

**TAYKWA TAGAMOU NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2015**

# **TAYKWA TAGAMOU NATION**

## **INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2015**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The First Nation meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Ross Pope LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Taykwa Tagamou Nation and meet when required.

On behalf of Taykwa Tagamou Nation:

  
\_\_\_\_\_  
Chief  
\_\_\_\_\_  
Executive Director

September 14, 2015



# Ross Pope LLP

CPAs

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Taykwa Tagamou Nation.

We have audited the accompanying consolidated financial statements of Taykwa Tagamou Nation which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

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

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

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

### Basis for Qualified Opinion

The First Nation is owner of several limited partnerships and related general partner corporations. These entities as described in Note 2 do not qualify as government business enterprises due to the First Nation's ongoing requirement to financially support the entities. As such, these entities require consolidation under Canadian public sector accounting standards. The financial statements of these entities were not made available to us, therefore these entities are not fully consolidated. Consequently, we were unable to determine what adjustments, if any, may be necessary.

### Qualified Opinion

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

### Emphasis of Matter

We draw attention to Note 20 of the financial statements which describes the restatement of comparative figures to include a previously unconsolidated entity. Our opinion is not qualified in respect of this matter.

### Other Matters

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements taken as a whole.

Timmins, Ontario  
September 14, 2015

Ross Pope LLP  
Chartered Professional Accountants  
Licensed Public Accountants

## TAYKWA TAGAMOU NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31

	2015	2014 Restated (Note 20)
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,985,607	\$ 530,226
Temporary investments (Note 3)	157,842	790,575
Accounts receivable (Note 4)	1,043,825	865,939
Due from related parties (Note 5)	395,143	337,691
Funds held in Trust (Note 6)	138,506	391,406
	<b>3,720,923</b>	<b>2,915,837</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	1,852,884	2,493,245
Deferred revenue (Note 9)	607,508	43,285
Due to related parties (Note 5)	276,604	280,663
Due to Mushkegowuk Council	-	50,000
Long-term debt (Note 10)	1,085,905	-
	<b>3,822,901</b>	<b>2,867,193</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(101,978)</b>	<b>48,644</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule A)	3,488,297	3,465,564
Investment in related corporation (Note 7)	1	1
Equity in Weekashin Domco Limited Partnership	872,577	546,433
Prepaid expenses	90,053	126,668
	<b>4,450,928</b>	<b>4,138,666</b>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 4,348,950</b>	<b>\$ 4,187,310</b>

CONTINGENCIES (Note 13)

Approved by:

  
 Chief

  
 Councillor

See accompanying notes.

## TAYKWA TAGAMOU NATION

## CONSOLIDATED STATEMENT OF OPERATIONS

YEARS ENDED MARCH 31

	2015	2014 Restated (Note 20)
<b>REVENUES</b>		
Aboriginal Affairs and Northern Development Canada (Note 16)	\$ 2,049,419	\$ 1,369,213
Apitisawin	1,162,789	1,450,943
Boralex Corporation	554,288	-
Coral Rapids expense recoveries	623,848	566,641
Detour Gold	729,791	819,096
Health and Welfare Canada	268,008	282,185
Ontario First Nations Limited Partnership	489,203	491,966
Ontario Power Generation	2,080,336	475,322
Other	522,411	421,663
<b>TOTAL REVENUES</b>	<b>8,480,093</b>	<b>5,877,029</b>
<b>EXPENDITURES (Note 15) (Schedule B)</b>		
Band government	2,078,231	1,771,347
Community services	1,588,588	1,258,064
Economic development	2,693,802	2,951,517
Education	1,386,380	1,201,311
Health	527,595	499,956
Housing	98,363	31,314
Land claim	8,028	30,732
Public works and technical services	48,411	114,070
<b>TOTAL EXPENDITURES</b>	<b>8,429,398</b>	<b>7,858,311</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE UNDERNOTED</b>	<b>50,695</b>	<b>(1,981,282)</b>
Health and Welfare Canada prior period funding adjustment	(33,962)	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>16,733</b>	<b>(1,981,282)</b>
Accumulated surplus, beginning of year	4,187,310	6,230,120
Unrealized gain (loss) on temporary investments	23,663	(121,244)
Realized gain on temporary investments, reclassified to operations	121,244	59,716
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,348,950</b>	<b>\$ 4,187,310</b>

