8,129,491
Due to funders (Note 5)	-	149,592
Notes payable to BlueEarth Renewables Partnership (Note 17)	7,390,490	-
Long term debt (Note 18)	<u>11,960,349</u>	<u>13,679,869</u>
	<b>39,214,536</b>	<b>30,648,508</b>
<b>Net assets</b>	<b>600,156,653</b>	<b>350,201</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	48,476,297	47,429,160
Prepaid expenses and inventory of supplies	184,240	427,426
	<b>48,660,537</b>	<b>47,856,586</b>
<b>Accumulated surplus, end of year (Note 19)</b>	<b>\$ 648,817,190</b>	<b>\$ 48,206,787</b>

On behalf of the Council:

Signed by:

*Mark McCay*

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Chief

Signed by:

*Pat Murray*

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Chief Financial Officer

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>			
ISC	\$ 20,245,672	<b>17,016,481</b>	\$ 18,311,279
Province of Ontario	2,346,841	<b>3,266,761</b>	4,084,371
Government of Canada	909,715	<b>1,171,358</b>	1,495,975
OFNLP	-	<b>1,786,241</b>	1,267,081
North Shore Tribal Council	400,000	<b>426,665</b>	1,600,583
Band operated enterprises (Note 14)	6,199,050	<b>5,640,629</b>	3,480,301
Robin Huron Treaty Litigation Fund (Note 25)	-	<b>608,959,273</b>	-
Other revenue (Note 14)	6,055,458	<b>6,603,757</b>	8,253,129
Government of Canada Trust Funds	-	<b>41,042</b>	28,914
	<hr/>	<hr/>	<hr/>
	36,156,736	<b>644,912,207</b>	38,521,633
<b>Expenses</b>			
Administration	12,285,115	<b>2,102,999</b>	950,890
Capital	4,447,050	<b>456,560</b>	452,529
Education	8,365,632	<b>9,655,588</b>	8,992,730
Enterprises	4,104,020	<b>18,196,856</b>	10,327,684
Infrastructure maintenance	1,514,435	<b>2,307,894</b>	1,887,890
Medical	6,277,497	<b>5,287,384</b>	6,408,560
Other	5,863,693	<b>5,005,448</b>	4,286,672
Social assistance	567,884	<b>312,299</b>	1,362,721
	<hr/>	<hr/>	<hr/>
	43,425,326	<b>43,325,028</b>	34,669,676
	<hr/>	<hr/>	<hr/>
<b>Share of earnings (loss) from First Nation business partnerships and enterprises (Note 15)</b>	(7,268,590)	<b>601,587,179</b>	3,851,957
	<hr/>	<hr/>	<hr/>
<b>Annual surplus</b>	(7,268,590)	<b>600,610,403</b>	4,574,844
<b>Accumulated surplus, beginning of year</b>	48,206,787	<b>48,206,787</b>	43,631,943
<b>Accumulated surplus, end of year</b>	<b>\$ 40,938,197</b>	<b>\$ 648,817,190</b>	<b>\$ 48,206,787</b>

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2024</b>	<b>2023</b>
<b>Annual surplus</b>	\$ (7,268,590)	<b>\$ 600,610,403</b>	\$ 4,574,844
Acquisition of tangible capital assets	(1,655,968)	<b>(3,096,385)</b>	(4,740,741)
Amortization of tangible capital assets	2,049,248	<b>2,049,248</b>	1,977,895
Prepaid expenses and inventory of supplies	-	<b>243,186</b>	99,190
<b>Net change in net financial assets (debt)</b>	(6,875,310)	<b>599,806,452</b>	1,911,188
<b>Net financial assets (debt), beginning of year</b>	350,201	<b>350,201</b>	(1,560,987)
<b>Net financial assets (debt), end of year</b>	<b>\$ (6,525,109)</b>	<b>\$ 600,156,653</b>	\$ 350,201

## Batchewana First Nation of Ojibways Consolidated Statement of Cash Flows

For the year ended March 31	2024	2023
<b>Operating transactions</b>		
Annual surplus	\$ 600,610,403	\$ 4,574,844
Items not involving cash		
Amortization	2,049,248	1,977,895
Expense portion of investment in Nodin Kitagan Limited	6,717,002	850,000
Partnerships above book value	(241,312)	(174,199)
Share of operating profit from investment in Batchewana Band Industries Limited	(743,308)	(763,354)
Share of operating profit from Chi-Wiikwedong LP	(13,368)	(18,937)
Share of operating profit from investment in GBG-BFN Limited Partnership	3,916	(33,793)
Share of operating loss (profit) from Zaagate Giizis Energy Inc.	1,970,848	267,396
	<b>610,353,429</b>	6,679,852
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	2,064,211	(269,625)
Investment in government business partnerships	(2,582,998)	-
Prepaid expenses and inventory of supplies	243,186	99,190
Accounts payable and accrued liabilities	(592,668)	239,118
Deferred revenue	1,434,635	(1,555,014)
Due to/from funders	(368,792)	-
Transfer to Robin Huron Treaty Litigation reserve	(608,959,273)	-
	<b>1,591,730</b>	5,193,521
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<b>(3,096,385)</b>	(4,740,741)
<b>Financing activities</b>		
Principal payments on term demand loans	(567,317)	(751,822)
Term demand loan advances	9,590,489	61,084
Principal payments on long-term debt	(1,719,519)	(1,743,992)
	<b>7,303,653</b>	(2,434,730)
<b>Investing transactions</b>		
Distributions from Chi-Wiikwedong LP	1,093,500	1,078,800
Investment in Nodin Kitagan Limited Partnerships	(6,717,002)	(850,000)
Distributions from GBG-BFN Limited Partnership	38,250	71,400
Repayment of (investment and advances) in Zaagate Giizis Energy Inc.	(22,413)	(93,273)
Adjustment to consolidate former government business enterprise - Mukwaa 2 Inc.	-	686,557
Increase in trust funds held by federal government	(41,042)	(28,915)
	<b>(5,648,707)</b>	864,569
<b>Increase (decrease) in cash</b>	<b>150,291</b>	(1,117,381)
<b>Cash, beginning of year</b>	<b>6,245,005</b>	7,362,386
<b>Cash, end of year</b>	<b>\$ 6,395,296</b>	\$ 6,245,005
<b>Represented by</b>		
Cash	\$ 6,096,181	\$ 5,124,377
Restricted cash	869,115	1,120,628
	<b>\$ 6,965,296</b>	\$ 6,245,005

