Eabametoong First Nation
Consolidated Financial Statements
For the year ended March 31, 2015

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Eabametoong First Nation
Management's Responsibility for the Consolidated Financial Statements

March 31, 2015

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

These 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 Chief and Council are 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. BDO Canada LLP have access to financial management of Eabametoong First Nation and meet when required.

On behalf of Eabametoong First Nation:

Chief

Councillor

BDO

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BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3 Canada

Independent Auditor's Report

To the Members of
Eabametoong First Nation

We have audited the accompanying consolidated financial statements of Eabametoong First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

BDO

Independent Auditor's Report (cont'd)

Basis for Qualified Opinion

The Significant Accounting Policies describe the tangible capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets as disclosed in Note 11. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the years ended March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Eabametoong First Nation as at March 31, 2015 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
July 20, 2015

Eabametoong First Nation
Consolidated Statement of Financial Position

March 31	2015	2014
Financial assets		
Cash (Note 2)	$ 4,228,068	$ 4,712,142
Investments (Note 3)	1,160,355	1,304,196
Accounts receivable (Note 4)	1,364,990	838,828
Due from government and other government organizations (Note 5)	1,506,835	2,847,267
Trust funds held by federal government (Note 6)	107,826	106,234
	8,368,074	9,808,667
Liabilities		
Accounts payable and accrued liabilities (Note 7)	1,907,071	2,786,918
Due to government and other government organizations (Note 8)	1,544,031	1,416,286
Deferred revenue (Note 9)	392,432	1,128,488
Long term debt (Note 10)	10,978,003	12,121,437
	14,821,537	17,453,129
Net debt	(6,453,463)	(7,644,462)
Non-financial assets		
Prepaid expenses	35,700	46,137
Tangible capital assets (Note 11)	43,686,767	43,998,187
	43,722,467	44,044,324
Accumulated surplus (Note 14)	$ 37,269,004	$ 36,399,862

On behalf of the Band:

Chief

Councillor

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

Eabametoong First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget (Note 20)	2015	2014
Revenue			
Deferred revenue, beginning of year	$ 1,128,488	$ 1,128,488	$ 1,312,318
Federal government transfers (Note 19)	11,022,838	13,344,563	15,298,024
Provincial government transfers (Note 19)	4,700,867	5,542,659	3,958,040
Ontario First Nation Limited Partnership	1,375,000	1,408,577	1,375,286
Other	5,511,341	6,626,105	5,781,543
Trust fund interest revenue	-	1,592	1,389
Replacement reserve	-	55,590	55,590
Deferred revenue, end of year	-	(392,432)	(1,128,488)
	23,738,534	27,715,142	26,653,702
Expenses			
Administration	2,921,469	3,576,723	2,868,798
Community Infrastructure	3,934,006	4,047,715	4,550,027
Economic and Employment	1,478,858	3,161,182	2,453,775
Integrated Health Services	2,659,014	3,066,674	2,877,841
Community Services	135,000	256,484	397,237
Housing	1,101,081	1,064,015	1,881,000
Projects	840,000	973,224	385,692
Social Services	4,432,479	4,299,448	4,200,187
Education	6,236,627	6,244,676	6,176,328
	23,738,534	26,690,141	25,790,885
Net revenues before the following	-	1,025,001	862,817
Loss on disposal of tangible capital assets	-	(155,859)	-
Annual surplus	-	869,142	862,817
Accumulated surplus, beginning of year	36,399,862	36,399,862	35,537,045
Accumulated surplus, end of year	$36,399,862	$37,269,004	$ 36,399,862

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

Eabametoong First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	Budget (Note 20)	2015	2014
Annual surplus	$ -	$ 869,142	$ 862,817
Acquisition of tangible capital assets	-	(2,155,769)	(3,368,729)
Amortization of tangible capital assets	1,936,541	2,311,330	2,306,549
Loss on disposal of tangible capital assets	-	155,859	-
Prepaid expenses	-	10,437	24,782
Net change in net financial debt	1,936,541	1,190,999	(174,581)
Net debt, beginning of year	(7,644,462)	(7,644,462)	(7,469,881)
Net debt, end of year	$ (5,707,921)	$ (6,453,463)	$ (7,644,462)