**TAYKWA TAGAMOU NATION****CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)****YEARS ENDED MARCH 31**

	2015	2014 Restated (Note 20)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 16,733</b>	<b>\$ (1,981,282)</b>
Acquisition of tangible capital assets	(293,318)	(586,261)
Proceeds on disposal of tangible capital assets	-	19,000
Equity in Weekashin Domco Limited Partnership	(326,144)	(446,848)
Amortization of tangible capital assets	270,584	262,110
Decrease in prepaid expenses	36,616	21,832
	<b>(312,262)</b>	<b>(730,167)</b>
CHANGE IN NET FINANCIAL ASSETS	<b>(295,529)</b>	<b>(2,711,449)</b>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<b>48,644</b>	<b>2,821,621</b>
NET REMEASUREMENT GAINS (LOSSES)	<b>144,907</b>	<b>(61,528)</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>\$ (101,978)</b>	<b>\$ 48,644</b>

## TAYKWA TAGAMOU NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED MARCH 31

	2015	2014 Restated (Note 20)
<b>OPERATIONS</b>		
Annual surplus (deficit)	\$ 16,733	\$ (1,981,282)
Net remeasurement gains (losses)	144,907	(61,528)
Proceeds on disposal of tangible capital assets	-	19,000
Amortization on tangible capital assets	270,584	262,110
	<b>432,224</b>	<b>(1,761,700)</b>
<b>USES:</b>		
Increase in accounts receivable	(177,890)	-
Decrease in due to Mushkegowuk Council	(50,000)	-
Increase in funds held in trust - AANDC	-	(9,803)
Decrease in accounts payable and accrued liabilities	(640,360)	-
Decrease in deferred revenue	-	(117,204)
	<b>(868,250)</b>	<b>(127,007)</b>
<b>SOURCES:</b>		
Decrease in accounts receivable	-	539,153
Decrease in temporary investments	632,734	1,352,992
Decrease in prepaid expenses	36,616	21,832
Decrease in funds held in Trust - AANDC	252,900	-
Increase in accounts payable and accrued liabilities	-	458,520
Increase in deferred revenue	564,224	-
	<b>1,486,474</b>	<b>2,372,497</b>
<b>NET INCREASE IN CASH FROM OPERATIONS</b>	<b>1,050,448</b>	<b>483,790</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of tangible capital assets	(293,318)	(586,261)
Long-term investments	(326,144)	(446,848)
<b>NET DECREASE IN CASH FROM INVESTING ACTIVITIES</b>	<b>(619,462)</b>	<b>(1,033,109)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds of long-term debt	1,282,500	-
Repayment of long-term debt	(196,595)	-
Advances from (to) related parties	(61,510)	422,445
<b>NET INCREASE IN CASH FROM FINANCING ACTIVITIES</b>	<b>1,024,395</b>	<b>422,445</b>
<b>NET CHANGE IN CASH</b>	<b>1,455,381</b>	<b>(126,874)</b>
CASH, beginning of year	530,226	657,100
<b>CASH, end of year</b>	<b>\$ 1,985,607</b>	<b>\$ 530,226</b>



# **TAYKWA TAGAMOU NATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2015**

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### **1. NATURE OF ORGANIZATION**

Taykwa Tagamou Nation (the First Nation) is a local government entity, located in Northern Ontario, whose principal purpose is to provide for the well-being of its band members. The First Nation operates under the Indian Act and is exempt from income taxes.