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

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# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

**March 31, 2024**

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### 1. Summary of significant accounting policies

**Accounting Principles** These consolidated financial statements of the Batchewana First Nation of Ojibways have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.

**Basis of Consolidation** These 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 transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Batchewana First Nation of Ojibways's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are not eliminated.

Organizations consolidated include:

- Batchewana First Nation Housing Authority Incorporated
- Mukwaa Inc. - a bare trustee corporation
- 2419656 Ontario Inc. - a bare trustee corporation
- Batchewana Telecom Holding Inc.
- Mukwaa 2 Inc.
- 2425771 Ontario Inc.
- 6597982 Manitoba Ltd. - a bare trustee corporation
- Batchewana First Nation Long Term Care Home

Organizations accounted for on a modified equity basis include:

- Batchewana Band Industries Limited
- Zaagate Giizis Energy Inc.
- Batchewana Telecom Limited Partnership
- 2856385 Ontario Inc.

Batchewana First Nation of Ojibways has invested through Mukwaa Inc., a bare trust corporation, for a 50% investment in both Nodin Kitagan Limited Partnership and Nodin Kitagan 2 Limited Partnership. The First Nation accounts for its investment in these government business partnerships using the modified equity method.

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# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

March 31, 2024

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

<b>Tangible Capital Assets</b>	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:
Land improvements	20 years
Buildings	40 years
Infrastructure	30 years
Machinery and equipment	10 years
Furniture and equipment	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.	
<b>Inventories</b>	Inventories are stated at lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.
<b>Revenue Recognition</b>	<p>Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the Batchewana First Nation of Ojibways satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payer.</p> <p>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.</p> <p>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.</p> <p>Revenue from transactions without performance obligations are recognized at realizable value when the Batchewana First Nation of Ojibways has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.</p>
<b>Use of Estimates</b>	The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
<b>Defined Contribution Pension Plan</b>	<p>The First Nation provides pension benefits under a defined contribution pension plan.</p> <p>The cost of the defined contribution pension plan is recognized based on the contributions required to be made during each year.</p>

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# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

March 31, 2024

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

#### Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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### 2. Cash

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

The First Nation has an operating line of credit of \$1,500,000 with Scotiabank. At March 31, 2024 there is an outstanding balance of \$nil (2023 - \$nil). The line of credit is due on demand and has an interest rate of prime plus 1%.

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

- a) An operating demand loan with a limit of \$1,200,000 for the Renewable Energy Department. At March 31, 2024 there is an outstanding balance of \$nil (2023 - \$nil).
- b) 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, 2024, there is an outstanding balance of \$nil (2023 - \$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 (a))

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# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

**March 31, 2024**

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### **3. Restricted cash**

a) Pursuant to a Bank of Montreal loan agreement (the "BMO Loan Agreement") (see note 13), 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;
- (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.

b) In accordance with the operating agreements between the First Nation and Canada Mortgage Housing Corporation ("CMHC"), cash in the amount of \$620,284 (2023 - \$639,628) 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, 2024, the First Nation is required to have set aside \$746,433 (2023 - \$648,855).

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## Batchewana First Nation of Ojibways

### Notes to Consolidated Financial Statements

**March 31, 2024**

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**4. Accounts receivable**

	<b>2024</b>	<b>2023</b>
Indigenous Services Canada	\$ 1,394,165	\$ 2,362,609
Province of Ontario	457,687	957,779
Government of Canada	384,133	759,934
North Shore Tribal Council / Niigaaniin	265,975	663,331
Aboriginal Labour Force Development Corporation	463,491	529,408
CMHC housing	1,288,506	1,252,149
RRCS housing	231,103	217,691
Band-owned housing	130,412	150,482
6566082 Manitoba Ltd.	267,339	229,089
LDM program	-	169,134
NSTC	67,524	30,671
CMHC	51,953	125,098
Prodigy gold	100,075	-
Other	650,999	657,473
	<hr/>	<hr/>
Less: allowance for doubtful's	5,753,362	8,104,848
	<hr/>	<hr/>
	<b>\$ 5,570,654</b>	<b>\$ 7,634,865</b>

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

	<b>2024</b>	<b>2023</b>
ISC - Tuition	\$ 488,835	\$ -
Niigaaniin	(6,231)	(6,321)
Government of Canada	(43,361)	(143,271)
Province of Ontario	<hr/>	<hr/>
	(220,043)	-
	<hr/>	<hr/>
	<b>\$ 219,200</b>	<b>\$ (149,592)</b>

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## Batchewana First Nation of Ojibways Notes to Consolidated Financial Statements

**March 31, 2024**

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

	<b>Dec 31, 2023</b>	Dec 31, 2022
Retained earnings	\$ 2,189,279	\$ 1,947,967
Contributed surplus	<u>15,600</u>	<u>15,600</u>
	<b>\$ 2,204,879</b>	<b>\$ 1,963,567</b>

