

**Eabametoong First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2023

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

March 31, 2023

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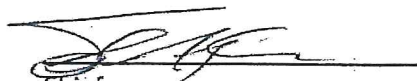
The accompanying consolidated financial statements of Eabametoong First Nation are the responsibility of management and have been approved by the Chief and Council.

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



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

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## Independent Auditor's Report

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To the Members of Eabametoong First Nation

### Qualified Opinion

We have audited the consolidated financial statements of Eabametoong First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation, and its consolidated results of operations, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

Effective April 1, 2022, the First Nation was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at March 31, 2023 and 2022, and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

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 12. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the years ended March 31, 2023 and 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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## Independent Auditor's Report (cont'd)

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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 Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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.

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## Independent Auditor's Report (cont'd)

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Thunder Bay, Ontario  
June 20, 2024

## Eabametoong First Nation Consolidated Statement of Financial Position

March 31	2023	2022
<b>Financial assets</b>		
Cash (Note 2)	\$ 24,157,628	\$ 24,613,635
Investments (Note 3)	1,594,664	1,581,276
Accounts receivable (Note 4)	3,182,292	3,005,608
Due from government and government organizations (Note 5)	4,003,643	3,862,885
Trust funds held by federal government (Note 6)	114,085	114,085
	<u>33,052,312</u>	<u>33,177,489</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	8,706,306	4,539,264
Due to government and government organizations (Note 8)	1,807,478	1,659,679
Deferred revenue (Note 9)	16,494,143	19,183,209
Long term debt (Note 10)	7,497,840	8,113,311
Obligation under capital lease (Note 11)	273,735	364,397
	<u>34,779,502</u>	<u>33,859,860</u>
<b>Net financial debt</b>	<u>(1,727,190)</u>	<u>(682,371)</u>
<b>Non-financial assets</b>		
Prepaid expenses	90,394	182,015
Tangible capital assets (Note 12)	84,230,211	78,650,322
	<u>84,320,605</u>	<u>78,832,337</u>
<b>Accumulated surplus (Note 13)</b>	<u>\$ 82,593,415</u>	<u>\$ 78,149,966</u>

On behalf of the Band:

 Chief

 Councillor

## Eabametoong First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	Budget (Note 17)	2023	2022
Revenue			
Federal government transfers (Note 9)	\$40,134,528	\$35,864,806	\$ 33,195,132
Provincial government transfers (Note 9)	6,941,728	6,140,756	5,337,302
Ontario First Nation Limited Partnership	1,000,000	1,475,951	1,046,730
Other	6,976,169	8,586,424	9,539,391
Replacement reserve	-	76,365	76,366
	<u>55,052,425</u>	<u>52,144,302</u>	<u>49,194,921</u>
Expenses			
Administration	10,675,853	6,147,588	5,080,002
Community Infrastructure	9,034,768	9,808,369	7,515,690
Economic and Employment	2,313,901	2,086,136	1,749,812
Integrated Health Services	6,754,421	7,641,832	7,575,933
Community Services	1,575,253	839,376	282,008
Housing	1,256,600	1,275,769	1,201,510
Projects	4,095,448	2,095,890	95,360
Social Services	8,224,778	7,177,679	8,228,727
Education	15,553,972	10,628,214	9,676,047
	<u>59,484,994</u>	<u>47,700,853</u>	<u>41,405,089</u>
Annual surplus	(4,432,569)	4,443,449	7,789,832
Accumulated surplus, beginning of year	<u>78,149,966</u>	<u>78,149,966</u>	<u>70,360,134</u>
Accumulated surplus, end of year	<u>\$73,717,397</u>	<u>\$82,593,415</u>	<u>\$ 78,149,966</u>

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 17)	2023	2022
Annual surplus	\$ (4,432,569)	\$ 4,443,449	\$ 7,789,832
Acquisition of tangible capital assets	(11,694,564)	(9,696,257)	(8,292,317)
Amortization of tangible capital assets	-	4,116,368	2,928,202
Prepaid expenses	-	91,621	717,423
Net change in net debt	16,127,133)	(1,044,819)	3,143,140
Net debt, beginning of year	(682,371)	(682,371)	(3,825,511)
Net debt, end of year	\$16,809,504)	\$ (1,727,190)	\$ (682,371)