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

Eabametoong First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Annual surplus	$ 869,142	$ 862,817
Item not involving cash:		
Amortization	2,311,330	2,306,549
Loss on disposal of tangible capital assets	155,859	-
	3,336,331	3,169,366
Increase (decrease) in non-cash working capital items:		
Accounts receivable	(526,162)	81,541
Due from government and other government organizations	1,340,432	(1,609,942)
Prepaid expenses	10,437	24,782
Accounts payable and accrued liabilities	(879,847)	1,170,101
Due to government and other government organizations	127,745	277,586
Deferred revenue	(736,056)	(183,830)
	2,672,880	2,929,604
Cash provided by (used in) financing activities		
Repayment of long term debt	(1,490,398)	(1,349,389)
Advances of long term debt	346,964	544,000
	(1,143,434)	(805,389)
Cash provided by (used in) investment activities		
Purchase of capital assets	(2,155,769)	(3,368,729)
Increase in trust assets	(1,592)	(1,389)
	(2,157,361)	(3,370,118)
Net decrease in cash during the year	(627,915)	(1,245,903)
Cash and cash equivalents, beginning of year	6,016,338	7,262,241
Cash and cash equivalents, end of year	$ 5,388,423	$ 6,016,338
Represented by		
Cash	$ 4,228,068	$ 4,712,142
Investments	1,160,355	1,304,196
	$ 5,388,423	$ 6,016,338
Supplementary cash flow information		
Interest received in year	$ 35,441	$ 28,690
Interest paid in year	$ 271,425	$ 353,526

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

1. Significant Accounting Policies

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

b) Reporting Entity

The Eabametoong First Nation reporting entity includes the Eabametoong First Nation government and all related entities that are controlled by the First Nation.

c) Principles of Consolidation

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 Eabametoong First Nation's investment in the government business enterprise and the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Eabametoong First Nation and inter-organizational balances and transactions are not eliminated.

Organizations consolidated in Eabametoong First Nation's financial statements include:

- Eabametoong First Nation Housing Authority Inc.
- Eabametoong Communications Inc.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and term deposits having a maturity of three months or less, and bank overdrafts.

1. **Significant Accounting Policies (cont'd)**

e) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a declining balance basis as follows:

General housing	-	4%
Buildings and improvements	-	4%
Infrastructure	-	4%
Office and general equipment	-	20%
Automotive and heavy equipment	-	30%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Eabametoong First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

f) Leased Assets

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

1. Significant Accounting Policies (cont'd)

g) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are 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) Use of Estimates

The preparation of financial statements in accordance 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 reported period. The principal estimates used in the preparation of these financial statements are the useful lives of tangible capital assets and the accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

	2015	2014
Royal Bank of Canada - Thunder Bay		
Administration - Bank	$ 778,393	$ 711,381
Eabametoong Communications Inc.	10,859	14,090
Eabamet Lake Construction Ltd.	2,396	2,396
Education Authority	78,627	27,816
Heavy Equipment	(19,202)	(67,300)
H.O.P.E. Committee	35,986	6,053
Housing Authority Inc.	125,556	97,403
CMHC Housing	525,491	456,268
Integrated Health Services	(32,597)	247,346
Social Assistance - General Welfare	(101,217)	(188,904)
Breakfast Program	12,239	13,002
Hotel	37,154	15,378
Public Utilities	(23,500)	592,793
	1,430,185	1,927,722
Canadian Imperial Bank of Commerce - Thunder Bay:		
Administration	2,797,883	2,784,420
	$ 4,228,068	$ 4,712,142

The First Nation has available an operating line of credit of $150,000 with the Royal Bank of Canada, incurring interest at the bank's prime lending rate plus 1% (3.85% per annum at March 31, 2015). At March 31, 2015, the First Nation had utilized $NIL (2014 - $NIL) on this line of credit. The overdraft line of credit is supported by a Band Council Resolution.

The First Nation has available overdraft lines of credit of $5,000, $300,000 and $50,000 with the Royal Bank of Canada incurring interest at the bank's prime lending rate plus 5%, 1% and 1% (7.85%, 3.85% and 3.85% per annum at March 31, 2015 respectively). Interest only payments are made monthly. At March 31, 2015, the First Nation had utilized $125,968 (2014 - $82,336) on these lines of credit. The overdraft lines of credit are supported by a Band Council Resolution and a general security agreement covering all assets other than real property.

2. Cash (cont'd)

Included in the total cash balance are externally restricted and unrestricted balances as follows:

Externally restricted		
CMHC replacement reserve (Note 18)	$ 345,920	$ 344,922
Unrestricted	3,882,148	4,367,220
	$ 4,228,068	$ 4,712,142

3. Investments

Included in investments are the following:

Royal Bank of Canada - Thunder Bay

	2015	2014
Administration - GIC, prime-linked interest rate, maturing December 15, 2015	$ 1,029,320	$ 1,019,607
CMHC Housing - GIC, interest at 0.65%, maturing March 5, 2016	31,035	30,789
Education Authority - GIC, interest at 0.75%, maturing March 31, 2016	100,000	253,800
	$ 1,160,355	$ 1,304,196

