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Eabametoong First Nation
Consolidated Financial Statements
For the year ended March 31, 2017

Contents

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

March 31, 2017

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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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, 2017, 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 Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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, 2017 and 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified 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, 2017 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 Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
July 27, 2017

Eabametoong First Nation
Consolidated Statement of Financial Position

March 31	2017	2016
Financial assets		
Cash (Note 2)	$ 6,742,946	$ 5,431,244
Investments (Note 3)	532,641	767,348
Accounts receivable (Note 4)	1,462,416	1,119,845
Due from government and other government organizations (Note 5)	3,833,362	1,652,615
Trust funds held by federal government (Note 6)	110,148	109,053
	12,681,513	9,080,105
Liabilities		
Accounts payable and accrued liabilities (Note 7)	2,836,156	1,518,951
Due to government and other government organizations (Note 8)	1,519,021	1,501,740
Deferred revenue (Note 9)	2,634,616	521,734
Long term debt (Note 10)	9,186,436	10,507,822
	16,176,229	14,050,247
Net debt	(3,494,716)	(4,970,142)
Non-financial assets		
Prepaid expenses	133,854	23,626
Tangible capital assets (Note 11)	44,288,045	43,719,915
	44,421,899	43,743,541
Accumulated surplus (Note 15)	$ 40,927,183	$ 38,773,399

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 21)	2017	2016
Revenue			
Deferred revenue, beginning of year	$ 392,432	$ 521,734	$ 392,432
Federal government transfers (Note 20)	13,188,157	19,542,962	13,808,780
Provincial government transfers (Note 20)	4,884,769	4,339,464	4,748,606
Ontario First Nation Limited Partnership	1,400,000	1,590,368	1,409,891
Other	6,819,195	6,141,108	5,908,477
Trust fund interest revenue	-	1,095	1,227
Replacement reserve	-	55,590	55,590
Deferred revenue, end of year	(228,560)	(2,634,616)	(521,734)
	26,455,993	29,557,705	25,803,269
Expenses			
Administration	1,289,525	4,031,670	3,724,468
Community Infrastructure	4,156,183	3,587,431	3,142,935
Economic and Employment	2,804,015	2,625,345	2,582,776
Integrated Health Services	2,678,365	3,060,924	2,920,935
Community Services	338,000	630,141	391,878
Housing	1,017,236	1,014,497	933,450
Projects	2,828,967	949,217	443,152
Social Services	4,317,639	4,142,198	4,156,689
Education	6,492,098	6,876,078	6,002,591
	25,924,028	26,917,501	24,298,874
Net revenues before the following	531,965	2,640,204	1,504,395
Loss on disposal of tangible capital assets	-	(486,420)	-
Annual surplus	531,965	2,153,784	1,504,395
Accumulated surplus, beginning of year	38,773,399	38,773,399	37,269,004
Accumulated surplus, end of year	$ 39,305,364	$ 40,927,183	$ 38,773,399

Eabametoong First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	Budget (Note 21)	2017	2016
Annual surplus	$ 531,965	$ 2,153,784	$ 1,504,395
Acquisition of tangible capital assets	-	(3,831,721)	(2,378,488)
Amortization of tangible capital assets	1,936,541	2,292,750	2,345,339
Loss on disposal of tangible capital assets	-	486,420	-
Proceeds on disposal of tangible capital assets	-	484,421	-
Prepaid expenses	-	(110,228)	12,075
Net change in net financial debt	2,468,506	1,475,426	1,483,321
Net debt, beginning of year	(4,970,142)	(4,970,142)	(6,453,463)
Net debt, end of year	$ (2,501,636)	$ (3,494,716)	$ (4,970,142)

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	2017	2016
Cash flows from operating activities		
Annual surplus	$ 2,153,784	$ 1,504,395
Items not involving cash:		
Amortization	2,292,750	2,345,339
Loss on disposal of tangible capital assets	486,420	-
	4,932,954	3,849,734
Increase (decrease) in non-cash working capital items:		
Accounts receivable	(342,571)	267,943
Due from government and other government organizations	(2,180,747)	(168,578)
Prepaid expenses	(110,228)	12,075
Accounts payable and accrued liabilities	1,317,205	(198,646)
Due to government and other government organizations	17,281	(231,765)
Deferred revenue	2,112,882	129,302
	5,746,776	3,660,065
Cash provided by (used in) financing activities		
Repayment of long term debt	(1,653,466)	(1,585,329)
Advances of long term debt	332,080	1,115,148
	(1,321,386)	(470,181)
Cash provided by (used in) investment activities		
Purchase of tangible capital assets	(3,831,721)	(2,378,488)
Proceeds on disposal of tangible capital assets	484,421	-
Increase in trust assets	(1,095)	(1,227)
Decrease in investments, net	234,707	393,007
	(3,113,688)	(1,986,708)
Net increase in cash during the year	1,311,702	1,203,176
Cash, beginning of year	5,431,244	4,228,068
Cash, end of year	$ 6,742,946	$ 5,431,244
Supplementary cash flow information		
Interest received in year	$ 7,888	$ 13,514
Interest paid in year	$ 290,038	$ 229,168