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	2023	2022
Cash provided by (used in) operating activities		
Annual surplus	\$ 4,443,449	\$ 7,789,832
Items not involving cash:		
Amortization	4,116,368	2,928,202
	<u>8,559,817</u>	<u>10,718,034</u>
Increase (decrease) in non-cash working capital items:		
Accounts receivable	(176,684)	444,949
Due from government and other government organizations	(140,758)	(2,109,641)
Prepaid expenses	91,621	717,423
Accounts payable and accrued liabilities	4,167,042	1,508,001
Due to government and other government organizations	147,799	389,447
Deferred revenue	(2,689,066)	5,736,093
	<u>9,959,771</u>	<u>17,404,306</u>
Financing activities		
Repayment of long term debt	(615,471)	(610,288)
Capital lease payments	(90,662)	(214,284)
	<u>(706,133)</u>	<u>(824,572)</u>
Investment activities		
Decrease (increase) in investments, net	(13,388)	(7,831)
Capital transactions		
Purchase of tangible capital assets	(9,696,257)	(7,955,296)
Net increase (decrease) in cash during the year	(456,007)	8,616,607
Cash, beginning of year	24,613,635	15,997,028
Cash, end of year	<u>\$24,157,628</u>	<u>\$ 24,613,635</u>

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

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 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	<p>All controlled entities are fully consolidated on a line-by-line basis. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Organizations consolidated in Eabametoong First Nation's financial statements include:</p> <ul style="list-style-type: none"><li>• Eabametoong First Nation Housing Authority Inc.</li><li>• Eabametoong Communications Inc.</li></ul>															
Asset Classification	Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.															
Tangible Capital Assets	<p>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.</p> <p>Amortization is provided for on a declining balance basis as follows:</p> <table><tr><td>General housing</td><td>-</td><td>4%</td></tr><tr><td>Buildings and improvements</td><td>-</td><td>4%</td></tr><tr><td>Infrastructure</td><td>-</td><td>4%</td></tr><tr><td>Office and general equipment</td><td>-</td><td>20%</td></tr><tr><td>Automotive and heavy equipment</td><td>-</td><td>30%</td></tr></table>	General housing	-	4%	Buildings and improvements	-	4%	Infrastructure	-	4%	Office and general equipment	-	20%	Automotive and heavy equipment	-	30%
General housing	-	4%														
Buildings and improvements	-	4%														
Infrastructure	-	4%														
Office and general equipment	-	20%														
Automotive and heavy equipment	-	30%														

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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

Tangible Capital Assets	<p>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.</p> <p>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.</p> <p>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.</p> <p>Assets under construction are not amortized until the asset is available to be put into service.</p>
Leased Tangible Capital Assets	<p>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.</p>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 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, deferred revenues and amounts due to government and other government organizations. Actual results could differ from management's best estimates as additional information becomes available in the future.

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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

Contaminated Sites	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the First Nation is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.
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### 2. Cash

	2023	2022
Royal Bank of Canada - Thunder Bay		
Administration - Bank	\$10,512,043	\$ 13,105,791
Eabametoong Communications Inc.	43,337	92,218
Eabamet Lake Construction Ltd.	2,396	2,396
Education Authority	7,118,069	5,374,045
Heavy Equipment	87,752	177,536
H.O.P.E. Committee	11,120	9,087
Housing Authority Inc.	679,016	449,316
CMHC Housing	1,507,671	963,389
Integrated Health Services	1,891,087	2,724,973
Social Assistance - General Welfare	838,268	491,435
Breakfast Program	25,824	25,824
Hotel	354,123	350,357
Public Utilities	837,106	597,452
Economic Development Corporation	249,816	249,816
	<u>\$24,157,628</u>	<u>\$ 24,613,635</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 2. Cash (cont'd)

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% (7.70% per annum at March 31, 2023). At March 31, 2023, the First Nation had utilized \$Nil (2022 - \$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, \$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% (11.7%, 7.7%, 7.7%, and 7.7% per annum at March 31, 2023 respectively). Interest only payments are made monthly. At March 31, 2023, the First Nation had utilized \$Nil (2022 - \$Nil) 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:

	2023	2022
CMHC replacement reserve (Note 16)	\$ 475,386	\$ 471,775
Unrestricted	23,682,242	24,141,860
	<u>\$24,157,628</u>	<u>\$ 24,613,635</u>

### 3. Investments

Included in investments are the following:

Royal Bank of Canada - Thunder Bay

	2023	2022
CMHC Housing - GIC, interest at 1.75%, maturing March 2024	\$ 32,481	\$ 32,291
CMHC Housing - GIC, interest at 1.75%, maturing December 2023	417,916	414,400
Housing - GIC, interest at 0.1.75%, maturing January 2024	104,871	104,125
Education Authority - GIC, interest at 0.75%, maturing April 2023	516,528	511,428
Balance forward	<u>\$ 1,071,796</u>	<u>\$ 1,062,244</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 3. Investments (cont'd)

	2023	2022
Balance forward	\$ 1,071,796	\$ 1,062,244
Education Authority - GIC, interest at 0.75%, maturing April 2023	417,163	414,114
Education Authority - GIC, interest at 1.75%, maturing March 2024	105,705	104,918
	<u>\$ 1,594,664</u>	<u>\$ 1,581,276</u>

\$381,622 of the CMHC Housing GIC is externally restricted as part of the replacement reserve (Note 16)

### 4. Accounts Receivables

	2023	2022
Trade and other receivables (by program):		
Public Utilities:		
General receivables	\$ 1,767,577	\$ 1,788,854
Loans	6,958	6,976
	<u>1,774,535</u>	<u>1,795,830</u>
Less allowance for doubtful accounts	<u>(1,370,063)</u>	<u>(1,132,715)</u>
	<u>404,472</u>	<u>663,115</u>
Administration:		
General receivables	2,080,371	2,058,085
Less allowance for doubtful accounts	<u>(688,668)</u>	<u>(761,321)</u>
	<u>1,391,703</u>	<u>1,296,764</u>
Housing Authority Inc.:		
First Nation members	4,109,001	3,929,118
Less allowance for doubtful accounts	<u>(4,024,892)</u>	<u>(3,831,355)</u>
	<u>84,109</u>	<u>97,763</u>
Balance forward	<u>\$ 1,880,284</u>	<u>\$ 2,057,642</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 4. Accounts Receivables (cont'd)

	2023	2022
Balance Forward	\$ 1,880,284	\$ 2,057,642
Heavy Equipment:		
First Nation members	-	150
General receivables	632,562	528,244
Less allowance for doubtful accounts	(630,288)	(449,239)
	2,274	79,155
CMHC:		
First Nation members	1,246,884	1,146,924
Less allowance for doubtful accounts	(1,202,052)	(1,086,178)
	44,832	60,746
Education Authority:		
First Nation members	50,225	24,025
General receivables	10,131	15,132
Less allowance for doubtful accounts	(40,510)	(26,890)
	19,846	12,267
H.O.P.E. Committee:		
First Nation members	80,391	98,571
Less allowance for doubtful accounts	(1,688)	(14,315)
	78,703	84,256
Integrated Health Services:		
First Nation members	16,186	31,083
General receivables	1,132,051	603,766
Less allowance for doubtful accounts	-	(40,157)
	1,148,237	594,692
Other:		
Eabametoong Communications Inc. and Hotel	531,143	529,905
Less allowance for doubtful accounts	(523,027)	(413,055)
	8,116	116,850
	\$ 3,182,292	\$ 3,005,608



## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 5. Due from Government and Government Organizations

	2023	2022
Federal government		
Indigenous Services Canada	\$ 2,378,083	\$ 2,319,761
Canada Mortgage and Housing Corporation	53,824	156,785
Provincial government		
Ministry of Children, Community and Social Services	47,912	27,038
Ministry of Indigenous Affairs	102,381	56,750
Ontario First Nations Limited Partnership	959,504	730,761
Ontario Trillium Fund	70,000	85,000
Ministry of Heritage, Sport, Tourism and Culture Industries	48,000	18,952
Ministry of Energy, Northern Development and Mines	168,037	135,858
Ministry of Health and Long-Term Care	8,715	227,980
Ministry of Tourism, Culture and Sport	-	16,500
Northern Ontario Heritage Fund Corporation	79,687	-
Independent Electricity System Operator	87,500	87,500
	<u>\$ 4,003,643</u>	<u>\$ 3,862,885</u>

