

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

**Contents**

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

**March 31, 2023**

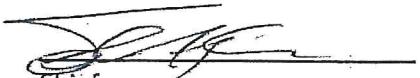
The accompanying consolidated financial statements of Eabametoong First Nation are the responsibility of management and have been approved by the Chief and Council.

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

## 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 retrospective 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       |
|   | <hr/>         | <hr/>         |
|   | 33,052,312    | 33,177,489    |
| <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       |
|   | <hr/>         | <hr/>         |
|   | 34,779,502    | 33,859,860    |
| <b>Net financial debt</b>                                 | <hr/>         | <hr/>         |
|   | (1,727,190)   | (682,371)     |
| <b>Non-financial assets</b>                               |               |               |
| Prepaid expenses  | 90,394        | 182,015       |
| Tangible capital assets (Note 12)                         | 84,230,211    | 78,650,322    |
|   | <hr/>         | <hr/>         |
|   | 84,320,605    | 78,832,337    |
| <b>Accumulated surplus (Note 13)</b>                      | <hr/>         | <hr/>         |
|   | \$ 82,593,415 | \$ 78,149,966 |

On behalf of the Band:

 Chief

 Councillor

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

| For the year ended March 31              | Budget<br>(Note 17) | 2023                | 2022                 |
|--|---------------------|---------------------|----------------------|
| <b>Revenue</b>                           |                     |                     |                      |
| 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               |
|  | <b>55,052,425</b>   | <b>52,144,302</b>   | <b>49,194,921</b>    |
| <b>Expenses</b>                          |                     |                     |                      |
| 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            |
|  | <b>59,484,994</b>   | <b>47,700,853</b>   | <b>41,405,089</b>    |
| Annual surplus                           | (4,432,569)         | 4,443,449           | 7,789,832            |
| Accumulated surplus, beginning of year   | <b>78,149,966</b>   | <b>78,149,966</b>   | <b>70,360,134</b>    |
| Accumulated surplus, end of year         | <b>\$73,717,397</b> | <b>\$82,593,415</b> | <b>\$ 78,149,966</b> |

**Eabametoong First Nation  
Consolidated Statement of Changes in Net Debt**

| For the year ended March 31             | Budget<br>(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             | <u>(682,371)</u>     | <u>(682,371)</u>      | <u>(3,825,511)</u>  |
| Net debt, end of year                   | <u>\$16,809,504)</u> | <u>\$ (1,727,190)</u> | <u>\$ (682,371)</u> |

**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     |
|  | <hr/>        | <hr/>         |
|  | 8,559,817    | 10,718,034    |
| 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     |
|  | <hr/>        | <hr/>         |
|  | 9,959,771    | 17,404,306    |
| Financing activities                                   |              |               |
| Repayment of long term debt                            | (615,471)    | (610,288)     |
| Capital lease payments                                 | (90,662)     | (214,284)     |
|  | <hr/>        | <hr/>         |
|  | (706,133)    | (824,572)     |
| Investment activities                                  |              |               |
| Decrease (increase) in investments, net                | (13,388)     | (7,831)       |
|  | <hr/>        | <hr/>         |
| Capital transactions                                   |              |               |
| Purchase of tangible capital assets                    | (9,696,257)  | (7,955,296)   |
|  | <hr/>        | <hr/>         |
| Net increase (decrease) in cash during the year        | (456,007)    | 8,616,607     |
| Cash, beginning of year                                | 24,613,635   | 15,997,028    |
|  | <hr/>        | <hr/>         |
| Cash, end of year                                      | \$24,157,628 | \$ 24,613,635 |