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

1. Significant Accounting Policies

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.

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.

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.

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)

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.

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)

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.

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.

Contaminated Sites

A liability for contaminated sites is recognized on properties not in productive use when all of the following criteria have been met:

a) an environmental standard exists;
b) contamination exceeds the environmental standard;
c) the First Nation is directly responsible or accepts responsibility;
d) it is expected that future economic benefits will be given up; and
e) a reasonable estimate of the amount can be made.

The First Nation has evaluated all of its properties and has determined that there are no properties that meet the above criteria and therefore no liability has been accrued.

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2017

2. Cash

	2017	2016
Royal Bank of Canada - Thunder Bay		
Administration - Bank	$ 1,939,458	$ 1,394,576
Eabametoong Communications Inc.	(14,703)	26,696
Eabamet Lake Construction Ltd.	2,396	2,396
Education Authority	381,750	(62,847)
Heavy Equipment	21,283	81,421
H.O.P.E. Committee	700	36,755
Housing Authority Inc.	97,155	139,835
CMHC Housing	825,850	677,474
Integrated Health Services	(182,065)	(190,066)
Social Assistance - General Welfare	(114,000)	(208,954)
Breakfast Program	25,914	13,068
Hotel	82,433	46,318
Public Utilities	616,345	669,620
Economic Development Corporation	250,000	-
	3,932,516	2,626,292
Canadian Imperial Bank of Commerce - Thunder Bay:		
Administration	2,810,430	2,804,952
	$ 6,742,946	$ 5,431,244

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% (3.70% per annum at March 31, 2017). At March 31, 2017, the First Nation had utilized $NIL (2016 - $NIL) on this line of credit. The overdraft line of credit is supported by a Band Council Resolution.

2. Cash (cont'd)

The First Nation has available overdraft lines of credit of $5,000, $300,000, $150,000 and $50,000 with the Royal Bank of Canada incurring interest at the bank's prime lending rate plus 5%, 1%, 1% and 1% (7.70%, 3.70%, 3.70% and 3.70% per annum at March 31, 2017 respectively). Interest only payments are made monthly. At March 31, 2017, the First Nation had utilized $268 (2016 - $99,081) 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.

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

	2017	2016
CMHC replacement reserve (Note 19)	$ 401,856	$ 346,127
Unrestricted	6,341,090	5,085,117
	$ 6,742,946	$ 5,431,244

3. Investments

Included in investments are the following:

Royal Bank of Canada - Thunder Bay

	2017	2016
Administration - GIC	$ -	$ 635,368
CMHC Housing - GIC, interest at 0.50%, maturing March 2018	31,387	31,230
Education Authority - GIC, interest at 0.50%, maturing March 2018	101,254	100,750
Education Authority - GIC, interest at 0.55%, maturing April 2018	400,000	-
	$ 532,641	$ 767,348

4. Accounts Receivables

	2017	2016
Trade and other receivables (by program):		
Public Utilities:		
General receivables	$ 642,085	$ 563,319
Loans	5,642	5,095
	647,727	568,414
Less allowance for doubtful accounts	(357,053)	(264,890)
	290,674	303,524
Administration:		
General receivables	1,595,048	1,255,312
Less allowance for doubtful accounts	(914,737)	(882,388)
	680,311	372,924
Housing Authority Inc.:		
First Nation members	2,608,760	2,416,666
Less allowance for doubtful accounts	(2,529,653)	(2,416,666)
Deposits on hand	-	(8,130)
	79,107	(8,130)
Heavy Equipment:		
First Nation members	150	150
General receivables	459,789	435,902
Less allowance for doubtful accounts	(435,080)	(422,623)
	24,859	13,429
Balance forward	$ 1,074,951	$ 681,747