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

	<b>Dec 31, 2023</b>	Dec 31, 2022
Assets	\$ 3,973,375	\$ 3,947,907
Liabilities	<u>1,768,496</u>	<u>1,849,340</u>
Revenues	<u>691,803</u>	<u>642,792</u>
Net earnings for the year	<b>106,312</b>	<b>174,199</b>

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

#### **Commitments**

BBI has entered into a lease agreement on certain lands known as Blue Heron Industrial Park with the Batchewana First Nation and the Crown commencing May 1, 1972 and ending April 30, 2012. The agreement was extended to cover the periods since the original expiry. As such, partial payment was due and payable as at October 1, 2012. The agreement also been extended to cover the period May 1, 2023 to April 30, 2026. Semi-annual rent is payable on October 1 and is to be a percentage as may be determined by Her Majesty for each five year period of the gross receipts of the lease. Such percentage will not be lower than 10% or more than 20% of gross receipts. Annual rent, which is currently calculated at 10%, is deposited by the Crown into the Fund Held in Trust Account on behalf of the Batchewana First Nation.

#### **Contingencies**

In 2007, BBI evicted a tenant which had stored chemicals and products on three lots which have caused soil and groundwater contamination. The tenant's lease agreement indicated that the tenant would be responsible for paying any environmental clean up costs. The tenant has declared bankruptcy and it is unclear whether the tenant or other organizations will be funding costs of the cleanup.

The organization and its related parties have been in contact with the courts and funders. The risk of loss to the organization is undeterminable.

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## Batchewana First Nation of Ojibways

### Notes to Consolidated Financial Statements

**March 31, 2024**

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#### **7. Investment - Nodin Kitagan Limited Partnerships**

Batchewana First Nation has invested through Mukwaa Inc., a bare trust corporation, into Nodin Kitagan Limited Partnership ("NKLP") and Nodin Kitagan 2 Limited Partnership ("NK2LP") for the purposes of designing, developing, constructing, financing and operating a 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").

	2024	2023
Nodin Kitagan Limited Partnerships	\$ 2,583,000	\$ 2
Shongwish Nodin Kitigan General Partner	2	2
	<hr/> <b>\$ 2,583,002</b>	<hr/> <b>\$ 4</b>

The investments in the partnerships are measured using the modified equity method.

#### **Investments in Limited Partnerships**

The investments at March 31, 2024 consist of the following:

	NKLP	NK2LP	2024 Total	2023 Total
Balance, beginning of year	\$ (872,970)	\$ 436,461	\$ (436,509)	\$ (12,026,498)
Partner contributions	3,287,500	6,012,500	9,300,000	850,000
First Nation's share of earnings (loss)	<b>(2,715,996)</b>	<b>(3,564,495)</b>	<b>(6,280,491)</b>	10,739,989
Balance, end of year	<b>\$ (301,466)</b>	<b>\$ 2,884,466</b>	<b>\$ 2,583,000</b>	<b>\$ (436,509)</b>

Along with the First Nation's share of loss of \$6,280,493, an additional \$436,509 was expensed to bring the investment in Limited Partnerships above the nominal value of \$2.

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

**March 31, 2024**

**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	Dec 31, 2023 Total	Dec 31, 2022 Total
<b>Financial Position</b>				
Current assets	\$ 4,540,000	\$ 6,966,000	\$ 11,506,000	\$ 11,801,000
Non-current assets	<u>71,275,000</u>	<u>127,913,000</u>	<u>199,188,000</u>	<u>205,947,000</u>
<b>Total assets</b>	<b><u>75,815,000</u></b>	<b><u>134,879,000</u></b>	<b><u>210,694,000</u></b>	<b><u>217,748,000</u></b>
Current liabilities	5,425,000	9,131,000	14,556,000	18,720,000
Long-term liabilities	<u>70,992,000</u>	<u>119,980,000</u>	<u>190,972,000</u>	<u>199,901,000</u>
<b>Partners' equity</b>	<b><u>\$ (602,000)</u></b>	<b><u>\$ 5,768,000</u></b>	<b><u>\$ 5,166,000</u></b>	<b><u>\$ (873,000)</u></b>
<b>Results of Operations</b>				
Revenue	\$ 8,521,000	\$ 16,410,000	\$ 24,931,000	\$ 23,388,000
Operating expenses	<u>(2,361,000)</u>	<u>(4,405,000)</u>	<u>(6,766,000)</u>	<u>(6,949,000)</u>
Other	<u>(9,792,000)</u>	<u>(16,321,000)</u>	<u>(26,113,000)</u>	<u>(16,078,000)</u>
Net income (loss)	<b><u>\$ (3,632,000)</u></b>	<b><u>\$ (4,316,000)</u></b>	<b><u>\$ (7,948,000)</u></b>	<b><u>\$ 361,000</u></b>
Items of other comprehensive income (loss)	<u>\$ (1,800,000)</u>	<u>\$ (2,813,000)</u>	<u>\$ (4,613,000)</u>	<u>\$ 21,119,000</u>
Comprehensive income (loss)	<b><u>\$ (5,432,000)</u></b>	<b><u>\$ (7,129,000)</u></b>	<b><u>\$ (12,561,000)</u></b>	<b><u>\$ 21,480,000</u></b>

**Investments in General Partnership**

The investments at March 31, 2024 consist of the following:

	SNKGP	SNK2GP	2024	2023
Class A common shares	\$ 1	\$ 1	\$ 2	\$ 2
Cost of investment	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>

**Subsequent event**

Subsequent to year-end, Mukwaa Inc. (a bare trustee corporation) purchased the remainder of the shares of NKLP, SNKGP, NK2LP, and SNK2GP from the partner. The purchase price being \$3,183,333 plus or minus, as applicable, the amount of the closing date working capital and plus or minus, as applicable, the amount of any cash call adjustment for NKLP and SNKGP, and \$8,216,667 plus or minus, as applicable, the amount of the closing date working capital and plus or minus, as applicable, the amount of any cash call adjustment for NK2LP and SNK2GP.