### **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements are the representation of management and, except as noted below, have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of CPA Canada. Further, the financial statements are prepared on the going concern assumption that the First Nation will be able to realize its assets and discharge its liabilities in the normal course of operations. Significant accounting policies are as follows:

#### **(a) REPORTING ENTITY**

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

#### **(b) PRINCIPLES OF CONSOLIDATION**

All controlled entities are to be fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of government business enterprises, which are included in the consolidated financial statements on a modified equity basis whereby the First Nation's investment is adjusted for its proportionate share of earnings (losses) of the government business enterprise. In the event accumulated losses exceed the cost of investment, the balance is written down to a nominal amount and not increased until losses are recouped by proportionate share of income sufficient to bring the investment balance to a positive amount.

Organizations consolidated in financial statements are as follows:

Taykwa Tagamou Band  
Coral Rapids Power Corporation  
Aptisawin Limited Partnership  
2284327 Ontario Inc (TTN-Detour Education and Training Fund Corp.)

These consolidated financial statements do not include all the activities of several wholly-owned Limited Partnerships. Pahquataaskahmekook Limited Partnership (dissolved in December 2014), Amisk Construction Limited Partnership, New Post Constructors Limited Partnership along with their respective general partner corporations require ongoing financial support from the First Nation in order to operate. Public Sector Accounting Standards require the consolidation of such entities. The activities included in the consolidated financial statements are limited to expenditures incurred by the First Nation of behalf of these related entities.

Island Falls Forestry Limited Partnership is accounted for on a modified equity basis.

#### **(c) ASSET CLASSIFICATION**

Public sector accounting standards require that assets be 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 liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and certain investments.

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

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### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) FUND ACCOUNTING

The First Nation uses fund accounting to account for activity related to the following funds:

Operating Fund - Reports the accountable program activities of the First Nation administration.

Capital Fund - Reports the capital assets owned by the First Nation and financing related thereto.

AANDC Trust Fund - Reports trust funds owned by the First Nation that are held in trust by Aboriginal Affairs and Northern Development Canada.

OFNLP Fund - Reports the distributions received from Ontario First Nations Limited Partnership and related expenditures.

#### (e) NET FINANCIAL ASSETS (DEBT)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (debt) as the measurement of financial position. The net financial assets (debt) of the First Nation are determined by its financial assets less its financial liabilities.

#### (f) LOANS RECEIVABLE

Loans receivable are recorded at amortized cost less any amount for valuation allowance. Valuation allowances are made to reflect loans receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowance are recognized in the statement of operations. Interest is accrued on loans receivable to the extent it is deemed collectable.

#### (g) TANGIBLE CAPITAL ASSETS

Tangible capital assets are amortized over their expected useful life using the straight line method at the following rates:

Land	Infinite
Buildings	25 years
Transportation equipment	5 years
Trailers	10 years
Fire vehicle and equipment	10 years
Computer equipment	3 years
Furniture and fixtures	5 years

#### (h) LONG-TERM INVESTMENTS

Long-term investments are recorded at cost when not traded in an active market.

#### (i) PORTFOLIO INVESTMENTS

Portfolio investments, comprised of shares in publicly traded entities and mutual funds, are recorded at their market value. Any changes in market value are reported as remeasurement gains and losses until realized.

#### (j) REVENUE RECOGNITION AND GOVERNMENT TRANSFERS

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon, when restricted by agreement or legislation, are accounted for as deferred revenue until used for the purpose specified. Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed or the tangible capital assets are acquired.

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) REVENUE RECOGNITION AND GOVERNMENT TRANSFERS (CONT'D)

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the organization. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

#### (k) MEASUREMENT UNCERTAINTY

In preparing the consolidated financial statements for the First Nation management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. The main estimates used in preparing these consolidated financial statements include allowance for doubtful accounts and amortization of tangible capital assets. Actual results could differ from these estimates.

#### (l) FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains or losses charged to the accumulated surplus.

#### (m) PRIOR YEAR FUNDING ADJUSTMENTS

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government. These adjustments are charged to operations in the year they become known.