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2017

4. Accounts Receivables (cont'd)

	2017	2016
Balance Forward	$ 1,074,951	$ 681,747
CMHC:		
First Nation members	604,139	524,571
Less allowance for doubtful accounts	(573,585)	(488,887)
	30,554	35,684
Education Authority:		
First Nation members	15,645	9,502
General receivables	60,608	21,073
Less allowance for doubtful accounts	(17,766)	(12,156)
	58,487	18,419
H.O.P.E. Committee:		
First Nation members	33,870	38,592
Less allowance for doubtful accounts	(14,315)	(14,315)
	19,555	24,277
Integrated Health Services:		
First Nation members	30,743	34,042
General receivables	203,593	216,145
Less allowance for doubtful accounts	(35,059)	(35,059)
	199,277	215,128
Other:		
Eabametoong Communications Inc. and Hotel	79,592	144,590
	$ 1,462,416	$ 1,119,845

5. Due from Government and Other Government Organizations

	2017	2016
Federal government		
INAC	$ 3,117,281	$ 959,267
Canada Mortgage and Housing Corporation	342,941	99,603
FedNor	-	28,442
Health Canada	-	105,894
Provincial government		
Ministry of Community and Social Services	171,954	82,054
Ministry of Indigenous Relations and Reconciliation	57,800	-
Ministry of Community Safety and Correctional Services	-	147,579
Ministry of Natural Resources	-	19,111
Ministry of Northern Development and Mines	106,597	167,554
Ministry of Health and Long-Term Care	22,901	7,793
Other government organizations		
Northern Ontario Heritage Fund Corporation	-	35,318
Other	13,888	-
	$ 3,833,362	$ 1,652,615

6. Trust Funds Held by Federal Government

	March 31, 2016	Additions 2017	Withdrawals 2017	March 31, 2017
Revenue	$ 103,270	$ 1,095	$ -	$ 104,365
Capital	5,783	-	-	5,783
	$ 109,053	$ 1,095	$ -	$ 110,148

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.

7. Accounts Payable

	2017	2016
Trade payables by program:		
Administration	$ 1,637,006	$ 410,410
CMHC Housing	6,648	12,214
Hotel	4,121	16,955
Eabametoong Communications Inc.	3,231	36,395
Education Authority	609,288	269,461
Heavy Equipment	136,333	11,635
H.O.P.E. Committee	25,506	34,110
Housing Authority Inc.	67,355	94,302
Integrated Health Services	89,393	104,964
Public Utilities	257,275	528,505
	$ 2,836,156	$ 1,518,951

8. Due to Government and Other Government Organizations

	2017	2016
Federal government		
INAC	$ 965,256	$ 966,568
Provincial government		
Ministry of Indigenous Relations and Reconciliation	221,231	204,722
Ministry of Northern Development and Mines	1,396	51,408
Ministry of Education	39,568	39,568
Ministry of Health	10,821	-
Ministry of Child and Youth Services	41,275	-
MCSS - Employment Support	189,474	189,474
Due to Trust account (Note 6)	50,000	50,000
	$ 1,519,021	$ 1,501,740

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2017

9. Deferred Revenue

	2017	2016
Administration - Wellbeing Project - MNDM	$ 37,887	$ -
Capital Projects - RRAP Renovations - CMHC	26,176	28,602
Capital Projects - SIF Renovations - CMHC	77,095	-
Capital Projects - 9 Unit Housing - INAC	182,859	-
Capital Projects - Housing Renovations - INAC	172,333	-
Capital Projects - 6-Plex Construction - INAC	1,062,275	-
Capital Projects - Housing Capacity - INAC	81,005	-
Capital Projects - Remediation - INAC	6,708	-
Capital Projects - Landfill - INAC	250,000	-
Community Services - Community Garden - INAC	-	191,783
Economic and Employment - Land Use Planning - MNR	38,739	73,810
Economic and Employment - SPI - INAC	35,686	7,053
Economic and Employment - SPI - Industry Contributions	195,725	200,708
Education Programs		
- Instructional, Special Education, Guidance - INAC	543,646	-
Social Assistance - Administration - INAC	14,983	17,778
Integrated Health Services - Northern Ontario School of Medicine	-	2,000
Other	(90,501)	-
	$ 2,634,616	$ 521,734