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## Batchewana First Nation of Ojibways Notes to Consolidated Financial Statements

**March 31, 2024**

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### 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.

The investment at March 31, 2024 consists of the following:

	2024	2023
Balance, beginning of year	\$ 9,280,290	\$ 9,595,736
Partner distributions	(1,093,500)	(1,078,800)
Interest on partnership distributions	743,308	763,354
 Balance, end of year	 <u>\$ 8,930,098</u>	 <u>\$ 9,280,290</u>

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 \$1,093,500 (2023 - \$1,078,800) of which included income in the amount of \$743,308 (2023 - \$763,354).

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### 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.

The investment at March 31, 2024 consists of the following:

	2024	2023
Balance, beginning of year	\$ 275,502	\$ 327,965
Partner distributions	(38,250)	(71,400)
First Nation's share of earnings	13,368	18,937
 Balance, end of year	 <u>\$ 250,620</u>	 <u>\$ 275,502</u>

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## Batchewana First Nation of Ojibways

### Notes to Consolidated Financial Statements

**March 31, 2024**

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#### 9. Investment - GBG-BFN Limited Partnership (continued)

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

	2024	2023
<b>Financial Position</b>		
Total assets	\$ 773,405	\$ 771,932
Total liabilities	<u>(282,040)</u>	<u>(231,779)</u>
Partner's equity	<u>\$ 491,365</u>	<u>\$ 540,153</u>
 <b>Results of Operations</b>		
Revenue	\$ 101,370	\$ 108,837
Expenses	<u>(75,158)</u>	<u>(71,706)</u>
Net income	<u>\$ 26,212</u>	<u>\$ 37,131</u>

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#### 10. Investment and advances - Zaagate Giizis Energy Inc.

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.

The First Nation has advanced a loan to ZGEI that bears interest at 4% and is repayable over 15 years.

	2023	2022
Zaagate Giizis Energy Inc. (100 common shares)	\$ 100	\$ 100
Contributed surplus	291,540	315,841
Reserve fund for major repairs	1,632,178	1,546,254
Reserve for rental losses	928,608	992,119
Reserve fund for business development	<u>251,288</u>	<u>230,903</u>
	<u><b>\$ 3,103,714</b></u>	<u><b>\$ 3,085,217</b></u>

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

	2023	2022
Total assets	\$ 2,818,757	\$ 2,769,817
Total liabilities	2,567,369	2,538,814
Revenue	306,224	315,542
Net earnings for the year	<b>20,462</b>	58,088

During the year, \$24,295 (2023 - \$24,295) of the purchase premium was amortized and recorded as a reduction of the share of ZGEI's income for the year.

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## Batchewana First Nation of Ojibways Notes to Consolidated Financial Statements

**March 31, 2024**

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### **11. Investment - Batchewana Telecom Holding Inc.**

The First Nation has invested through Batchewana Telecom Holding Inc ., a bare trustee corporation, a 51% equity share of Batchewana Telecom Limited Partnership ("Opc") and 49% equity interest in 2856357 Ontario Inc. ("Assetco") for the purpose of providing telecom services to rural areas that are currently underserved for Internet connectivity. In addition, Batchewana Telecom Holding Inc. has a 1% equity interest in the related general partner, Batchewana Telecom GP Inc. The tangible capital assets of the partnership are held by 2856357 Ontario Inc. and are leased to Batchewana Telecom Limited Partnership. Lease payments are based on the number of customers.

Throughout the year, no financial statements were received from the investment group. The First Nation has recognized an impairment loss for its investment.

	<b>2024</b>	<b>2023</b>
Batchewana Telecom Holding Inc.	\$ 275,780	\$ 275,780
Batchewana Telecom Limited Partnership	21,352	21,352
2856385 Ontario Inc.	1,673,715	1,673,715
Batchewana Telecom GP Inc.	1	1
Impairment loss	<u>(1,970,848)</u>	-
 Balance, end of year	 <u>\$ -</u>	 \$ 1,970,848

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### **12. Trust Funds held by Federal Government**

	March 31, 2023	Additions 2024	Withdrawals 2024	March 31, 2024
Revenue	\$ 543,411	\$ 41,042	\$ -	\$ 584,453

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

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## Batchewana First Nation of Ojibways

### Notes to Consolidated Financial Statements

**March 31, 2024**

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#### 13. Term demand loans

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

	Operating	Investing	2024	2023
<b>Bank of Montreal term loans</b>				
Non-revolving term demand loan related to the First Nation's equity investment in Mukwaal Inc., repayable at \$32,581 monthly plus interest at prime plus 1%, renewable				
December 2024	\$ 132,463	\$ 5,373,681	<b>\$ 5,506,144</b>	\$ 3,664,532
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 2024	- 1,253,571	<b>1,253,571</b>	<u>1,462,500</u>	
	<b>\$ 132,463</b>	<b>\$ 6,627,252</b>	<b>\$ 6,759,715</b>	<u>\$ 5,127,032</u>

Interest expense incurred during the year on term demand loans was \$556,832 (2023 - \$321,980).