#### (n) FUTURE CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

CPA Canada has issued a number of standards that are not yet effective. The First Nation expects no impact on the consolidated financial statements from these future standards.

### 3. TEMPORARY INVESTMENTS

	2015	2014 Restated (Note 20)
Detour Gold (60,000 shares @ \$9.57 per share)	\$ -	\$ 574,200
RBC mutual funds	6,646	76,496
Various other equity investments	151,196	139,879
	<b>\$ 157,842</b>	<b>\$ 790,575</b>

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

### 4. ACCOUNTS RECEIVABLE

	2015	2014 Restated (Note 20)
<b>Due from government:</b>		
Aboriginal Affairs and Northern Development Canada	\$ 165,843	\$ 166,915
Receiver General	46,129	5,788
<b>Total due from government</b>	<b>211,972</b>	<b>172,703</b>
<b>Due from members:</b>		
Advances receivable	735,895	699,958
Rent receivable	195,821	195,821
Less: allowance for doubtful accounts	(723,876)	(691,520)
<b>Total due from members</b>	<b>207,840</b>	<b>204,259</b>
<b>Due from others:</b>		
Algonquin Power	90,000	90,000
Detour Gold	25,656	-
Health Canada	86,828	-
Mushkegowuk Council	33,607	128,210
Nishnawbe Aski Nation	7,105	5,165
Northland Power	21,393	-
Ontario Power Generation	283,441	218,676
Xeneca	19,790	19,790
Others	56,193	27,136
<b>Total due from others</b>	<b>624,013</b>	<b>488,977</b>
<b>Total accounts receivable</b>	<b>\$ 1,043,825</b>	<b>\$ 865,939</b>

### 5. DUE FROM/TO RELATED PARTIES

	2015	2014 Restated (Note 20)
<b>Due from Related Parties</b>		
Island Falls Forestry Limited Partnership	\$ 280,752	\$ 337,691
New Post Constructors Limited Partnership	114,391	-
	<b>\$ 395,143</b>	<b>\$ 337,691</b>
<b>Due to Related Parties</b>		
PGP	223,129	223,129
Due to Inahepanik	53,475	53,475
Due to New Post Constructors Limited Partnership	-	4,059
	<b>\$ 276,604</b>	<b>\$ 280,663</b>

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

### 6. FUNDS HELD IN TRUST - AANDC

Funds held in trust - AANDC consists of funds on deposit with AANDC generated from land that is leased to non-native parties and interest earned on the related lease rentals.

### 7. INVESTMENT IN RELATED CORPORATION

The First Nation's investment in Island Falls Forestry General Partner Inc., a company incorporated to act as the general partner for forestry operations of the First Nation, consists of 100% of the outstanding shares in the corporation. Island Falls Forestry Limited Partnership, for which Island Falls Forestry General Partner Inc. acts as general partner, assumed all operations of 1498356 Ontario Limited effective April 1, 2007. The following represents a summary of Island Falls Forestry's position as at March 31, 2015 and 2014 and its results of operations for the years then ended.

	2015	2014
<b>FINANCIAL POSITION</b>		
Cash	\$ 191,938	\$ 273,023
Accounts receivable	1,072,993	493,705
Prepaid expenses	11,681	6,123
Due from Apatisawin Limited Partnership	5,250	-
Capital assets	189,187	46,819
	<b>\$ 1,471,049</b>	<b>\$ 819,670</b>
Accounts payable and deferred revenue	\$ 1,847,940	\$ 1,428,987
Due to Taykwa Tagamou Nation	286,001	337,692
Deficiency	(662,892)	(947,009)
	<b>\$ 1,471,049</b>	<b>\$ 819,670</b>
<b>RESULTS OF OPERATIONS AND PARTNERS' DEFICIENCY</b>		
Revenue	\$ 8,101,105	\$ 7,248,272
Cost of sales	7,109,709	6,044,886
Gross profit	991,396	1,203,386
Expenses	707,279	672,173
Net Income	284,117	531,213
Partners' deficiency - beginning of year	(947,009)	(1,478,222)
Partners' deficiency - end of year	<b>\$ (662,892)</b>	<b>\$ (947,009)</b>