4. Accounts Receivables

	2015	2014
Trade and other receivables (by program):		
Public Utilities:		
General receivables	$ 914,025	$ 504,787
Loans	5,653	5,370
	919,678	510,157
Less allowance for doubtful accounts	(233,704)	(262,110)
	685,974	248,047
Administration:		
First Nation members	67,211	141,632
General receivables	990,745	851,306
	1,057,956	992,938
Less allowance for doubtful accounts	(819,833)	(795,113)
	238,123	197,825
Housing Authority Inc.:		
First Nation members	2,180,690	1,968,522
Less allowance for doubtful accounts	(2,163,088)	(1,941,431)
	17,602	27,091
Heavy Equipment:		
First Nation members	150	150
General receivables	410,964	372,477
Less allowance for doubtful accounts	(384,475)	(237,110)
	26,639	135,517
Balance forward	$ 968,338	$ 608,480

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2015

4. Accounts Receivables (cont'd)

	2015	2014
Balance Forward	$ 968,338	$ 608,480
CMHC:		
First Nation members	458,051	394,208
Less allowance for doubtful accounts	(442,595)	(387,825)
	15,456	6,383
Education Authority:		
First Nation members	12,062	15,817
General receivables	7,334	(6,628)
Less allowance for doubtful accounts	(14,716)	(12,724)
	4,680	(3,535)
H.O.P.E. Committee:		
First Nation members	39,339	36,254
Less allowance for doubtful accounts	(14,315)	(14,315)
	25,024	21,949
Integrated Health Services:		
First Nation members	35,147	39,338
General receivables	167,322	138,597
Less allowance for doubtful accounts	(29,926)	(29,926)
	172,543	148,009
Other:		
Eabametoong Communications Inc. and Hotel	178,949	57,542
	$ 1,364,990	$ 838,828

Eabametoong First Nation
Notes to Consolidated Financial Statements

5. Due from Government and Other Government Organizations

	2015	2014
Federal government		
AANDC	$ 602,266	$ 1,225,906
Canada Mortgage and Housing Corporation	77,043	49,365
FedNor	35,318	-
Public Safety Canada	-	1,080,000
Ministry of Community and Social Services	59,647	82,778
Nishnawbe Aski Nation	15,988	12,902
Northern Ontario Heritage Fund Corporation	28,442	-
Ministry of Aboriginal Affairs	28,895	-
Ministry of Northern Development and Mines	651,480	383,884
Ministry of Health and Long-Term Care	7,756	12,432
	$ 1,506,835	$ 2,847,267

6. Trust Funds Held by Federal Government

	March 31, 2014	Additions 2015	Withdrawals 2015	March 31, 2015
Revenue	$ 100,451	$ 1,592	$ -	$ 102,043
Capital	5,783	-	-	5,783
	$ 106,234	$ 1,592	$ -	$ 107,826

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 Sections 63 to 69 of the *Indian Act*.

Administration originally borrowed $10,000 from the Trust and loaned this amount to the Fort Hope Indian Band Co-operative. The loan to the Co-operative was subsequently forgiven by administration. As at year end the First Nation had not returned these funds to the Trust. During 1996, $40,000 was borrowed from the Trust by Eabametoong Communications Inc. The amount will be repaid to the First Nation from future profits of the company, who will in turn return it to the Trust.

Eabametoong First Nation
Notes to Consolidated Financial Statements

7. Accounts Payable

	2015	2014
Trade payables by program:		
Administration	$ 970,763	$ 1,440,346
CMHC Housing	9,461	9,581
Hotel	13,137	8,878
Eabametoong Communications Inc.	5,055	9,720
Education Authority	215,849	161,624
Heavy Equipment	842	3,149
H.O.P.E. Committee	20,681	17,178
Housing Authority Inc.	128,143	143,588
Integrated Health Services	124,905	224,590
Public Utilities	279,142	629,171
Social Assistance - General Welfare	139,093	139,093
	$ 1,907,071	$ 2,786,918

8. Due to Government and Other Government Organizations

	2015	2014
Federal government		
AANDC	$ 801,582	$ 700,274
Provincial government		
Ministry of Aboriginal Affairs	203,702	192,639
Ministry of Northern Development and Mines	463,129	457,030
Ministry of Education	25,618	16,343
Due to Trust account (Note 6)	50,000	50,000
	$ 1,544,031	$ 1,416,286

9. Deferred Revenue

	2015	2014
Capital Projects - Minor Capital - AANDC	$ -	$ 241,560
Other First Nation Activities - SPI - Industry Contributions	218,734	287,883
Social Assistance- Administration - AANDC	27,851	128,113
Education O&M - AANDC - Building, Teacherage	109,025	-
Education Programs - Instructional, Ancillary, Accommodation, Financial Assistance, Guidance, Post Secondary, Planning and Design - AANDC	36,822	219,829
Community Infrastructure - Public Utilities - AANDC	-	251,103
	$ 392,432	$ 1,128,488