# 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    | All controlled entities are fully consolidated on a line-by-line basis. Inter-organizational balances and transactions are eliminated upon consolidation.   |                 |   |    |                            |   |    |                |   |    |                              |   |     |                                |   |     |
|                                | Organizations consolidated in Eabametoong First Nation's financial statements include: <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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">General housing</td> <td style="width: 10%; text-align: right;">-</td> <td style="width: 30%; text-align: right;">4%</td> </tr> <tr> <td>Buildings and improvements</td> <td style="text-align: right;">-</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Infrastructure</td> <td style="text-align: right;">-</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Office and general equipment</td> <td style="text-align: right;">-</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Automotive and heavy equipment</td> <td style="text-align: right;">-</td> <td style="text-align: right;">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%             |   |    |                            |   |    |                |   |    |                              |   |     |                                |   |     |

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## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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### 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>  |

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## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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### 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. |

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## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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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       |
|                                     | <hr/>        | <hr/>         |
|                                     | \$24,157,628 | \$ 24,613,635 |
|                                     | <hr/>        | <hr/>         |

## 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                       | <u>23,682,242</u>          | <u>24,141,860</u>           |
|                                    | <u><u>\$24,157,628</u></u> | <u><u>\$ 24,613,635</u></u> |

### 3. Investments

Included in investments are the following:

#### Royal Bank of Canada - Thunder Bay

|  | 2023                       | 2022                       |
|--|----------------------------|----------------------------|
| CMHC Housing - GIC, interest at 1.75%,<br>maturing March 2024        | \$ 32,481                  | \$ 32,291                  |
| CMHC Housing - GIC, interest at 1.75%,<br>maturing December 2023     | 417,916                    | 414,400                    |
| Housing - GIC, interest at 0.1.75%,<br>maturing January 2024         | 104,871                    | 104,125                    |
| Education Authority - GIC, interest at 0.75%,<br>maturing April 2023 | <u>516,528</u>             | <u>511,428</u>             |
| Balance forward  | <u><u>\$ 1,071,796</u></u> | <u><u>\$ 1,062,244</u></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%,<br>maturing April 2023 | 417,163      | 414,114      |
| Education Authority - GIC, interest at 1.75%,<br>maturing March 2024 | 105,705      | 104,918      |
|  | <hr/>        | <hr/>        |
|  | \$ 1,594,664 | \$ 1,581,276 |
|  | <hr/>        | <hr/>        |

\$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        |
|   | <hr/>        | <hr/>        |
| Less allowance for doubtful accounts      | 1,774,535    | 1,795,830    |
|   | (1,370,063)  | (1,132,715)  |
|   | <hr/>        | <hr/>        |
|   | 404,472      | 663,115      |
|   | <hr/>        | <hr/>        |
| Administration:                           |              |              |
| General receivables                       | 2,080,371    | 2,058,085    |
| Less allowance for doubtful accounts      | (688,668)    | (761,321)    |
|   | <hr/>        | <hr/>        |
|   | 1,391,703    | 1,296,764    |
|   | <hr/>        | <hr/>        |
| Housing Authority Inc.:                   |              |              |
| First Nation members                      | 4,109,001    | 3,929,118    |
| Less allowance for doubtful accounts      | (4,024,892)  | (3,831,355)  |
|   | <hr/>        | <hr/>        |
|   | 84,109       | 97,763       |
|   | <hr/>        | <hr/>        |
| Balance forward                           | \$ 1,880,284 | \$ 2,057,642 |
|   | <hr/>        | <hr/>        |

**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      | <u>(630,288)</u>    | <u>(449,239)</u>    |
|   | 2,274               | 79,155              |
| CMHC:                                     |                     |                     |
| First Nation members                      | 1,246,884           | 1,146,924           |
| Less allowance for doubtful accounts      | <u>(1,202,052)</u>  | <u>(1,086,178)</u>  |
|   | 44,832              | 60,746              |
| Education Authority:                      |                     |                     |
| First Nation members                      | 50,225              | 24,025              |
| General receivables                       | 10,131              | 15,132              |
| Less allowance for doubtful accounts      | <u>(40,510)</u>     | <u>(26,890)</u>     |
|   | 19,846              | 12,267              |
| H.O.P.E. Committee:                       |                     |                     |
| First Nation members                      | 80,391              | 98,571              |
| Less allowance for doubtful accounts      | <u>(1,688)</u>      | <u>(14,315)</u>     |
|   | 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      | <u>-</u>            | <u>(40,157)</u>     |
|   | 1,148,237           | 594,692             |
| Other:                                    |                     |                     |
| Eabametoong Communications Inc. and Hotel | 531,143             | 529,905             |
| Less allowance for doubtful accounts      | <u>(523,027)</u>    | <u>(413,055)</u>    |
|   | 8,116               | 116,850             |
|   | <u>\$ 3,182,292</u> | <u>\$ 3,005,608</u> |