**TAYKWA TAGAMOU NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****YEAR ENDED MARCH 31, 2015****8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2015</b>	2014 Restated (Note 20)
Trade accounts payable	\$ 1,226,693	\$ 1,148,588
Government remittances payable	377,676	520,652
Payable to school boards	248,515	824,005
	<b>\$ 1,852,884</b>	<b>\$ 2,493,245</b>

**9. DEFERRED REVENUE**

Deferred revenue consists of funding received in the current and prior years for expenditures which were not incurred in the current and prior fiscal years and will be applied against the applicable future expenditures in the fiscal year incurred or repaid.

Details of the deferred revenue balance are as follows:

	<b>2015</b>	2014 Restated (Note 20)
AANDC Economic Development Opportunities	\$ 567,880	\$ -
Apitisawin rent revenue	-	2,195
Ontario Power Generation grave restoration	39,628	41,090
	<b>\$ 607,508</b>	<b>\$ 43,285</b>

**10. LONG-TERM DEBT**

The balance of the net long-term liabilities reported on the consolidated statement of financial position at the end of the year are as follows:

	<b>2015</b>	2014
Royal Bank of Canada fixed term loan bearing interest at 4.9%, repayable in blended monthly payments of \$29,480, maturing July 31, 2018 and secured by ONFLP funding and a general security agreement.	<b>\$ 1,085,905</b>	\$ -

Principal payable in the next four years is approximately as follows:

2016	\$ 308,197
2017	324,045
2018	339,893
2019	113,770
	<b>\$ 1,085,905</b>

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

### 11. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2015	2014 Restated (Note 20)
Unrestricted surplus		
Operating fund	\$ 698,486	\$ 445,212
Restricted surplus		
OFNLP fund (Note 12)	-	6,373
AANDC trust fund (Note 6)	138,506	391,406
Equity in tangible capital assets	3,488,295	3,465,563
Accumulated surplus before remeasurement gains/losses	4,325,287	4,308,554
Remeasurement losses (gains)	23,663	(121,244)
Accumulated Surplus	\$ 4,348,950	\$ 4,187,310

### 12. OFNLP FUND

The First Nation is entitled to a percentage of net revenues earned at gaming facilities located in the Province of Ontario. Net revenues are distributed in accordance with a formula agreed to by the participating First Nation Bands.

### 13. CONTINGENCIES

(a) The First Nation is involved in claims and potential claims arising in the normal course of operations. At this stage in the litigations, it is not possible to determine the likely outcome of these matters. Any settlements, awards or determination of loss will be reflected in the accounts as the matters are resolved.

(b) The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

# **TAYKWA TAGAMOU NATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**YEAR ENDED MARCH 31, 2015**

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### **14. SEGMENTED INFORMATION**

Taykwa Tagamou Nation is a diversified local government that provides a wide range of services to its members, including water, fire protection, roadworks, technical services, recreation, social services, health services, education, social housing and economic development among others. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, requirements or limitations.

The First Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

#### **BAND GOVERNMENT**

-Undertakes First Nation operated governance initiatives through the activities of Chief and Council and other activities relating to membership matters and other governance initiatives.

#### **COMMUNITY SERVICES**

-Provides services to the Taykwa Tagamou Nation members including workshops, awareness programs and events that benefit the community.

#### **ECONOMIC DEVELOPMENT**

-Manages the development of economic opportunities for First Nation entities and provides support to member entities.

#### **EDUCATION**

-Provides elementary and secondary education instructional services by way of tuition agreement and provides financial support to post-secondary students.

#### **HEALTH**

-Provides a variety of health care programs and support to First Nation members.