10. Long Term Debt

	2015	2014
Royal Bank of Canada		
Term construction loan #3 Principal payment due in May of each year starting in May 2009 with interest at 4%. The balance on loan is due and payable May 1, 2018. Principal to be repaid from specific assignment of minor capital ($700,000) per annum plus housing rent proceeds of $193,833 per annum. Collateral security consists of a First Nation resolution confirming borrowings to a maximum of $8,064,300 for the construction of new homes and renovations and is supported by an irrevocable letter of direction in the amount of $700,000 per annum acknowledged by AANDC and an assignment of not less than $193,833 annually from housing rent proceeds.	$ 3,248,490	$ 3,979,450
Consolidation loan for Tikinagan building and housing units repayable in monthly installments of $10,976 including interest at 4% per annum. Collateral security consists of a Band Council Resolution confirming borrowings. The balance of the loan is due and payable January 2016.	821,038	917,881
Term loan for Education repayable in monthly installments of $10,000 including interest at the bank's prime lending rate plus 1.5% (4.35% at year end). Collateral security consists of a Band Council Resolution confirming borrowings up to $438,000 and a guarantee and postponement of claim by the First Nation. The balance of the loan is due and payable October 2015.	291,453	395,848
Equipment loan payable in monthly installments of $4,636 including interest at 5.13% maturing January 2016.	40,322	97,370
Balance forward	$ 4,401,303	$ 5,390,549

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Notes to Consolidated Financial Statements

March 31, 2015

10. Long Term Debt (cont'd)

	2015	2014
Balance forward	$ 4,401,303	$ 5,390,549
Term loan payable in monthly installments of $2,580 including interest at 4.75% per annum. Collateral security consists of a Band Council Resolution confirming borrowings. The balance of the loan is due and payable July 2018	167,227	189,655
Demand loan payable in monthly installments of $9,635 plus interest at Royal Bank Prime plus 1.25% (4.10% at year end) and maturing October 2015. Collateral security consists of a Band Council Resolution confirming borrowings.	609,595	697,420
Equipment loan payable in monthly installments of $2,855 including interest at 6.22% maturing January 2016	27,753	62,811
Equipment loan payable in monthly installments of $2,774 including interest at 6.38% maturing February 2016	26,949	61,038
Equipment loan payable in monthly installments of $1,227 including interest at 6.59% maturing February 2016	11,907	26,993
Equipment loan payable in monthly installments of $569 including interest at 7.50% maturing March 2016	6,033	13,092
Equipment loan payable in monthly installments of $2,493 including interest at 5.60% maturing March 2017	54,260	87,271
Equipment loan payable in monthly installments of $1,173 including interest at 5.10% maturing February 2018	37,061	53,957
Equipment loan payable in monthly installments of $2,063 including interest at 3.81% maturing March 2019	112,500	-
Equipment loan payable in monthly installments of $1,918 including interest at 3.96% maturing March 2019	85,000	-
Equipment loan payable in monthly installments of $2,423 including interest at 3.96% maturing March 2017	53,577	-
Vehicle loan payable in monthly installments of $645 including interest at 4.99% maturing March 2019	27,998	-
Vehicle loan payable in monthly installments of $640 including interest at 4.99% maturing March 2019	27,776	-
Vehicle loan payable in monthly installments of $680 including interest at 4.99% maturing March 2018	22,690	-
Vehicle loan payable in monthly installments of $652 including interest at 4.00% maturing March 2016	8,266	-
Balance forward	$ 5,679,895	$ 6,582,786

10. Long Term Debt (cont'd)

	2015	2014
Balance forward	$ 5,679,895	$ 6,582,786
Canada Mortgage and Housing Corporation		
Mortgage payable in monthly installments of $6,145 including interest at 1.92%, maturing April 2019	914,403	970,113
Mortgage payable in monthly installments of $3,186 including interest at 1.65% maturing June 2017	573,872	602,413
Mortgage payable in monthly installments of $3,803 including interest at 1.62% maturing March 2018	709,586	743,465
Mortgage payable in monthly installments of $6,496 including interest at 2.11% maturing January 2019	1,207,150	1,259,145
Mortgage payable in monthly installments of $7,110 including interest at 2.65% maturing April 2016	1,378,858	1,427,139
Mortgage payable in monthly installments of $2,300 including interest at 1.49% maturing January 2017	514,239	534,038
Other Financial Institutions		
Vehicle loan payable in monthly installments of $490 including interest at 8.49% maturing May 2014	-	969
Vehicle loan payable in monthly installments of $692 including interest at 8.49% maturing May 2014	-	1,369
	$ 10,978,003	$ 12,121,437

Anticipated annual principal payments due in the next five years are as follows:

Year	Amount
2016	$ 3,001,800
2017	3,067,800
2018	2,174,000
2019	2,029,200
2020	705,203
	$ 10,978,003