### 6. Trust Funds Held by Federal Government

	March 31, 2022		Additions 2023		Withdrawals 2023		March 31, 2023
Revenue	\$ 108,302	\$	-	\$	-	\$	108,302
Capital	5,783	\$	-	\$	-	\$	5,783
	<u>\$ 114,085</u>	\$	-	\$	-	\$	<u>114,085</u>

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 is to be repaid to the First Nation from any future profits of the company, who will in turn return it to the Trust.

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 7. Accounts Payable

	2023	2022
Trade payables by program:		
Administration	\$ 4,519,673	\$ 1,790,161
CMHC Housing	25,272	18,430
Hotel	113,848	88,889
Eabametoong Communications Inc.	35,402	52,235
Education Authority	1,040,833	1,017,198
Heavy Equipment	50,124	57,253
H.O.P.E. Committee	182,855	127,098
Housing Authority Inc.	79,216	154,730
Integrated Health Services	772,603	758,535
Public Utilities	1,886,480	474,735
	<u>\$ 8,706,306</u>	<u>\$ 4,539,264</u>

### 8. Due to Government and Government Organizations

	2023	2022
Federal government		
Indigenous Services Canada	\$ 995,859	\$ 862,669
Provincial government		
Ministry of Indigenous Affairs	201,849	186,115
Ministry of Energy, Northern Development and Mines	11,766	44,583
Ministry of Education	21,066	16,066
Ministry of Health and Long-Term Care	137,884	137,884
Ministry of Children, Community and Social Services (MCCSS)	272,435	272,435
MCCSS - Employment Support	89,927	89,927
Ministry of the Attorney General	22,924	-
Ministry of Tourism, Culture and Sport	3,768	-
Due to Trust account (Note 6)	50,000	50,000
	<u>\$ 1,807,478</u>	<u>\$ 1,659,679</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 9. Deferred Revenue and Government Transfers

	Balance March 31, 2022	Funding Received 2023	Revenue Recognized 2023	Funding Recoveries	Balance March 31, 2023
Federal Government Indigenous Services Canada ("ISC")	\$15,812,558	\$32,534,890	\$(32,276,255)	(133,190)	\$15,938,003
Canadian Mortgage and Housing Corporation	2,858,725	729,826	(3,588,551)	-	-
Total Federal	18,671,283	33,264,716	(35,864,806)	(133,190)	15,938,003
Provincial Government Ministry of Indigenous Affairs	-	174,102	(101,090)	(42,385)	30,627
Ministry of Children, Community and Social Services	-	4,783,508	(4,783,508)	-	-
Ministry of Health and Long Term Care	265,351	396,359	(544,759)	-	116,951
Ministry of Northern Development and Mines	-	352,746	(341,025)	(4,268)	7,453
Department of Fisheries and Oceans	-	131,828	-	-	131,828
Ministry of Attorney General	-	100,000	(77,076)	(22,924)	-
Ontario Trillium Foundation	76,791	-	(73,143)	-	3,648
Other Provincial	5,000	225,155	(220,155)	(5,000)	5,000
Total Provincial	347,142	6,163,698	(6,140,756)	(74,577)	295,507
Other Deferred Revenue Wataynikaneyap Power LP	13,504	-	-	-	13,504
First Nations Confederacy of Cultural Education Centres	95,000	95,000	(36,419)	-	153,581
Other	60,030	57,928	(24,410)	-	93,548
	168,534	152,928	(60,829)	-	260,633
	\$19,186,959	\$39,581,342	\$(42,066,391)	\$(207,767)	\$16,494,143

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Deferred Revenue and Government Transfers (cont'd)

Deferred revenue is broken down by program as follows:

	2023	2022
Capital Projects - DGS upgrades - ISC	1,540,289	2,088,738
Capital Projects - Remediation - ISC	542,219	542,791
Capital Projects - New Water Treatment Plant - ISC	1,139,853	541,075
Capital Projects - Tank Farm - ISC	-	13,132
Capital Projects - CRLAI Housing - ISC	956,250	-
Capital Projects - CRLCF Asset Management- ISC	30,000	-
Basic Needs - ISC	311,789	-
COVID-19 - MIAO	-	332,220
Relationship Table - MIAO	30,627	-
Capital Projects - COVID-19 Isolation - ISC	-	1,850,906
Reversing River Project - OTF	3,648	36,485
Nursing Station Renovations - OTF	-	40,306
Fisheries Study - Department of Fisheries and Oceans	131,828	-
Education Programs		
- Instructional, Special Education, Guidance - ISC	7,827,778	6,460,152
Social Assistance - Administration - ISC	-	65,682
Social Assistance - Transition Support Fund - MCSS	531,333	293,673
Integrated Health Services		
CMHC - RHI Project 5 duplex	-	2,858,725
Integrated Health Services - Aboriginal Headstart	1,335,116	1,067,583
Integrated Health Services - Jordan's Principle	733,698	1,000,910
Integrated Health Services - Home and Community Care	-	405,488
Integrated Health Services - Homemakers	175,602	153,249
Integrated Health Services - Tobacco Control	65,231	47,268
Integrated Health Services - Emergency Vehicle	66,500	-
Integrated Health Services - Climate Change	99,440	99,440
Integrated Health Services - Dental	4,825	-
Language - FNCCEC	153,581	-
Burned Houses - Insurance	57,928	-
ISC - Admin	542,377	120,000
KKETS - Comm Garden Project	35,620	60,030
ISC - New Sewage Truck	-	146,079
ISC - New Housing CRKZS (2 Units)	-	524,400
Life Project - Choose Life	-	178,167
ISC - FNIHB - Nursing Station	152,654	65,928
Other	25,957	190,782
	<u>\$16,494,143</u>	<u>\$ 19,183,209</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 10. Long Term Debt

	2023	2022
Royal Bank of Canada		
Term loan payable in monthly installments of \$6,428 plus interest at Royal Bank prime plus 1.75% (8.45% at March 31, 2023), maturing June 2023	631,151	708,288
Term loan payable in monthly installments of \$1,056 plus interest at Royal Bank prime plus 1.75% (8.45% at March 31, 2023), maturing April 2023	140,775	153,182
Canada Mortgage and Housing Corporation		
Mortgage payable in monthly installments of \$6,079 including interest at 1.69%, maturing September 2024	426,970	492,130
Mortgage payable in monthly installments of \$3,328 including interest at 3.04% maturing June 2027	326,737	357,627
Mortgage payable in monthly installments of \$4,291 including interest at 3.81% maturing March 2028	425,318	462,900
Mortgage payable in monthly installments of \$6,509 including interest at 2.14% maturing March 2024	749,892	811,309
Mortgage payable in monthly installments of \$6,150 including interest at 1.12% maturing October 2026	897,893	961,275
Mortgage payable in monthly installments of \$2,301 including interest at 1.50% maturing January 2027	344,778	367,049
Mortgage payable in monthly installments of \$15,153 including interest at 2.14% maturing March 2024	1,781,790	1,924,011
Mortgage payable in monthly installments of \$9,721 including interest at 0.69% maturing June 2025	1,370,213	1,477,027
Receiver General Canada (Indigenous Services Canada)		
Promissory note payable on the earlier of March 31, 2027 or the date on which the Land Claim is settled	402,323	398,513
	<u>\$ 7,497,840</u>	<u>\$ 8,113,311</u>

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 10. Long Term Debt (cont'd)

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

Year	Amount
2024	4,033,413
2025	626,522
2026	1,590,651
2027	777,843
2028	469,411
	<u>\$ 7,497,840</u>

### 11. Obligations Under Capital Leases

	2023	2022
Obligations under a capital lease for heavy equipment blended monthly payments of \$6,545 with interest at the rate of 4.95%, maturing January 2027	273,735	337,021
Obligation under a capital lease for heavy equipment	<u>-</u>	<u>27,376</u>
Total	<u>\$ 273,735</u>	<u>\$ 364,397</u>

Interest expense for the year related to obligations under capital leases is \$15,260 (2022 - \$6,251).