#### **HOUSING**

-Provides housing to members under various programs and reports on the respective revenue and expenditures.

#### **LAND CLAIMS**

-Undertakes First Nation operated governance initiatives through the activities of Chief and Council and other activities relating to reserve lands.

#### **PUBLIC WORKS AND TECHNICAL SERVICES**

-Public Works manages First Nation infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities. Technical services provides contract management services, general labour services and other related activities.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.



**TAYKWA TAGAMOU NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****YEAR ENDED MARCH 31, 2015****15. EXPENDITURES BY OBJECT**

The following is a summary of expenditures by object.

	2015	2014 Restated (Note 20)
Amortization	\$ 270,583	\$ 262,110
Bank charges and Interest	83,244	59,090
Honoraria	148,631	145,325
Insurance	69,079	59,889
Loss (gain) on Investment	(145,156)	531,281
Office and other	743,984	561,493
Professional fees	1,596,555	889,523
Rental and leasing expenses	33,585	50,605
Repair and maintenance	39,616	32,478
Social assistance	57,651	106,314
Student Tuition	1,145,593	1,052,633
Student supplies	56,112	24,446
Subcontracts	83,300	102,258
Supplies	129,582	145,229
Telephone and internet	57,472	75,346
Tradition and culture	13,473	636
Travel	721,824	735,263
Utilities	120,384	115,458
Wages and benefits	3,157,530	2,839,594
Writedown of receivables	46,356	69,340
Total	\$ 8,429,398	\$ 7,858,311

**16. AANDC FUNDING RECONCILIATION**

	2015	2014
Funding per confirmation	\$ 2,617,299	\$ 1,269,876
Deferred revenue - beginning	-	99,337
Deferred revenue - ending	(567,880)	-
AANDC funding for year	\$ 2,049,419	\$ 1,369,213

**17. ECONOMIC DEPENDENCE**

The First Nation received 24% (2014 - 23%) of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada. The continuation of the First Nation is dependent on this funding.

# TAYKWA TAGAMOU NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2015

### 18. FINANCIAL INSTRUMENTS

The First Nation is exposed to various risks through its financial instruments. The following analysis provides information about the First Nations's risk exposure and concentration as of March 31, 2015.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation is exposed to credit risk from customers and members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

#### Fair value

The company's carrying value of cash, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The fair value of amounts due from/to related parties is less than carrying value because the amounts are non-interest bearing. However, because the amounts have no fixed repayment terms, the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

#### Commodity risk

The company is exposed to fluctuations in the price of gold due to the agreement with Detour Gold Corporation. The First Nation had no financial hedges or price commodity contracts in place at year end.

#### Interest Rate Risk

The First Nation has interest bearing credit facilities on which prevailing interest rate fluctuations apply and fixed rate interest bearing credit facilities which are renewable before maturity. Accordingly, there is a financial risk to the First Nation's annual surplus that arises from fluctuations in prevailing interest rates and the degree of volatility of these rates. The First Nation does not utilize derivative instruments to reduce its exposure to interest rate risk.

### 19. BUDGET FIGURES

Budget figures are not presented because not all consolidated entities provided an annual budget for the 2015 fiscal year.

### 20. PRIOR PERIOD RESTATEMENT AND COMPARATIVE FIGURES

Prior period balances have been adjusted to reflect the consolidation of Apatisawin Limited Partnership and its related General Partner which was previously unreported, resulting in the following changes:

	Previously Reported	Changes	Restated
2014 Opening accumulated surplus	\$ 5,754,437	\$ 475,683	\$ 6,230,120
2014 Revenue	4,448,442	1,428,587	5,877,029
2014 Expenditures	(6,600,667)	(1,257,644)	(7,858,311)
2014 Other items	(61,528)	-	(61,528)
2014 Ending accumulated surplus	\$ 3,540,684	\$ 646,626	\$ 4,187,310

Certain comparative figures have been restated and reclassified to conform with the current year's presentation.