Eabametoong First Nation
Notes to Consolidated Financial Statements

For the year ended March 31, 2015

11. Tangible Capital Assets

	Cost			Accumulated Amortization				
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2015 Net Book Value	2014 Net Book Value
Administration								
Equipment	$ 213,670	$ 16,595	$ 230,265	$ 113,847	$ 21,624	$ 135,471	$ 94,794	$ 99,823
Fire equipment	70,865	-	70,865	69,824	208	70,032	833	1,041
Landfill site	111,433	-	111,433	31,047	3,215	34,262	77,171	80,386
Vehicles	103,256	118,578	221,834	64,541	29,401	93,942	127,892	38,715
Eabametoong Communications Inc.								
Equipment	484,557	-	484,557	447,718	7,368	455,086	29,471	36,839
Office equipment	29,874	-	29,874	28,441	287	28,728	1,146	1,433
Vehicles	18,499	-	18,499	2,775	4,717	7,492	11,007	15,724
Capital projects								
Housing construction and renovation	9,283,914	-	9,283,914	4,316,698	198,689	4,515,387	4,768,527	4,967,216
Hydro upgrade	2,587,481	-	2,587,481	1,255,240	53,290	1,308,530	1,278,951	1,332,241
Sewage remedial work	378,310	-	378,310	166,068	8,490	174,558	203,752	212,242
Gravel road	60,430	-	60,430	26,990	1,338	28,328	32,102	33,440
Firehall	310,610	-	310,610	138,725	6,875	145,600	165,010	171,885
Treatment centre	547,561	-	547,561	225,063	12,900	237,963	309,598	322,498
Arena	2,965,931	-	2,965,931	1,147,539	72,736	1,220,275	1,745,656	1,818,392
Tikinagan office	1,319,252	-	1,319,252	382,034	37,489	419,523	899,729	937,218
Police residence	371,488	-	371,488	163,377	8,324	171,701	199,787	208,111
Police station	24,119	(24,119)	-	8,801	-	-	-	15,318
Nurse's residence I	611,690	-	611,690	266,658	13,801	280,459	331,231	345,032
Nurse's residence II	363,011	-	363,011	114,263	9,950	124,213	238,798	248,748
Nursing station residences	379,930	-	379,930	127,340	10,104	137,444	242,486	252,590
Bridges	266,490	108,528	375,018	14,721	12,241	26,962	348,056	251,769
Community hall renovations	91,896	-	91,896	33,669	2,329	35,998	55,898	58,227
Construction office	50,000	-	50,000	22,331	1,107	23,438	26,562	27,669
Admin building	20,500	(20,500)	-	9,156	-	-	-	11,344
Admin building renovation project	152,192	(152,192)	-	60,807	-	-	-	91,385
Ditching, roads and drainage	237,448	-	237,448	95,826	5,665	101,491	135,957	141,622
20 unit servicing project	3,501,938	-	3,501,938	1,244,669	90,291	1,334,960	2,166,978	2,257,269
15 unit CMHC housing project	2,272,108	-	2,272,108	761,801	60,412	822,213	1,449,895	1,510,307
Tikinagan residences	306,162	-	306,162	102,615	8,142	110,757	195,405	203,547
20 unit housing project	3,809,288	-	3,809,288	1,171,228	105,522	1,276,750	2,532,538	2,638,060
4 unit housing project	777,570	-	777,570	190,049	23,501	213,550	564,020	587,521
5 unit housing project	1,465,902	-	1,465,902	358,154	44,310	402,464	1,063,438	1,107,748
Power generation upgrade	702,435	-	702,435	159,590	21,714	181,304	521,131	542,845
8 unit project	1,137,882	-	1,137,882	247,196	35,627	282,823	855,059	890,686
12 unit project	1,013,752	-	1,013,752	220,230	31,741	251,971	761,781	793,522
Bunkhouse	291,456	-	291,456	48,703	9,710	58,413	233,043	242,753
9 unit housing project	1,844,393	-	1,844,393	245,228	63,967	309,195	1,535,198	1,599,165
3 unit housing project	818,992	-	818,992	79,305	29,587	108,892	710,100	739,687
Community Hall	673,348	-	673,348	65,202	24,326	89,528	583,820	608,146
New Nursing Station	10,585,154	-	10,585,154	1,015,518	382,785	1,398,303	9,186,851	9,569,636
Balance forward	$ 50,254,787	$ 46,890	$ 50,301,677	$ 15,214,546	$ 1,453,783	$ 16,618,006	$ 33,683,671	$ 35,011,800