10. Long Term Debt

	2017	2016
Royal Bank of Canada		
Term loan - housing construction Principal payment due in May of each year starting in May 2009 with interest at 4% per annum. The balance on loan is due and payable May 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 INAC and an assignment of not less than $193,833 annually from housing rent proceeds.	$ 1,690,692	$ 2,484,594
Consolidation loan for Tikinagan building and housing units repayable in monthly installments of $13,487 including interest at 3.25% per annum. Collateral security consists of a Band Council Resolution confirming borrowings. The balance of the loan is due and payable January 2019.	573,843	714,531
Term loan for Education repayable in monthly installments of $10,000 including interest at the bank's prime lending rate plus 1.5% (4.20% 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 2017.	67,265	181,796
Balance forward	$ 2,331,800	$ 3,380,921

10. Long Term Debt (cont'd)

	2017	2016
Balance forward	$ 2,331,800	$ 3,380,921
Term loan payable in monthly installments of $2,494 including interest at 3.35% per annum. Collateral security consists of a Band Council Resolution confirming borrowings. The balance of the loan is due and payable July 2021.	118,565	143,766
Term loan payable in monthly installments of $9,635 plus interest at the bank's prime lending rate plus 1.25% (3.95% at year end) and maturing October 2017. Collateral security consists of a Band Council Resolution confirming borrowings.	419,867	516,798
Equipment loan payable in monthly installments of $1,173 including interest at 5.10% maturing January 2018	11,460	24,586
Equipment loan payable in monthly installments of $2,063 including interest at 3.81% maturing February 2020	70,040	91,674
Equipment loan payable in monthly installments of $1,918 including interest at 3.96% maturing February 2019	44,170	64,989
Equipment loan payable in monthly installments of $405 including interest at 5.89% maturing October 2018	7,331	11,622
Equipment loan payable in monthly installments of $4,712 including interest at 4.50% maturing December 2018	94,987	146,005
Other equipment loans	-	52,806
Vehicle loans payable in monthly installments of $645, $640 and $680 including interest at 0% - 4.99% maturing March 2018 to March 2019	38,767	61,732
Balance forward	$ 3,136,987	$ 5,354,899

10. Long Term Debt (cont'd)

	2017	2016
Balance forward	$ 3,136,987	$ 5,354,899
Mortgage payable in monthly installments of $7,651 including interest at 3.70%, maturing June 2021	1,015,924	
Canada Mortgage and Housing Corporation		
Mortgage payable in monthly installments of $6,145 including interest at 1.92%, maturing April 2019	799,826	857,699
Mortgage payable in monthly installments of $3,186 including interest at 1.65% maturing June 2017	515,364	544,879
Mortgage payable in monthly installments of $3,803 including interest at 1.62% maturing March 2018	640,166	675,181
Mortgage payable in monthly installments of $6,496 including interest at 2.11% maturing January 2019	1,099,830	1,154,108
Mortgage payable in monthly installments of $6,158 including interest at 1.11% maturing April 2021	1,270,636	1,329,370
Mortgage payable in monthly installments of $2,297 including interest at 1.48% maturing January 2022	473,752	494,165
Receiver General Canada (Ministry of Indian Affairs and Northern Development)		
Promissory note payable on the earlier of March 31, 2021 or the date on which the Land Claim is settled	232,951	97,521
	$ 9,186,436	$ 10,507,822

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

Year	Amount
2018	$ 3,026,618
2019	2,670,457
2020	875,462
2021	408,478
2022	2,205,421
	$ 9,186,436