## 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       |
|   | <hr/>        | <hr/>        |
|   | \$ 4,003,643 | \$ 3,862,885 |
|   | <hr/>        | <hr/>        |

### 6. Trust Funds Held by Federal Government

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

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      |
|                                 | <hr/>        | <hr/>        |
|                                 | \$ 8,706,306 | \$ 4,539,264 |
|                                 | <hr/>        | <hr/>        |

**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       |
|   | <hr/>        | <hr/>        |
|   | \$ 1,807,478 | \$ 1,659,679 |
|   | <hr/>        | <hr/>        |

**Eabametoong First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2023

**9. Deferred Revenue and Government Transfers**

|                        | Balance<br>March 31,<br>2022 | Funding<br>Received<br>2023 | Revenue<br>Recognized<br>2023 | Funding<br>Recoveries | Balance<br>March 31,<br>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          | <u>18,671,283</u>            | <u>33,264,716</u>           | <u>(35,864,806)</u>           | <u>(133,190)</u>      | <u>15,938,003</u>            |
| 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       | <u>347,142</u>               | <u>6,163,698</u>            | <u>(6,140,756)</u>            | <u>(74,577)</u>       | <u>295,507</u>               |
| 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                       |
|                        | <u>168,534</u>               | <u>152,928</u>              | <u>(60,829)</u>               | <u>-</u>              | <u>260,633</u>               |
|                        | <b>\$19,186,959</b>          | <b>\$39,581,342</b>         | <b>\$(42,066,391)</b>         | <b>\$(207,767)</b>    | <b>\$16,494,143</b>          |

## 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                 | -                      |
| Lanuage - 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                |
|  | <hr/><br>\$16,494,143 | <hr/><br>\$ 19,183,209 |

**Eabametoong First Nation  
Notes to Consolidated Financial Statements**

March 31, 2023

**10. Long Term Debt**

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

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**Eabametoong First Nation  
Notes to Consolidated Financial Statements**

March 31, 2023

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**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 | <u>469,411</u>          |
|      | <br><u>\$ 7,497,840</u> |

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**11. Obligations Under Capital Leases**

|   | 2023              | 2022              |
|---|-------------------|-------------------|
| Obligations under a capital lease for heavy equipment<br>blended monthly payments of \$6,545 with interest at<br>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>     |
| <b>Total</b>  | <b>\$ 273,735</b> | <b>\$ 364,397</b> |

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>            |
|                                     | <u>301,088</u>           |
| Less: amounts representing interest | <u>(27,353)</u>          |
|                                     | <b><u>\$ 273,735</u></b> |

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       |            |         |
|   | \$ 34,928,714         | \$ 4,535,907        | \$ 2,031,335 | \$ -        | \$ 41,495,956            | \$ 13,427,696            | \$ 1,032,012        | \$ -        | \$ 14,459,708        | \$ 27,036,248        |            |         |
| First Nation housing                        |                       |                     |              |             |                          |                          |                     |             |                      |                      |            |         |
| 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              |            |         |
|   | <b>\$ 116,899,989</b> | <b>\$ 9,696,257</b> | <b>\$ -</b>  | <b>\$ -</b> | <b>\$ 126,596,246</b>    | <b>\$ 38,249,667</b>     | <b>\$ 4,116,368</b> | <b>\$ -</b> | <b>\$ 42,366,035</b> | <b>\$ 84,230,211</b> |            |         |
| 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 |
|   | <b>\$ 108,607,672</b> | <b>\$ 8,292,317</b> | <b>\$ -</b>  | <b>\$ -</b> | <b>\$ 116,899,989</b>    | <b>\$ 35,321,465</b>     | <b>\$ 2,928,202</b> | <b>\$ -</b> | <b>\$ 38,249,667</b> | <b>\$ 78,650,322</b> |            |         |