11. Tangible Capital Assets (cont'd)

	Cost			Accumulated Amortization				
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2015 Net Book Value	2014 Net Book Value
Balance forward	$ 50,254,787	$ 46,890	$ 50,301,677	$ 15,214,546	$ 1,453,783	$ 16,618,006	$ 33,683,671	$ 35,011,800
New band office	3,148,407	-	3,148,407	186,386	118,481	304,867	2,843,540	2,962,021
NAPS temporary building	117,994	-	117,994	6,985	4,440	11,425	106,569	111,009
Fuel tanks	620,187	-	620,187	251,176	110,703	361,879	258,308	369,011
Warehouse	226,650	59,720	286,370	13,418	9,724	23,142	263,228	213,232
Streetlights	73,689	-	73,689	1,474	2,889	4,363	69,326	72,215
RDO trailers	-	158,100	158,100	-	3,162	3,162	154,938	-
Education Authority								
Teacherage buildings	444,560	14,808	459,368	203,879	9,923	213,802	245,566	240,681
Education admin building	631,752	-	631,752	176,012	18,230	194,242	437,510	455,740
Office and school equipment	602,064	17,201	619,265	513,734	19,386	533,120	86,145	88,330
Vehicles	198,898	-	198,898	146,707	15,657	162,364	36,534	52,191
Classrooms	1,663,280	-	1,663,280	439,403	48,955	488,358	1,174,922	1,223,877
Eabamet Lake Construction Ltd								
Equipment	159,726	(159,726)	-	153,219	-	-	-	6,507
Eabamet Forest Development Corporation								
Equipment	615,793	(615,793)	-	609,168	-	-	-	6,625
Building	56,627	(56,627)	-	33,015	-	-	-	23,612
Vehicles	94,715	(94,715)	-	93,648	-	-	-	1,067
Heavy Equipment								
Equipment	841,990	253,500	1,095,490	790,167	53,572	843,739	251,751	51,823
Caterpillar	895,496	-	895,496	552,455	102,912	655,367	240,129	343,041
Vehicles	62,270	-	62,270	25,219	11,115	36,334	25,936	37,051
Eabametoong Power Authority								
Office equipment	19,686	-	19,686	15,598	818	16,416	3,270	4,088
Trucks	58,500	-	58,500	45,731	3,831	49,562	8,938	12,769
Groomer and fuel pump	158,229	-	158,229	123,643	10,376	134,019	24,210	34,586
New fuel tanks	267,362	245,593	512,955	191,956	59,461	251,417	261,538	75,406
Polaris Quads	14,885	-	14,885	9,779	1,532	11,311	3,574	5,106
Engine overhaul	847,618	169,389	1,017,007	191,521	222,237	413,758	603,249	656,097
Housing Authority								
Truck	20,955	-	20,955	20,845	33	20,878	77	110
Office equipment	10,227	-	10,227	9,468	152	9,620	607	759
Social Assistance								
Office equipment	15,000	-	15,000	14,070	186	14,256	744	930
Integrated Health Services								
Office equipment	41,382	-	41,382	26,992	2,878	29,870	11,512	14,390
Vehicles	186,691	54,394	241,085	125,061	26,648	151,709	89,376	61,630
Detox Building	6,800	-	6,800	658	246	904	5,896	6,142
Construction in progress								
NAPS detachment	1,856,341	939,362	2,795,703	-	-	-	2,795,703	1,856,341
	$ 64,212,561	$ 1,032,096	$ 65,244,657	$ 20,214,374	$ 2,311,330	$ 21,557,890	$ 43,686,767	$ 43,998,187

During the year, the Band disposed of obsolete plant, property and equipment for proceeds of $0. The cost of the assets was $1,123,674 with accumulated amortization of $967,813.42.

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2015

12. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

13. Contingencies

Retention or repayment of individual program excesses will be determined and negotiated with the appropriate funding agencies upon receipt of these financial statements. It is not possible at this time to determine the amount, if any, of retention or repayment of excesses.

14. Accumulated Surplus

The Band segregates its accumulated surplus in the following categories:

	2015	2014
Fund balances		
Unrestricted		
Fund balance - General	$ 2,983,213	$ 1,164,679
Internally restricted		
Capital (Note 15)	29,884,230	31,163,464
Casino (Note 16)	3,994,975	3,722,315
Trust (Note 17)	107,826	106,234
Externally restricted		
Replacement reserve - CMHC	298,760	243,170
Accumulated surplus	$ 37,269,004	$ 36,399,862

15. Capital Fund

	2015	2014
Fund balance, beginning of year	$ 31,163,464	$ 30,101,284
Increased by:		
Additions to capital assets	1,032,096	3,368,729
Decreased by:		
Amortization of capital assets	(2,311,330)	(2,306,549)
Fund balance, end of year	$ 29,884,230	$ 31,163,464

Eabametoong First Nation
Notes to Consolidated Financial Statements

16. Casino Fund

	2015	2014
Fund balance, beginning of year	$ 3,722,315	$ 3,561,874
Increased by:		
OFNLP distributions	1,408,577	1,375,286
Interest	24,409	27,301
Decreased by:		
Expenses	(1,160,326)	(1,242,146)
Fund balance, end of year	$ 3,994,975	$ 3,722,315