**SCHEDULE A**

**TAYKWA TAGAMOU NATION**

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**

**YEAR ENDED MARCH 31, 2015**

	Cost				Accumulated Amortization				Net Book Value
	Opening	Additions	Disposals	Closing	Opening	Amortization	Disposals	Closing	
Land	\$ 568,000	\$ -	\$ -	\$ 568,000	\$ -	\$ -	\$ -	\$ -	\$ 568,000
Buildings	3,619,212	109,247		3,728,459	1,259,179	127,918	-	1,387,097	2,341,362
Transportation equipment	291,829	12,500		304,329	150,139	23,676		173,815	130,514
Fire vehicle and equipment	224,308	-	-	224,308	44,862	22,430	-	67,292	157,016
Trailers	238,369	-	-	238,369	174,539	10,638	-	185,177	53,192
Furniture and fixtures	288,209	108,270	-	396,479	165,704	49,609	-	215,313	181,166
Computer equipment	141,788	63,301	4,268	200,821	111,729	36,313	4,268	143,774	57,047
<b>Total 2015</b>	<b>\$ 5,371,715</b>	<b>\$ 293,318</b>	<b>\$ 4,268</b>	<b>\$ 5,660,765</b>	<b>\$ 1,906,152</b>	<b>\$ 270,584</b>	<b>\$ 4,268</b>	<b>\$ 2,172,468</b>	<b>\$ 3,488,297</b>
Total 2014	\$ 4,848,949	\$ 586,261	\$ 63,495	\$ 5,371,715	\$ 1,688,535	\$ 262,111	\$ 44,495	\$ 1,906,151	\$ 3,465,564

## TAYKWA TAGAMOU NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

## YEARS ENDED MARCH 31

	Band government		Community services		Economic development	
	2015	2014	2015	2014	2015	2014
REVENUES						
Aboriginal Affairs and Northern Development Canada	\$ 235,776	\$ 236,958	\$ 237,470	\$ 294,460	\$ 762,200	\$ 42,000
Apitisaawin	-	-	-	-	1,162,789	1,450,943
Boralex	-	-	-	-	554,288	-
Coral Rapids expense recoveries	-	-	-	-	623,848	566,641
Detour Gold	131,395	-	-	-	298,396	518,211
Health and Welfare Canada	-	-	-	-	-	-
Ontario First Nations Limited Partnership	-	-	409,297	424,381	11,354	9,295
Ontario Power Generation	-	-	2,080,336	419,484	-	-
Other	119,139	245,410	215,351	27,225	-	43,092
Total revenues	486,310	482,368	2,942,454	1,165,550	3,412,875	2,630,182
EXPENDITURES						
Amortization	38,227	21,604	118,560	115,622	49,166	40,971
Bank charges and Interest	80,586	57,226	1,590	1,028	622	101
Honoraria	84,850	64,100	16,690	29,500	46,256	48,225
Insurance	69,079	59,889	-	-	-	-
Loss (gain) on Investment	-	-	-	-	(208,196)	531,281
Office and other	159,187	182,557	87,864	93,672	450,105	225,767
Professional fees	322,912	210,619	210,544	72,067	1,046,269	598,525
Rental and leasing expenses	27,780	11,210	1,245	32,236	4,560	6,964
Repair and maintenance	2,078	3,406	25,026	2,967	8,216	20,714
Social assistance	4,879	-	26,868	69,283	1,497	3,415
Student Tuition	11,972	-	21,709	38,276	625	500
Student supplies	-	365	-	479	-	-
Subcontracts	7,330	25,093	27,243	64,759	34,491	8,295
Supplies	14,203	14,904	59,035	72,638	26,466	20,512
Telephone and internet	38,597	61,827	4,197	3,896	7,411	7,345
Tradition and culture	-	-	12,773	-	700	636
Travel	240,442	66,439	198,801	293,328	143,776	200,373
Utilities	617	-	65,104	61,837	39,809	50,069
Wages and benefits	929,136	922,768	711,339	306,476	1,042,029	1,187,824
Writedown of receivables	46,356	69,340	-	-	-	-
Total expenditures	2,078,231	1,771,347	1,588,588	1,258,064	2,693,802	2,951,517
Surplus (deficit) for year before recoveries	\$(1,591,921)	\$(1,288,979)	\$ 1,353,866	\$ (92,514)	\$ 719,073	\$ (321,335)