For the year ended March 31, 2017

11. Tangible Capital Assets

	Cost				Accumulated Amortization				2017	2016
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Adjustments	Closing Balance	Net Book Value	Net Book Value
Administration										
Equipment	$ 277,168	$ 26,995	$ -	$ 304,163	$ 159,120	$ 26,309	$ -	$ 185,429	$ 118,734	$ 118,048
Fire equipment	70,865	-	-	70,865	70,199	133	-	70,332	533	666
Landfill site	111,433	-	-	111,433	37,349	2,963	-	40,312	71,121	74,084
Vehicles	221,834	-	-	221,834	132,310	26,857	-	159,167	62,667	89,524
Water Filtration equipment	-	96,023	-	96,023	-	14,404	-	14,404	81,619	-
Furniture	-	11,418	-	11,418	-	1,142	-	1,142	10,276	-
Eabametoong Communications Inc.										
Equipment	484,557	-	-	484,557	460,980	4,715	-	465,695	18,862	23,577
Office equipment	29,874	-	-	29,874	28,957	183	-	29,140	734	917
Vehicles	18,499	-	-	18,499	10,794	2,312	-	13,106	5,393	7,705
Communications centre	-	1,121,034	-	1,121,034	-	22,421	-	22,421	1,098,613	-
Capital projects										
Housing construction and renovation	9,283,914	-	-	9,283,914	4,706,128	183,112	-	4,889,240	4,394,674	4,577,786
Hydro upgrade	2,587,481	-	-	2,587,481	1,359,688	49,112	-	1,408,800	1,178,681	1,227,793
Sewage remedial work	378,310	-	-	378,310	182,708	7,824	-	190,532	187,778	195,602
Gravel road	60,430	-	-	60,430	29,612	1,233	-	30,845	29,585	30,818
Firehall	310,610	-	-	310,610	152,200	6,336	-	158,536	152,074	158,410
Treatment centre	547,561	-	-	547,561	250,347	11,889	-	262,236	285,325	297,214
Arena	2,965,931	-	-	2,965,931	1,290,101	67,033	-	1,357,134	1,608,797	1,675,830
Tikinagan office	1,319,252	-	-	1,319,252	455,512	34,550	-	490,062	829,190	863,740
Police residence	371,488	-	-	371,488	179,692	7,672	-	187,364	184,124	191,796
Nurse's residence I	611,690	-	-	611,690	293,708	12,719	-	306,427	305,263	317,983
Nurse's residence II	363,011	-	-	363,011	133,765	9,170	-	142,935	220,076	229,246
Nursing station residences	379,930	-	-	379,930	147,143	9,312	-	156,455	223,475	232,787
Bridges	375,018	-	-	375,018	40,884	13,365	-	54,249	320,769	334,134
Community hall renovations	91,896	-	(91,896)	-	38,234	-	(38,234)	-	-	53,662
Construction office	50,000	-	-	50,000	24,500	1,020	-	25,520	24,480	25,500
Ditching, roads and drainage	237,448	-	-	237,448	106,929	5,221	-	112,150	125,298	130,519
20 unit servicing project	3,501,938	-	(175,097)	3,326,841	1,421,639	79,710	(71,084)	1,430,265	1,896,576	2,080,299
15 unit CMHC housing project	2,272,108	-	-	2,272,108	880,209	55,676	-	935,885	1,336,223	1,391,899
Tikinagan residences	306,162	-	-	306,162	118,573	7,504	-	126,077	180,085	187,589
20 unit housing project	3,809,288	-	-	3,809,288	1,378,052	97,249	-	1,475,301	2,333,987	2,431,236
4 unit housing project	777,570	-	-	777,570	236,111	21,658	-	257,769	519,801	541,459
5 unit housing project	1,465,902	-	-	1,465,902	445,002	40,836	-	485,838	980,064	1,020,899
Power generation upgrade	702,435	-	-	702,435	202,149	20,011	-	222,160	480,275	500,286
8 unit project	1,137,882	-	-	1,137,882	317,025	32,834	-	349,859	788,023	820,858
12 unit project	1,013,752	-	-	1,013,752	282,442	29,252	-	311,694	702,058	731,310
Bunkhouse	291,456	-	-	291,456	67,735	8,949	-	76,684	214,772	223,721
9 unit housing project	1,844,393	-	-	1,844,393	370,603	58,952	-	429,555	1,414,838	1,473,790
3 unit housing project	818,992	-	-	818,992	137,296	27,268	-	164,564	654,428	681,696
Community Hall	673,348	1,227,410	(673,348)	1,227,410	112,881	24,548	(112,881)	24,548	1,202,862	560,466
New Nursing Station	10,585,154	-	-	10,585,154	1,765,777	352,775	-	2,118,552	8,466,602	8,819,377
Balance forward	$ 50,348,580	$ 2,482,880	$ (940,341)	$ 51,891,119	$ 18,026,354	$ 1,378,229	$ (222,199)	$ 19,182,384	$ 32,708,735	$ 32,322,226