17. Trust Fund

	2015	2014
Fund balance, beginning of year	$ 106,234	$ 104,845
Additions:		
Interest	1,592	1,389
Fund balance, end of year	$ 107,826	$ 106,234
Trust fund consists of:		
Cash	$ 57,826	$ 56,234
Due from operating fund	50,000	50,000
	$ 107,826	$ 106,234

18. Replacement Reserve

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Rental Housing Replacement Reserve account is to be credited in the amounts of $15,000, $4,000, $12,000, $8,000, $11,790 and $4,800 annually until it accumulates to the maximum stated in the agreements plus interest. These funds, along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation. As at March 31, 2015 included in restricted cash and deposits is a separate bank account for the replacement reserve of $345,920 (2014 - $344,998)

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2015

19. Government Transfers

	Operating	Capital	2015 Total	Operating	Capital	2014 Total
Federal						
AANDC	$ 10,947,338	$ -	$10,947,338	$11,262,460	$ -	$11,262,460
CMHC	402,021	-	402,021	377,505	-	377,505
Health Canada	1,947,613	47,591	1,995,204	1,792,561	45,498	1,838,059
Public Safety Canada	-	-	-	-	1,820,000	1,820,000
	13,296,972	47,591	13,344,563	13,432,526	1,865,498	15,298,024
Provincial						
MAA	350,481	-	350,481	129,850	-	129,850
MCSS	3,261,179	-	3,261,179	2,853,182	-	2,853,182
MOHLTC	211,621	-	211,621	203,374	-	203,374
MNDM	879,378	-	879,378	771,634	-	771,634
MCSCS	-	840,000	840,000	-	-	-
	$ 4,702,659	$ 840,000	$ 5,542,659	$ 3,958,040	$ -	$ 3,958,040

20. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council.

21. Segmented Information

Eabametoong First Nation provides a range of services to its members. For management reporting purposes, 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 specific regulations, restrictions or limitations. The services are provided by several entities of Eabametoong First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Administration
Administration contains activities that are needed to run the Eabametoong First Nation organization.

Community Infrastructure
Community Infrastructure contains activities that provide infrastructure to the community such as road maintenance, sewer and water, community buildings and public utilities.

21. **Segmented Information** (cont'd)

Economic and Employment
Economic and Employment contains all the activities that provide economic and employment support for the community.

Integrated Health Services
Integrated Health Services contains activities that provide medical services to band members.

Community Services
Community Services contains activities that provide a benefit to the community.

Housing
Housing contains activities that provide housing and repairs and maintenance to band members.

Projects
Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

Social Services
Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Education
Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

21. Segmented Information (cont'd)

For the year ended March 31, 2015	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2015 Total
Revenue										
Deferred revenue, beginning of year	$ 69,149	$ 251,103	$ 218,734	$ -	$ -	$ -	$ 241,560	$ 128,113	$ 219,829	$ 1,128,488
Federal	740,164	1,582,990	300,500	1,947,613	-	1,054,521	1,091,961	989,305	5,637,509	13,344,563
Provincial	-	137,136	1,092,723	141,904	-	-	840,000	3,330,896	-	5,542,659
Casino	273,251	268,258	3,150	299,420	155,515	213,833	76,150	-	119,000	1,408,577
Other	412,643	2,566,618	1,909,425	431,105	146,088	781,276	-	31,286	347,664	6,626,105
Deferred revenue, end of year	-	-	(218,734)	-	-	-	-	(27,851)	(145,847)	(392,432)
	1,495,207	4,806,105	3,305,798	2,820,042	301,603	2,049,630	2,249,671	4,451,749	6,178,155	27,657,960
Expenses										
Administration fees	-	-	90,760	160,321	-	19,125	1,250	19,580	50,616	341,652
Amortization	2,311,329									2,311,329
Bad debt expense (recovery)	24,721	(28,406)	177,126	-	-	277,582	-	-	1,992	453,015
Bank charges and interest	9,112	63,912	3,116	7,472	212	531	-	7,509	13,282	105,146
Current and prior year funding recoveries	(15,556)	214,743	123,763	104,761			45,675	(972)	204,075	676,489
Donations	12,222	8,824	4,795	-	153,020	-	-	-	1,976	180,837
Honorarium	100,200	-	102,750	1,200	-	-	-	-	65,512	269,662
Insurance	-	28,953	12,713	15,624	-	324,063	-	-	987	382,340
Interest on long term debt	-	-	-	-	-	247,263	-	-	24,162	271,425
Lease interest	-	-	-	-	-	-	-	-	-	-
Materials and supplies	-	2,615,210	781,322	382,560	70,241	113,314	550,669	374,283	537,093	5,424,692
Professional fees	240,121	58,242	527,803	54,697	6,404	24,900	192,909	-	65,132	1,170,208
Rent	-	5,270	2,820	26,955	-	-	825	120,000	19,517	175,387
Replacement reserve	-	-	-	-	-	55,590	-	-	-	55,590
Training	21,367	-	25,451	47,997	-	-	-	355,169	99,983	549,967
Travel	133,539	10,893	196,752	117,523	1,321	1,647	-	33,678	436,115	931,468
External transfers	-	-	-	40,000	-	-	-	2,742,552	830,035	3,612,587
Utilities, hydro, telephone	52,094	479,907	114,612	66,109	-	-	5,380	6,836	641,239	1,366,177
Wages and benefits	687,574	590,167	997,399	2,041,455	25,286	-	176,516	640,813	3,252,960	8,412,170
	3,576,723	4,047,715	3,161,182	3,066,674	256,484	1,064,015	973,224	4,299,448	6,244,676	26,690,141
Surplus (deficit)	$ (2,081,516)	$ 758,390	$ 144,616	$ (246,632)	$ 45,119	$ 985,615	$ 1,276,447	$ 152,301	$ (66,521)	$ 967,819