Term loan principal repayments over the next five years and thereafter, assuming annual renewals with similar amortization periods, are as follows:

Year	Amount
2025	\$ 599,897
2026	599,897
2027	599,897
2028	599,897
2029	599,897
Thereafter	<u>3,760,230</u>
	<u><b>\$ 6,759,715</b></u>

# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

**March 31, 2024**

### 14. Other revenues listing

A breakdown of revenues by source and type are as follows:

	<b>2024</b>	<b>2023</b>
User fees	\$ 67,409	\$ 280,083
Interest	299,172	101,734
Rental revenue	1,824,349	1,647,359
Band member contributions	27,476	123,847
Alamos Gold	1,490,843	1,786,914
Natural resources	611,495	845,913
Daycare	80,525	57,825
Wesdome Gold	-	89,550
ALFDC	654,062	957,959
AIAI	956,951	938,162
Nogdawindamin	523,323	702,211
Royal Bank of Canada advances	125,000	125,000
Other funding	224,849	-
Batchewana Learning Centre	222,422	-
Zaagate Giizis Energy Inc.	173,233	363,415
Bingo revenue	3,541,114	3,046,336
Arena revenue	360,779	327,043
Insurance proceeds	710,092	-
Fundraising	47,354	31,386
Other	303,938	308,693
	<b>\$ 12,244,386</b>	<b>\$ 11,733,430</b>

At year end, the Batchewana First Nation of Ojibways has performance obligations related to transactions it has entered into, which have not yet been satisfied. The amount of revenue that will be recognized in future periods when those remaining performance obligations are satisfied is as follows:

<b>At March 31, 2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
2024-2025 rent revenue	\$ 37,097	\$ -	\$ 37,097
<hr/>			
<b>At March 31, 2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
2023-2024 rent revenue	\$ 14,382	\$ -	\$ 14,382

# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

**March 31, 2024**

### **15. Share of earnings (loss) from First Nation business partnerships and enterprises**

	<b>2024</b>	<b>2023</b>
GBG-BFN Limited Partnership	\$ 13,368	\$ 18,937
Zaagate Giizis Energy Inc.	(3,916)	33,793
Batchewana Telecom Holding Inc.	(1,970,848)	(267,396)
Chi-Wiikwedong Limited Partnership	743,308	763,354
Batachewana Band Industries Limited	241,312	174,199
	<hr/>	<hr/>
	\$ (976,776)	\$ 722,887

### **16. Deferred revenue and government transfers**

	Balance March 31, 2023	Funding Received 2024	Revenue Recognized 2024	Balance March 31, 2024
Indigenous Services Canada\$	7,343,912	\$ 12,418,907	\$ 11,105,181	\$ 8,657,638
Province of Ontario	25,200	30,600	42,978	12,822
Other	760,380	764,257	630,971	893,666
	<hr/>	<hr/>	<hr/>	<hr/>
	8,129,492	13,213,764	11,779,130	9,564,126

### **17. Notes payable to BlueEarth Renewables Partnership**

	<b>2024</b>	<b>2023</b>
BlueEarth Renewables Partnership (LPA 1)	\$ 2,697,568	\$ -
BlueEarth Renewables Partnership (LPA 2)	4,692,922	-
	<hr/>	<hr/>
	\$ 7,390,490	\$ -

Throughout the year, two separate notes were issued from BlueEarth Renewables Partnership for the purpose of covering further contributions required to fund the financial impact of the loss of Turbine 30 and extended outage of multiple turbines related to blade repair work.

Promissory note (LPA 1) bears interest at a nominal rate of 7% with no fixed term of repayment, and is secured by 2,587,500 units of Nodin Kitagan Limited Partnership representing 8.58% of issued and outstanding units. Distributions from Nodin Kitigan Limited Partnership will cover future loan payments. Interest expense related to this note for 2024 is \$110,067.

Promissory note (LPA 2) bears interest at a nominal rate of 7% with no fixed term of repayment, and is secured by 4,512,500 units of Nodin Kitigan Limited Partnership 2 representing 8.27% of issued and outstanding units. Distributions from Nodin Kitigan Limited Partnership 2 will cover future loan payments. Interest expense related to this note for 2024 is \$180,422.

# Batchewana First Nation of Ojibways

## Notes to Consolidated Financial Statements

**March 31, 2024**

### 18. Long term debt

#### Mortgages payable

CMHC project	Renewal date	Monthly Payment	Interest rate	Balances	
				2024	2023
Senior's complex	October 1, 2027	\$4,136	3.55 %	\$ 346,600	\$ 382,288
16-135-543-002	January 1, 2029	\$4,244	4.02 %	224,281	266,951
16-135-543-003	March 1, 2026	\$3,335	0.96 %	246,029	283,292
16-135-543-004	March 1, 2026	\$5,240	0.96 %	386,603	445,157
16-135-543-005	April 1, 2029	\$5,109	3.84 %	283,582	335,750
16-135-543-006	May 1, 2027	\$10,012	3.06 %	870,186	960,110
16-135-543-007	May 1, 2027	\$5,944	3.06 %	516,614	569,999
16-135-543-008	November 1, 2028	\$3,696	4.66 %	332,261	359,723
16-135-543-009	April 1, 2029	\$7,297	3.84 %	699,773	756,306
16-135-543-010	May 1, 2026	\$1,235	1.22 %	82,317	95,952
16-135-543-011	May 1, 2026	\$4,000	1.22 %	543,185	583,738
16-135-543-012	October 1, 2027	\$5,775	3.55 %	946,773	979,235
16-135-543-013	December 1, 2028	\$7,590	4.18 %	1,210,907	1,250,430
				<b>6,689,111</b>	7,268,931
All CMHC loans and advances are secured by Ministerial guarantees.					
Royal Bank term loan, repayable \$14,233 monthly including interest at 6.09%, maturing May 2025				<b>204,130</b>	357,278
Royal Bank term loan, repayable \$16,854 monthly including interest at 6.09%, maturing August 2026				<b>464,854</b>	633,280
Brandt Tractor term loan, repayable \$4,760 monthly plus interest at 3.99%, maturing November 2027				<b>87,500</b>	140,049
Bank of Montreal term loan, repayable at \$155,198 to \$254,528 quarterly including interest at 3.95% maturing February 2030 (a)				<b>4,514,754</b>	5,280,331
				<b>\$ 11,960,349</b>	\$ 13,679,869