11. Tangible Capital Assets (cont'd)

	Cost				Accumulated Amortization				2017	2016
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Adjustments	Closing Balance	Net Book Value	Net Book Value
Balance forward	$ 50,348,580	$ 2,482,880	$ (940,341)	$ 51,891,119	$ 18,026,354	$ 1,378,229	$ (222,199)	$ 19,182,384	$ 32,708,735	$ 32,322,226
New band office	3,148,407	-	-	3,148,407	418,609	109,192	-	527,801	2,620,606	2,729,797
Fuel tanks	620,187	-	-	620,187	439,371	54,245	-	493,616	126,571	180,816
Warehouse	286,370	758,935	(286,370)	758,935	33,671	15,179	(33,671)	15,179	743,756	252,699
Streetlights	73,689	-	-	73,689	7,135	2,662	-	9,797	63,892	66,553
RDO trailers	374,383	-	-	374,383	27,014	13,895	-	40,909	333,474	347,369
NAPS detachment	3,429,606	-	-	3,429,606	68,592	134,441	-	203,033	3,226,573	3,361,014
Inn solar project	88,744	-	-	88,744	1,775	3,479	-	5,254	83,490	86,969
Education Authority										
Teacherage buildings	459,368	-	-	459,368	223,625	9,430	-	233,055	226,313	235,743
Education admin building	631,752	-	-	631,752	211,742	16,800	-	228,542	403,210	420,010
Office and school equipment	619,265	-	-	619,265	550,349	13,783	-	564,132	55,133	68,916
Vehicles	198,898	49,477	-	248,375	173,325	15,093	-	188,418	59,957	25,574
Classrooms	1,663,280	-	-	1,663,280	535,355	45,117	-	580,472	1,082,808	1,127,925
Heavy Equipment										
Equipment	1,267,890	-	-	1,267,890	945,124	96,830	-	1,041,954	225,936	322,766
Caterpillar	895,496	-	-	895,496	727,406	50,427	-	777,833	117,663	168,090
Vehicles	62,270	45,029	-	107,299	44,115	12,201	-	56,316	50,983	18,155
Eabametoong Power Authority										
Office equipment	19,686	-	-	19,686	17,070	523	-	17,593	2,093	2,616
Trucks	58,500	-	-	58,500	52,243	1,877	-	54,120	4,380	6,257
Groomer and fuel pump	158,229	-	-	158,229	141,282	5,084	-	146,366	11,863	16,947
New fuel tanks	561,708	-	-	561,708	337,191	67,355	-	404,546	157,162	224,517
Polaris Quads	14,885	-	-	14,885	12,383	751	-	13,134	1,751	2,502
Engine overhaul	1,402,911	-	-	1,402,911	652,618	225,088	-	877,706	525,205	750,294
Housing Authority										
Truck	20,955	-	-	20,955	20,901	16	-	20,917	38	54
Office equipment	10,227	-	-	10,227	9,741	97	-	9,838	389	486
Social Assistance										
Office equipment	15,000	-	-	15,000	14,405	119	-	14,524	476	595
Integrated Health Services										
Office equipment	41,382	-	-	41,382	32,172	1,842	-	34,014	7,368	9,210
Vehicles	241,085	-	-	241,085	178,522	18,769	-	197,291	43,794	62,563
Detox Building	6,800	-	-	6,800	1,140	226	-	1,366	5,434	5,660
Construction in progress										
Communications centre	903,592	-	(903,592)	-	-	-	-	-	-	903,592
6-plex	-	140,844	-	140,844	-	-	-	-	140,844	-
9 unit housing project	-	75,938	-	75,938	-	-	-	-	75,938	-
3 bedroon unit housing project	-	15,000	-	15,000	-	-	-	-	15,000	-
Fuel Tank Farm	-	1,167,210	-	1,167,210	-	-	-	-	1,167,210	-
	$ 67,623,145	$ 4,735,313	$ (2,130,303)	$ 70,228,155	$ 23,903,230	$ 2,292,750	$ (255,870)	$ 25,940,110	$ 44,288,045	$ 43,719,915

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. Subsequent Events

During the period of April 1, 2017 to July 27, 2017, there was one fire in the community that damaged the water pump house. The financial effect on the First Nation can not be determined at this time.

15. Accumulated Surplus

The Band segregates its accumulated surplus in the following categories:

	2017	2016
Fund balances		
Unrestricted		
Fund balance - General	$ 6,572,501	$ 4,120,669
Internally restricted		
Capital (Note 16)	30,229,639	29,917,379
Casino (Note 17)	3,604,955	4,271,948
Trust (Note 18)	110,148	109,053
Externally restricted		
Replacement reserve - CMHC	409,940	354,350
Accumulated surplus	$40,927,183	$ 38,773,399

16. Capital Fund

	2017	2016
Fund balance, beginning of year	$29,917,379	$ 29,884,230
Increased by:		
Additions to capital assets	3,831,721	2,378,488
Decreased by:		
Amortization of capital assets	(2,292,750)	(2,345,339)
Disposals of capital assets	(1,226,711)	-
Fund balance, end of year	$30,229,639	$ 29,917,379