Future minimum lease payments under the capital leases for the five subsequent years are as follows:

2024	\$ 78,545
2025	78,545
2026	78,545
2027	<u>65,453</u>
	301,088
Less: amounts representing interest	<u>(27,353)</u>
	<u>\$ 273,735</u>

Eabametoong First Nation  
Notes to Consolidated Financial Statements

For the year ended March 31, 2023

12.      Tangible Capital Assets

		Cost					Accumulated Amortization					2023
		Opening Balance	Additions	Transfers	Write down	Closing Balance	Opening Balance	Amortization	Write down	Closing Balance	Net Book Value	
First Nation housing	\$	34,928,714	\$ 4,535,907	\$ 2,031,335	\$ -	\$ 41,495,956	\$ 13,427,696	\$ 1,032,012	\$ -	\$ 14,459,708	\$ 27,036,248	
Infrastructure		13,924,191	997,453	20,216,098	-	35,137,742	5,276,649	1,575,413	-	6,852,062	28,285,680	
Buildings		35,929,418	1,903,093	109,016	-	37,941,527	11,737,643	978,375	-	12,716,018	25,225,509	
Automotive		1,674,977	333,418	-	-	2,008,395	1,276,017	169,700	-	1,445,717	562,678	
Heavy equipment		3,968,493	-	-	-	3,968,493	3,311,922	196,971	-	3,508,893	459,600	
Office furniture and equipment		3,657,614	-	-	-	3,657,614	3,113,992	72,657	-	3,186,649	470,965	
Land improvements		111,433	-	-	-	111,433	53,443	2,321	-	55,764	55,669	
Construction in progress - Capital projects		22,356,449	1,926,386	(22,356,449)	-	1,926,386	-	-	-	-	1,926,386	
Assets under capital lease obligations		348,700	-	-	-	348,700	52,305	88,919	-	141,224	207,476	
\$ 116,899,989		\$ 9,696,257	\$ -	\$ -	\$ -	\$ 126,596,246	\$ 38,249,667	\$ 4,116,368	\$ -	\$ 42,366,035	\$ 84,230,211	

		Cost					Accumulated Amortization					2022
		Opening Balance	Additions	Transfers	Write down	Closing Balance	Opening Balance	Amortization	Write down	Closing Balance	Net Book Value	
First Nation housing	\$	33,351,070	\$ 1,577,644	\$ -	\$ -	\$ 34,928,714	\$ 12,564,688	\$ 863,008	\$ -	\$ 13,427,696	\$ 21,501,018	
Infrastructure		13,586,928	337,263	-	-	13,924,191	4,620,408	656,241	-	5,276,649	8,647,542	
Buildings		31,525,919	4,403,499	-	-	35,929,418	10,821,392	916,251	-	11,737,643	24,191,775	
Automotive		1,543,502	131,475	-	-	1,674,977	1,133,207	142,810	-	1,276,017	398,960	
Heavy equipment		3,819,493	149,000	-	-	3,968,493	3,102,854	209,068	-	3,311,922	656,571	
Office furniture and equipment		3,606,115	51,499	-	-	3,657,614	3,027,889	86,103	-	3,113,992	543,622	
Land improvements		111,433	-	-	-	111,433	51,027	2,416	-	53,443	57,990	
Construction in progress - Capital projects		21,063,212	1,293,237	-	-	22,356,449	-	-	-	-	22,356,449	
Assets under capital lease obligations		-	348,700	-	-	348,700	-	52,305	-	52,305	296,395	
\$ 108,607,672		\$ 8,292,317	\$ -	\$ -	\$ -	\$ 116,899,989	\$ 35,321,465	\$ 2,928,202	\$ -	\$ 38,249,667	\$ 78,650,322	

## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 13. Accumulated Surplus

The Band segregates its accumulated surplus in the following categories:

	2023	2022
Unrestricted		
General surplus	\$ 8,579,023	\$ 8,027,185
Internally restricted		
Capital (Note 14)	70,171,805	64,591,916
Casino (Note 15)	2,871,494	4,639,044
Trust (Note 6)	114,085	114,085
Externally restricted		
Replacement reserve - CMHC (Note 16)	857,008	777,736
Accumulated surplus	<u>\$82,593,415</u>	<u>\$ 78,149,966</u>

### 14. Capital Reserve

	2023	2022
Balance, beginning of year	\$64,591,916	\$ 59,227,801
Increased by:		
Additions to capital assets	9,696,257	8,292,317
Decreased by:		
Amortization of tangible capital assets	(4,116,368)	(2,928,202)
Balance, end of year	<u>\$70,171,805</u>	<u>\$ 64,591,916</u>

### 15. Casino Reserve

	2023	2022
Balance, beginning of year	\$ 4,639,044	\$ 3,753,602
Increased by:		
OFNLP distributions	1,475,951	1,046,730
Interest	29,724	7,520
Decreased by:		
Expenses	(3,273,225)	(168,808)
Balance, end of year	<u>\$ 2,871,494</u>	<u>\$ 4,639,044</u>



## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

### 16. 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, \$4,800, \$12,465 and \$8,310 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, 2023 included in the restricted fund balance is cash and deposits held in a separate bank account for the replacement reserve of \$475,386 (2022 - \$471,775) and a total reserve balance of \$857,008 (2022 - \$777,736). The remainder of the reserve is held in guaranteed investment certificates.

### 17. Budgeted Figures

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

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures expensed all tangible capital asset expenditures. As a result, the budget figures presented in the statement of operations and the statement of changes in net financial assets (net debt) represent the budget adopted by Chief and Council with adjustments as follows:

	<u>2023</u>
Budget surplus for the year	\$ 7,435,280
Add:	
Acquisition of tangible capital assets	<u>11,694,564</u>
Budget surplus per statement of operations	<u>\$19,129,844</u>

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## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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### 18. 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.

#### 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:

Eabametoong First Nation  
Notes to Consolidated Financial Statements

March 31, 2023

18. Segmented Information (cont'd)

For the year ended March 31, 2023

	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2023 Total
Revenue										
Federal	\$ 893,196	\$ 4,396,160	\$ 50,000	\$ 5,919,158	\$ -	\$ 642,316	\$ 6,681,966	\$ 6,748,682	\$ 10,533,328	\$ 35,864,806
Provincial	-	173,424	217,455	771,790	80,837	-	79,687	4,618,501	199,062	6,140,756
Casino	-	1,475,951	-	-	-	-	-	-	-	1,475,951
Other	749,367	3,559,167	1,196,579	1,170,829	-	1,018,293	180,062	408,428	380,064	8,662,789
	1,642,563	9,604,702	1,464,034	7,861,777	80,837	1,660,609	6,941,715	11,775,611	11,112,454	52,144,302
Expenses										
Administration fees	11,500	-	33,483	534,061	-	54,309	8,960	10,000	19,400	671,713
Amortization	4,116,367	-	-	-	-	-	-	-	-	4,116,367
Bad debt expense (recoveries)	(29,162)	457,198	333,731	(197,661)	(18,349)	310,939	-	-	13,620	870,316
Bank charges and interest	16,533	1,863	3,920	10,291	6,286	1,294	-	6,320	5,696	52,203
Donations	71,210	5,149	-	-	548,951	-	-	-	6,100	631,410
Honorarium	165,855	-	4,700	14,400	2,600	-	-	45,800	73,921	307,276
Insurance	56,276	189,580	51,266	39,020	-	528,627	-	-	-	864,769
Interest on long term debt	-	-	67,724	-	-	112,204	-	-	20,050	199,978
Materials and supplies (recoveries)	331,333	7,282,781	673,165	2,830,745	223,685	77,801	1,126,193	577,850	3,137,513	16,261,066
Professional fees	449,532	324,223	82,346	528,116	-	33,510	99,678	67,107	166,150	1,750,662
Rent	-	2,597	9,600	48,261	3,750	-	-	138,375	20,340	222,923
Replacement reserve	-	-	-	-	-	-	-	-	-	-
Training	-	-	2,396	183,513	-	-	-	225,349	95,084	506,342
Travel	93,511	35,214	20,452	311,361	-	-	(825)	135,780	756,141	1,351,634
External transfers	-	7,017	-	-	-	-	-	4,185,762	1,192,045	5,384,824
Utilities, hydro, telephone	43,745	771,986	126,437	149,036	-	15,203	-	90,765	505,528	1,702,700
Wages and benefits	820,888	730,761	676,916	3,190,689	72,453	141,882	861,884	1,694,571	4,616,626	12,806,670
	6,147,588	9,808,369	2,086,136	7,641,832	839,376	1,275,769	2,095,890	7,177,679	10,628,214	47,700,853
Surplus (deficit)	\$ (4,505,025)	\$ (203,667)	\$ (622,102)	\$ 219,945	\$ (758,539)	\$ 384,840	\$ 4,845,825	\$ 4,597,932	\$ 484,240	\$ 4,443,449

# Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

## 18. Segmented Information (cont'd)

For the year ended March 31, 2022

	Administration	Community Infrastructure	Economic and Employment	Integrated Health Services	Community Services	Housing	Projects	Social Services	Education	2022 Total
Revenue										
Federal	\$ 1,337,716	\$ 4,283,814	\$ 1,262,830	\$ 6,015,324	\$ -	\$ 637,124	\$ 2,185,692	\$ 4,887,289	\$ 12,585,343	\$ 33,195,132
Provincial	-	223,424	43,306	488,651	124,123	-	-	4,239,898	217,900	5,337,302
Casino	804,260	-	242,470	-	-	-	-	-	-	1,046,730
Other	1,252,891	2,924,011	2,159,381	1,312,702	150,261	999,388	-	385,865	431,258	9,615,757
	3,394,867	7,431,249	3,707,987	7,816,677	274,384	1,636,512	2,185,692	9,513,052	13,234,501	49,194,921
Expenses										
Administration fees (recoveries)	50,887	-	34,497	600,720	-	49,564	1,500	26,895	28,908	792,971
Amortization	2,928,203	-	-	-	-	-	-	-	-	2,928,203
Bad debt expense	143,741	181,229	39,337	-	-	327,076	-	-	-	691,383
Bank charges and interest (recoveries)	2,892	1,692	6,325	45,947	471	1,549	-	-	8,488	67,364
Donations	866	-	180	-	123,869	-	-	-	1,476	126,391
Honorarium (recoveries)	246,501	-	-	22,725	-	-	-	55,650	68,558	393,434
Insurance	47,070	201,221	54,774	57,813	-	523,778	-	-	-	884,656
Interest on long term debt	-	-	60,812	-	-	109,827	-	-	1,420	172,059
Materials and supplies	378,785	5,503,128	735,444	2,600,117	31,735	65,032	40,842	2,319,675	1,471,945	13,146,703
Professional fees	330,608	39,653	30,564	338,707	-	25,000	53,018	17,134	245,937	1,080,621
Rent	-	4,970	4,970	81,947	2,000	4,970	-	120,000	17,967	236,824
	-	-	-	-	-	-	-	-	-	-
Training (recoveries)	4,456	-	-	43,973	-	-	-	174,320	109,896	332,645
Travel	43,802	78,989	11,337	214,478	1,015	-	-	77,853	481,698	909,172
External transfers	-	-	-	-	-	-	-	3,733,440	1,389,581	5,123,021
Utilities, hydro, telephone	65,855	661,992	141,899	215,209	-	-	-	241,042	705,090	2,031,087
Wages and benefits	836,336	842,816	629,673	3,354,297	122,918	94,714	-	1,462,718	5,145,083	12,488,555
	5,080,002	7,515,690	1,749,812	7,575,933	282,008	1,201,510	95,360	8,228,727	9,676,047	41,405,089
Surplus (deficit)	\$ (1,685,135)	\$ (84,441)	\$ 1,958,175	\$ 240,744	\$ (7,624)	\$ 435,002	\$ 2,090,332	\$ 1,284,325	\$ 3,558,454	\$ 7,789,832