**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) | <u>857,008</u>             | <u>777,736</u>              |
| Accumulated surplus                  | <u><u>\$82,593,415</u></u> | <u><u>\$ 78,149,966</u></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 | <u>(4,116,368)</u>         | <u>(2,928,202)</u>          |
| Balance, end of year                    | <u><u>\$70,171,805</u></u> | <u><u>\$ 64,591,916</u></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                   | <u>(3,273,225)</u>         | <u>(168,808)</u>           |
| Balance, end of year       | <u><u>\$ 2,871,494</u></u> | <u><u>\$ 4,639,044</u></u> |

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## Eabametoong First Nation Notes to Consolidated Financial Statements

March 31, 2023

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### 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.

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### 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:

|  | 2023                       |
|--|----------------------------|
| 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><u>\$19,129,844</u></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          |
|-------------------------------------|-----------------------|--------------------------|-------------------------|----------------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| <b>Revenue</b>                      |                       |                          |                         |                            |                     |                   |                     |                     |                   |                     |
| 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           |
|                                     | <b>1,642,563</b>      | <b>9,604,702</b>         | <b>1,464,034</b>        | <b>7,861,777</b>           | <b>80,837</b>       | <b>1,660,609</b>  | <b>6,941,715</b>    | <b>11,775,611</b>   | <b>11,112,454</b> | <b>52,144,302</b>   |
| <b>Expenses</b>                     |                       |                          |                         |                            |                     |                   |                     |                     |                   |                     |
| 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          |
|                                     | <b>6,147,588</b>      | <b>9,808,369</b>         | <b>2,086,136</b>        | <b>7,641,832</b>           | <b>839,376</b>      | <b>1,275,769</b>  | <b>2,095,890</b>    | <b>7,177,679</b>    | <b>10,628,214</b> | <b>47,700,853</b>   |
| <b>Surplus (deficit)</b>            | <b>\$ (4,505,025)</b> | <b>\$ (203,667)</b>      | <b>\$ (622,102)</b>     | <b>\$ 219,945</b>          | <b>\$ (758,539)</b> | <b>\$ 384,840</b> | <b>\$ 4,845,825</b> | <b>\$ 4,597,932</b> | <b>\$ 484,240</b> | <b>\$ 4,443,449</b> |

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          |
|--|-----------------------|--------------------------|-------------------------|----------------------------|--------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenue</b>                         |                       |                          |                         |                            |                    |                   |                     |                     |                     |                     |
| 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           |
|  | <b>3,394,867</b>      | <b>7,431,249</b>         | <b>3,707,987</b>        | <b>7,816,677</b>           | <b>274,384</b>     | <b>1,636,512</b>  | <b>2,185,692</b>    | <b>9,513,052</b>    | <b>13,234,501</b>   | <b>49,194,921</b>   |
| <b>Expenses</b>                        |                       |                          |                         |                            |                    |                   |                     |                     |                     |                     |
| 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          |
|  | <b>5,080,002</b>      | <b>7,515,690</b>         | <b>1,749,812</b>        | <b>7,575,933</b>           | <b>282,008</b>     | <b>1,201,510</b>  | <b>95,360</b>       | <b>8,228,727</b>    | <b>9,676,047</b>    | <b>41,405,089</b>   |
| <b>Surplus (deficit)</b>               | <b>\$ (1,685,135)</b> | <b>\$ (84,441)</b>       | <b>\$ 1,958,175</b>     | <b>\$ 240,744</b>          | <b>\$ (7,624)</b>  | <b>\$ 435,002</b> | <b>\$ 2,090,332</b> | <b>\$ 1,284,325</b> | <b>\$ 3,558,454</b> | <b>\$ 7,789,832</b> |