17. Casino Fund

	2017	2016
Fund balance, beginning of year	$ 4,271,948	$ 3,994,975
Increased by:		
OFNLP distributions	1,590,368	1,409,891
Interest	7,479	12,841
Decreased by:		
Expenses	(2,264,840)	(1,145,759)
Fund balance, end of year	$ 3,604,955	$ 4,271,948

18. Trust Fund

	2017	2016
Fund balance, beginning of year	$ 109,053	$ 107,826
Additions:		
Interest	1,095	1,227
Fund balance, end of year	$ 110,148	$ 109,053
Trust fund consists of:		
Cash	$ 60,148	$ 59,053
Due from operating fund	50,000	50,000
	$ 110,148	$ 109,053

Eabametoong First Nation
Notes to Consolidated Financial Statements

March 31, 2017

19. 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, 2017 included in restricted cash and deposits is a separate bank account for the replacement reserve of $401,856 (2016 - $346,920).

20. Government Transfers

			2017			2016
	Operating	Capital	Total	Operating	Capital	Total
Federal						
INAC	$ 13,488,617	$2,904,766	$16,393,383	$11,156,465	$ -	$11,156,465
CMHC	741,591	-	741,591	424,581	-	424,581
HC	2,332,350	-	2,332,350	2,172,159	55,575	2,227,734
PSC	75,638	-	75,638	-	-	-
	16,638,196	2,904,766	19,542,962	13,753,205	55,575	13,808,780
Provincial						
MIRR	355,462	-	355,462	311,717	-	311,717
MCSS	3,332,288	-	3,332,288	3,246,980	-	3,246,980
MOHLTC	231,766	-	231,766	210,886	-	210,886
MNDM	390,561	-	390,561	255,046	-	255,046
MCSCS	-	-	-	-	723,977	723,977
NOHFC	29,387	-	29,387	-	-	-
	$ 4,339,464	$ -	$ 4,339,464	$ 4,024,629	$ 723,977	$ 4,748,606

21. Budgeted Figures

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

22. 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.

22. Segmented Information (cont'd)

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.

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:

22. Segmented Information (cont'd)

For the year ended March 31, 2017	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2017 Total
Revenue										
Deferred revenue, beginning of year	$ -	$ -	$ 281,571	$ 2,000	$ 191,783	$ -	$ 28,602	$ 17,778	$ -	$ 521,734
Federal	754,930	2,202,889	362,390	2,358,023	-	1,043,096	4,726,828	815,400	7,279,406	19,542,962
Provincial	77,756	205,679	422,475	141,904	48,000	-	21,500	3,422,150	-	4,339,464
Casino	(235,541)	12,001	129,360	-	209,493	399,359	1,044,696	-	31,000	1,590,368
Other	467,345	1,515,326	2,178,770	424,205	91,326	807,290	-	32,893	623,953	6,141,108
Deferred revenue, end of year	(37,887)	(5,600)	(270,150)	-	-	-	(1,858,451)	(14,983)	(447,545)	(2,634,616)
	1,026,603	3,930,295	3,104,416	2,926,132	540,602	2,249,745	3,963,175	4,273,238	7,486,814	29,501,020
Expenses										
Amortization	2,292,750	-	-	-	-	-	-	-	-	2,292,750
Bad debt expense (recovery)	32,350	92,163	32,982	10,606	-	197,491	-	-	5,610	371,202
Bank charges and interest	9,110	726	4,225	12,398	169	685	-	4,299	9,971	41,583
Current and prior year funding recoveries		5,467	89,892	12,981	(28,078)	-	146,665	9,493	121,294	357,714
Donations	44,122	17,578	5,722	-	175,898	-	-	-	2,934	246,254
Honorarium	258,225	-	31,000	13,155	8,785	-	-	-	80,805	391,970
Insurance	21,541	123,409	30,681	13,572	-	346,984	-	-	-	536,187
Interest on long term debt	-	39,851	-	-	-	153,060	-	-	10,539	203,450
Lease interest	-	-	-	-	-	-	-	-	-	-
Materials and supplies	138,126	2,552,834	621,833	514,820	255,403	80,184	610,367	425,966	1,096,851	6,296,384
Professional fees	402,677	41,623	447,525	78,511	48,492	40,490	379,821	-	91,874	1,531,013
Rent	-	9,940	23,166	41,190	15,027	4,988	-	-	14,744	109,055
Replacement reserve	-	-	-	-	-	55,590	-	-	-	55,590
Training	18,128	440	29,782	66,767	-	-	-	347,879	179,563	642,559
Travel	97,576	9,632	165,058	97,338	47,987	2,536	-	66,686	568,987	1,055,800
External transfers	-	-	-	-	-	-	-	2,637,312	778,705	3,416,017
Utilities, hydro, telephone	47,311	51,389	64,142	89,481	-	-	2,758	6,717	281,773	543,571
Wages and benefits	669,754	642,379	1,079,337	2,110,105	106,458	132,489	(190,394)	643,846	3,632,428	8,826,402
	4,031,670	3,587,431	2,625,345	3,060,924	630,141	1,014,497	949,217	4,142,198	6,876,078	26,917,501
Surplus (deficit)	$ (3,005,067)	$ 342,864	$ 479,071	$ (134,792)	$ (89,539)	$ 1,235,248	$ 3,013,958	$ 131,040	$ 610,736	$ 2,583,519