Interest expense incurred during the year on long term debt was \$486,988 (2023 - \$478,738). Principal repayments over the next five years and thereafter, assuming refinancing under similar terms, are as follows:

	Operating	Investing	Total
2025	\$ 1,018,899	\$ 778,713	\$ 1,797,612
2026	887,584	766,066	1,653,650
2027	738,495	743,872	1,482,367
2028	662,263	754,669	1,416,932
2029	674,369	758,641	1,433,010
Thereafter	<b>3,463,985</b>	<b>712,793</b>	<b>4,176,778</b>
	<b>\$ 7,445,595</b>	<b>\$ 4,514,754</b>	<b>\$ 11,960,349</b>

(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.

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

**March 31, 2024**

**19. Accumulated surplus**

	<b>2024</b>	<b>2023</b>
Reserves set aside for specific purposes by the First Nation		
CMHC - Operating Reserves	\$ 379,739	\$ 379,739
CMHC - Replacement Reserves	783,979	688,578
Seniors Complex - Non-Residential Replacement Reserve	8,000	8,000
Casino Rama Distributions	4,190,431	3,897,007
RRCS Replacement Reserve	(1,687)	-
Equipment and Major Repairs	73,769	73,769
Medical Van	27,760	27,760
Education Program	4,932,806	4,932,806
Computers	154,489	154,489
Elections	269,523	269,523
Major Capital Projects	64,343	64,343
Crisis Shelter	9,389	9,389
Police Agreement	30,593	30,593
Turnkey Housing	534,803	534,803
CMHC Housing	198,267	198,267
Renovations	211,506	211,506
Capital Programs	205,980	205,981
Litigation	(25,000)	(25,000)
Licensing	-	11,018
Band Operated Buildings	394,072	394,072
Membership Prosperity	16,035	16,786
Fundraising	56,437	56,437
Land Use Pilot	10,785	10,785
Food Bank	262,853	262,853
Operations and Maintenance - Roads	2,241,408	2,241,408
Governance	10,973	10,973
Matrimonial Real Property	31,977	31,977
Natural Resources	416,612	416,612
Community Planning	27,948	27,947
Health Centre	5,585	5,585
Robinson Huron Treaty	608,959,273	-
Reserves	<b>624,482,650</b>	15,148,006
Equity in tangible capital assets	41,030,702	39,029,622
Renewable energy & telecom enterprises surplus	(3,993,916)	4,345,580
Members' deficit	(13,286,700)	(10,859,832)
Funds held in trust	584,453	543,411
	<b>\$ 648,817,189</b>	<b>\$ 48,206,787</b>
Allocation of annual surplus (deficit):		
Reserves	\$ 609,334,642	\$ 763,756
Equity in tangible capital assets	2,001,080	3,685,403
Operations	(2,426,865)	(886,262)
Renewable Energy & Telecom Enterprises	(8,339,496)	983,032
Funds held in trust	41,042	28,915
	<b>\$ 600,610,403</b>	<b>\$ 4,574,844</b>

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# **Batchewana First Nation of Ojibways**

## **Notes to Consolidated Financial Statements**

**March 31, 2024**

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### **20. Defined contribution pension plan**

Employees are eligible to participate in a Registered Pension Plan, with contribution levels determined by formula. Employer contributions totaled \$1,101,477 (2023 - \$913,221) during the current period and were fully expensed.

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### **21. Change in accounting policy**

Effective April 1, 2023, the First Nation adopted PS 3400 Revenue which establishes standards for recognizing revenue from transactions with and without performance obligations. This standard is required to be adopted prospectively. There was no material effect to the presentation of the consolidated financial statements as a result of the adoption.

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### **22. Comparative figures**

Comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

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### **23. Contingent liabilities**

The First Nation has an agreement with the Royal Bank under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of \$2,500,000 for qualified members of Batchewana First Nation. As of March 31, 2024 the First Nation has guaranteed loans with remaining principal balances of \$1,732,851 (2023 - \$1,478,474) .

The First Nation has an agreement with the Bank of Montreal providing for an aggregate credit facility in the amount of \$2,500,000 under the First Nation on Reserve Loan Program and \$250,000 under the First Nation on Reserve Renovation Loan Program for qualified members of Batchewana First Nation. As of March 31, 2024 the First Nation has guaranteed loans with remaining principal balances of \$653,374 (2023 - \$693,056).

The First Nation has provided a guarantee and postponement of claim in the amount of \$495,000 in favour of the Bank of Montreal on behalf of Batchewana Band Industries Limited (BBI). As of March 31, 2024 BBI had drawn \$472,456 (2023 - \$487,414) on this loan with the Bank of Montreal.

Within the year, a former employee of Batchewana First Nation filed suit against the First Nation for constructive dismissal, moral damages and punitive damages. On April 15, 2024, a settlement was reached which required Batchewana First Nation to pay damages.

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

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# **Batchewana First Nation of Ojibways**

## **Notes to Consolidated Financial Statements**

**March 31, 2024**

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### **24. Segmented information**

The Batchewana First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, and other services including economic development activities. 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.