21. Segmented Information (cont'd)

For the year ended March 31, 2014	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2014 Total
Revenue										
Deferred revenue, beginning of year	$ -	$ -	$ 295,090	$ 44,500	$ -	$ -	$ 562,306	$ 122,398	$ 288,024	$ 1,312,318
Federal	727,601	2,190,414	266,167	1,792,561	-	1,057,635	2,262,330	1,229,000	5,772,316	15,298,024
Provincial	-	129,600	771,884	141,904	-	-	-	2,914,652	-	3,958,040
Casino	133,140	282,839	-	333,074	282,000	220,233	-	5,000	119,000	1,375,286
Other	346,784	2,532,962	1,347,111	389,505	48,454	769,595	-	57,529	289,603	5,781,543
Deferred revenue, end of year	-	(251,103)	(287,883)	-	-	-	(241,560)	(128,113)	(219,829)	(1,128,488)
	1,207,525	4,884,712	2,392,369	2,701,544	330,454	2,047,463	2,583,076	4,200,466	6,249,114	26,596,723
Expenses										
Administration fees	-	-	52,493	203,740	-	20,454	2,331	42,601	4,017	325,636
Amortization	1,594,179	-	-	-	-	712,370	-	-	-	2,306,549
Bad debt expense (recovery)	14,621	(31,685)	44,864	(16,153)	-	309,394	-	-	(6,289)	314,752
Bank charges and interest	10,185	72,463	2,534	5,945	162	-	-	6,030	8,923	106,242
Current and prior year funding recoveries	-	-	512,703	10,096	-	-	5,989	20,314	177,390	726,492
Donations	9,346	5,028	19,655	-	300,029	-	-	-	1,901	335,959
Honorarium	116,650	250	81,350	14,675	-	-	-	5,000	54,166	272,091
Insurance	-	111,383	7,367	2,499	-	318,033	-	-	-	439,282
Interest on long term debt	-	-	49,116	-	-	286,174	-	-	18,236	353,526
Lease interest	-	-	-	-	-	-	-	-	-	-
Materials and supplies	76,518	3,181,925	513,280	517,749	93,933	150,189	105,739	593,194	573,955	5,806,482
Professional fees	229,161	62,536	197,030	117,251	3,113	15,500	127,707	-	55,123	807,421
Rent	-	4,970	5,345	36,029	-	-	14,100	120,900	14,975	196,319
Replacement reserve	-	-	-	-	-	55,590	-	-	-	55,590
Training	7,798	1,694	7,022	13,903	-	-	-	218,885	86,420	335,722
Travel	95,685	14,897	109,321	94,083	-	-	-	31,392	477,635	823,013
External transfers	-	-	-	-	-	-	-	2,587,177	803,838	3,391,015
Utilities, hydro, telephone	50,286	438,249	139,030	72,538	-	-	2,545	6,090	664,759	1,373,497
Wages and benefits	664,369	688,317	712,665	1,805,486	-	13,296	127,281	568,604	3,241,279	7,821,297
	2,868,798	4,550,027	2,453,775	2,877,841	397,237	1,881,000	385,692	4,200,187	6,176,328	25,790,885
Surplus (deficit)	$ (1,661,273)	$ 334,685	$ (61,406)	$ (176,297)	$ (66,783)	$ 166,463	$ 2,197,384	$ 279	$ 72,786	$ 805,838

21. Segmented Information (cont'd)

Reconciliation of Segmented Information to Consolidated Statement of Operations and Accumulated Surplus:

	2015	2014
Surplus per segmented information	$ 967,819	$ 805,838
Trust Fund interest revenue	1,592	1,389
Replacement reserve revenue	55,590	55,590
Gain/loss on disposal	(155,859)	-
Surplus per Consolidated Statement of Operations and Accumulated Surplus	$ 869,142	$ 862,817