22. Segmented Information (cont'd)

For the year ended March 31, 2016	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2016 Total
Revenue										
Deferred revenue, beginning of year	$ 18,026	$ -	$ 200,708	$ -	$ -	$ -	$ -	$ 27,851	$ 145,847	$ 392,432
Federal	737,836	2,374,009	250,750	2,172,159	194,723	1,054,521	668,276	888,300	5,468,206	13,808,780
Provincial	-	154,404	404,108	141,904	8,251	-	723,977	3,315,962	-	4,748,606
Casino	268,132	12,000	1,000	76,950	334,786	303,333	248,350	-	165,340	1,409,891
Other	225,927	1,882,936	2,087,246	335,182	74,786	775,773	-	45,863	480,764	5,908,477
Deferred revenue, end of year	-	-	(281,571)	(2,000)	(191,783)	-	(28,602)	(17,778)	-	(521,734)
	1,249,921	4,423,349	2,662,241	2,724,195	420,763	2,133,627	1,612,001	4,260,198	6,260,157	25,746,452
Expenses										
Amortization	2,345,343	-	-	-	-	-	-	-	-	2,345,343
Bad debt expense (recovery)	42,315	31,187	78,926	19,204	-	301,633	-	-	(2,560)	470,705
Bank charges and interest	29,499	1,674	3,601	8,578	499	348	-	5,225	8,557	57,981
Current and prior year funding recoveries	(21,451)		(118,855)	146			6,465	78,129	221,114	165,548
Donations	10,325	10,722	2,547	-	295,973	-	-	-	3,186	323,253
Honorarium	180,850	-	66,789	600	-	-	-	-	75,431	323,670
Insurance	50,679	27,195	33,218	1,152	-	275,682	-	-	-	387,926
Interest on long term debt	-	53,050	-	-	-	211,325	-	-	17,843	282,218
Lease interest	-	-	-	-	-	-	-	-	-	-
Materials and supplies	-	2,387,351	710,322	453,173	83,526	27,173	156,235	409,521	937,873	5,165,174
Professional fees	252,919	32,945	501,543	51,960	4,640	24,400	151,317	-	111,274	1,130,998
Rent	-	-	16,468	35,630	1,100	-	-	120,000	18,763	191,961
Replacement reserve	-	-	-	-	-	55,590	-	-	-	55,590
Training	10,058	1,395	23,594	16,731	-	-	-	245,971	84,625	382,374
Travel	65,551	15,918	195,608	91,850	1,700	-	690	57,676	455,979	884,972
External transfers	-	-	-	-	-	-	-	2,623,121	674,533	3,297,654
Utilities, hydro, telephone	54,546	35,400	64,748	90,368	-	-	244	9,423	280,603	535,332
Wages and benefits	703,334	546,098	1,004,267	2,151,543	4,440	37,299	128,201	607,623	3,115,370	8,298,175
	3,724,468	3,142,935	2,582,776	2,920,935	391,878	933,450	443,152	4,156,689	6,002,591	24,298,874
Surplus (deficit)	$ (2,474,547)	$ 1,280,414	$ 79,465	$ (196,740)	$ 28,885	$ 1,200,177	$ 1,168,849	$ 103,509	$ 257,566	$ 1,447,578

22. Segmented Information (cont'd)

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

	2017	2016
Surplus per segmented information	$ 2,583,519	$ 1,447,578
Trust Fund interest revenue	1,095	1,227
Replacement reserve revenue	55,590	55,590
Gain/loss on disposal	(486,420)	-
Surplus per Consolidated Statement of Operations and Accumulated Surplus	$ 2,153,784	$ 1,504,395