The accompanying Consolidated Segmented Disclosures (the "Segmented Disclosures") detail the programming delivered by the First Nation.

Services are provided by functional areas and their activities are reported in these programs. Certain functional areas that have been separately disclosed in the accompanying Segmented Disclosures, along with the services they provide.

The accounting policies used in these Segmented Disclosures are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

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### **25. Robinson Huron Treaty Settlement Receivable**

On August 31, 2023, the First Nation, as a member of the Robinson Huron Treaty Litigation Fund ("RHTLF") entered into a settlement agreement with the Federal Government and Ontario Provincial Government for past compensation arising from obligations to the First Nations from the Robertson Huron Treaty of 1850. The settlement arises from claims put forward by the First Nations in 2012, that the Crown breached its obligations under the treaty. As a result, a receivable of \$608,959,273.37 has been recorded in these financial statements. The funds owing will be divided into tranches, paid to the First Nation over time. Subsequent to year end, the First Nation committed to the payment of a per capita distribution to each of its members and the balance of the funds would be contributed to a trust for the benefit of the First Nation and its members.

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### **26. Budget**

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

<b>Budget deficit for the year</b>	\$ (7,267,090)
<b>Add:</b>	
Capital expenditures	3,096,385
Principal portion of loan payments and loan advances	11,877,325
<b>Less:</b>	
Transfers from reserves	(12,925,962)
Amortization	<u>(2,049,248)</u>
<b>Budget deficit per statement of operations</b>	<b>\$ (7,268,590)</b>

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

**For the year ended March 31, 2024**

	Land	Land Improve- ments	Buildings	Housing	Infra- structure	Machinery and Equipment	Vehicles	Furniture and Equipment	Con- struction in progress	Total
<b>Cost, beginning of year</b>	\$ 1,133,076	\$ 516,211	\$ 33,582,815	\$ 15,200,590	\$ 11,266,313	\$ 1,370,238	\$ 1,241,887	\$ 1,342,928	\$ 5,923,859	\$ 71,577,917
Additions	-	-	255,787	-	91,873	294,389	15,425	186,557	2,252,354	3,096,385
<b>Cost, end of year</b>	<b>1,133,076</b>	<b>516,211</b>	<b>33,838,602</b>	<b>15,200,590</b>	<b>11,358,186</b>	<b>1,664,627</b>	<b>1,257,312</b>	<b>1,529,485</b>	<b>8,176,213</b>	<b>74,674,302</b>
<b>Accumulated amortization, beginning of year</b>	-	246,492	8,935,280	6,148,036	6,480,264	872,682	523,563	942,440	-	24,148,757
Amortization	-	25,811	845,965	458,328	328,382	126,037	106,991	157,734	-	2,049,248
<b>Accumulated amortization, end of year</b>	-	<b>272,303</b>	<b>9,781,245</b>	<b>6,606,364</b>	<b>6,808,646</b>	<b>998,719</b>	<b>630,554</b>	<b>1,100,174</b>	-	<b>26,198,005</b>
<b>Net carrying amount, end of year</b>	<b>\$ 1,133,076</b>	<b>\$ 243,908</b>	<b>\$ 24,057,357</b>	<b>\$ 8,594,226</b>	<b>\$ 4,549,540</b>	<b>\$ 665,908</b>	<b>\$ 626,758</b>	<b>\$ 429,311</b>	<b>\$ 8,176,213</b>	<b>\$ 48,476,297</b>

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

**Batchewana First Nation of Ojibways**  
**Schedule 1 - Consolidated Tangible Capital Assets (continued)**

For the year ended March 31, 2023 (comparative figures)

	Land	Land Improve- ments	Buildings	Housing	Infra- structure	Machinery and Equipment	Vehicles	Furniture and Equipment	Con- struction in progress	Total
Cost, beginning of year	\$ 783,001	\$ 516,211	\$ 19,636,250	\$ 15,200,590	\$ 11,242,413	\$ 1,370,238	\$ 966,620	\$ 1,108,353	\$ 16,013,500	\$ 66,837,176
Additions	350,075	-	671,726	-	23,900	-	275,267	234,575	3,185,198	4,740,741
Capitalized construction	-	-	13,274,839	-	-	-	-	-	(13,274,839)	-
Cost, end of year	1,133,076	516,211	33,582,815	15,200,590	11,266,313	1,370,238	1,241,887	1,342,928	5,923,859	71,577,917
Accumulated amortization, beginning of year	-	220,681	8,095,710	5,689,708	6,154,945	776,084	418,114	815,620	-	22,170,862
Amortization	-	25,811	839,570	458,328	325,319	96,598	105,449	126,820	-	1,977,895
Accumulated amortization, end of year	-	246,492	8,935,280	6,148,036	6,480,264	872,682	523,563	942,440	-	24,148,757
Net carrying amount, end of year	\$ 1,133,076	\$ 269,719	\$ 24,647,535	\$ 9,052,554	\$ 4,786,049	\$ 497,556	\$ 718,324	\$ 400,488	\$ 5,923,859	\$ 47,429,160

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

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

**For the year ended March 31, 2024**

	Social Assistance	Administration	Infrastructure Maintenance	Education	Capital	Medical	Enterprises	Other	Consolidated Total
<b>Revenue</b>									
ISC	\$ 16,460	\$ 889,633	\$ -	\$ 9,787,900	\$ 358,473	\$ 2,994,569	\$ 470,626	\$ 4,134,413	\$ 18,652,074
Province of Ontario	-	90,000	-	-	-	1,551,097	248,300	1,585,028	3,474,425
Government of Canada	-	-	-	-	-	312,748	63,500	795,110	1,171,358
OFNLP	-	-	-	-	-	-	1,786,241	-	1,786,241
North Shore Tribal Council	280,000	-	-	-	-	51,735	94,930	-	426,665
Band operated enterprises	-	-	81,180	-	22,928	103,042	5,382,418	51,061	5,640,629
Robinson Huron Treaty Litigation Fund (Note 25)	-	-	-	-	-	-	-	608,959,273	608,959,273
Other	-	323,156	30,694	560,593	500,045	1,223,202	2,732,576	1,366,777	6,737,043
Government of Canada Trust Funds	-	-	-	-	-	-	-	41,042	41,042
 Due (to) from funders	296,460	1,302,789	111,874	10,348,493	881,446	6,236,393	10,778,591	616,932,704	646,888,750
Deferred revenue, beginning of year	14,433	75,000	-	(321,867)	-	-	-	(220,042)	(541,909)
Deferred revenue, end of year	-	-	(505,746)	2,264,334	2,081,891	1,621,454	677,981	1,394,399	8,129,492
 310,893	1,377,789	(393,872)	9,668,066	1,058,027	5,337,267	11,026,698	616,527,339	644,912,207	
<b>Expenses</b>									
Salaries, wages and benefits	168,500	2,284,103	719,883	2,033,101	-	2,373,285	2,174,043	2,623,986	12,376,901
Materials, supplies and capital	9,212	862,529	204,034	1,935,114	68,877	1,278,677	10,868,722	952,770	16,179,935
Contracted services	1,160	1,207,669	662,422	189,675	207,538	818,152	1,942,348	178,399	5,207,363
Rents and financial expenses	25,003	54,976	-	60,000	175	37,757	1,327,806	27,031	1,532,748
External transfers and other	52,856	(1,626,942)	14,010	5,412,607	179,970	448,914	945,214	754,456	6,181,085
Amortization	1,352	62,849	707,545	26,091	-	206,513	824,447	220,450	2,049,247
Inter-program transfers	54,216	(742,185)	-	(1,000)	-	124,086	114,276	248,356	(202,251)
 Share of earnings from First Nation business partnerships and enterprises	312,299	2,102,999	2,307,894	9,655,588	456,560	5,287,384	18,196,856	5,005,448	43,325,028
 <b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,406)</b>	<b>\$ (725,210)</b>	<b>\$ (2,701,766)</b>	<b>\$ 12,478</b>	<b>\$ 601,467</b>	<b>\$ 49,883</b>	<b>\$ (8,388,246)</b>	<b>\$ 611,763,203</b>	<b>\$ 600,610,403</b>

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

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

For the year ended March 31, 2023 (comparative figures)

	Social Assistance	Administration	Infrastructure Maintenance	Education	Capital	Medical	Enterprises	Other	Consolidated Total
<b>Revenue</b>									
ISC	\$ 33,960	\$ 1,032,063	\$ -	\$ 9,166,129	\$ 1,137,804	\$ 2,745,555	\$ 726,758	\$ 2,955,205	\$ 17,797,474
Province of Ontario	-	-	-	-	-	1,400,697	256,178	1,721,642	3,378,517
Government of Canada	-	-	-	-	101,886	311,072	95,800	754,217	1,262,975
OFNLP	-	-	-	-	-	-	1,267,081	-	1,267,081
North Shore Tribal Council	1,349,594	70,000	-	-	-	44,200	136,789	-	1,600,583
Band operated enterprises	-	-	68,800	-	123,847	103,042	5,138,837	47,748	5,482,274
Other revenue	2,353	8,199	21,018	131,140	7,043	1,308,318	3,315,544	1,355,187	6,148,802
Government of Canada Trust Funds	-	-	-	-	-	-	-	28,914	28,914
Deferred revenue, beginning of year	1,385,907	1,110,262	89,818	9,297,269	1,370,580	5,912,884	10,936,987	6,862,913	36,966,620
Deferred revenue, end of year	-	-	100,000	2,564,055	3,161,926	2,386,547	389,268	1,082,709	9,684,505
	-	(75,000)	(14,433)	(2,264,334)	(2,081,891)	(1,621,454)	(677,981)	(1,394,399)	(8,129,492)
	1,385,907	1,035,262	175,385	9,596,990	2,450,615	6,677,977	10,648,274	6,551,223	38,521,633
<b>Expenses</b>									
Salaries, wages and benefits	214,663	2,062,826	490,438	1,797,271	-	2,424,778	2,026,182	1,986,828	11,002,986
Materials, supplies and capital	59,577	263,396	183,869	1,828,965	(18,315)	1,823,908	4,652,659	1,105,224	9,899,283
Contracted services	6,151	640,896	536,619	304,415	274,378	875,339	1,808,800	161,153	4,607,751
Rents and financial expenses	22,040	42,140	9,699	90,655	1,339	42,298	905,829	32,566	1,146,566
External transfers and other	1,057,088	(1,758,164)	48,633	4,953,047	195,127	498,268	628,121	413,078	6,035,198
Amortization	1,352	52,233	701,994	18,377	-	204,079	793,466	206,391	1,977,892
Inter-program transfers	1,850	(352,437)	(83,362)	-	-	539,890	(487,373)	381,432	-
Share of earnings from First Nation business partnerships and enterprises	1,362,721	950,890	1,887,890	8,992,730	452,529	6,408,560	10,327,684	4,286,672	34,669,676
Excess (deficiency) of revenue over expenses	\$ 23,186	\$ 84,372	\$ (1,712,505)	\$ 604,260	\$ 1,998,086	\$ 269,417	\$ 869,278	\$ 2,438,750	\$ 4,574,844

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