## TAYKWA TAGAMOU NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEARS ENDED MARCH 31

	Education		Health		Housing	
	2015	2014	2015	2014	2015	2014
REVENUES						
Aboriginal Affairs and Northern Development Canada	\$ 661,035	\$ 643,126	\$ -	\$ -	\$ -	\$ -
Apitisawin	-	-	-	-	-	-
Boralex	-	-	-	-	-	-
Coral Rapids expense recoveries	-	-	-	-	-	-
Detour Gold	300,000	300,885	-	-	-	-
Health and Welfare Canada	-	-	268,008	282,185	-	-
Ontario First Nations Limited Partnership	-	6,977	68,552	51,313	-	-
Ontario Power Generation	-	-	-	-	-	-
Other	10,788	683	67,532	80,453	109,600	24,800
Total revenues	971,823	951,671	404,092	413,951	109,600	24,800
EXPENDITURES						
Amortization	-	-	16,219	14,141	-	-
Bank charges and Interest	118	549	-	-	328	96
Honoraria	100	-	735	-	-	-
Insurance	-	-	-	-	-	-
Loss (gain) on Investment	63,040	-	-	-	-	-
Office and other	18,165	28,250	26,679	19,715	1,129	-
Professional fees	10,170	-	-	500	5,250	-
Rental and leasing expenses	-	-	-	195	-	-
Repair and maintenance	-	-	2,089	3,309	2,207	2,082
Social assistance	17,412	5,662	6,995	6,787	-	-
Student Tuition	1,101,692	1,010,007	9,595	3,850	-	-
Student supplies	36,021	4,300	20,091	19,302	-	-
Subcontracts	-	-	12,293	650	1,943	3,461
Supplies	3,955	8,420	20,624	24,119	5,299	3,516
Telephone and internet	1,227	741	5,578	1,537	-	-
Tradition and culture	-	-	-	-	-	-
Travel	63,437	72,040	69,932	93,553	3,422	-
Utilities	-	-	3,948	3,552	10,906	-
Wages and benefits	71,043	71,342	332,817	308,746	67,879	22,159
Writedown of receivables	-	-	-	-	-	-
Total expenditures	1,386,380	1,201,311	527,595	499,956	98,363	31,314
Surplus (deficit) for year before recoveries	\$ (414,557)	\$ (249,640)	\$ (123,503)	\$ (86,005)	\$ 11,237	\$ (6,514)

## TAYKWA TAGAMOU NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

## YEARS ENDED MARCH 31

	Land claims		Public works and Technical services		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Aboriginal Affairs and Northern Development Canada	\$ 3,900	\$ 3,600	\$ 149,038	\$ 149,069	\$ 2,049,419	\$ 1,369,213
Apitisawin	-	-	-	-	1,162,789	1,450,943
Boralex	-	-	-	-	554,288	-
Coral Rapids expense recoveries	-	-	-	-	623,848	566,641
Detour Gold	-	-	-	-	729,791	819,096
Health and Welfare Canada	-	-	-	-	268,008	282,185
Ontario First Nations Limited Partnership	-	-	-	-	489,203	491,966
Ontario Power Generation	-	55,838	-	-	2,080,336	475,322
Other	-	-	-	-	522,410	421,663
Total revenues	3,900	59,438	149,038	149,069	8,480,092	5,877,029
EXPENDITURES						
Amortization	-	-	48,411	69,772	270,583	262,110
Bank charges and Interest	-	90	-	-	83,244	59,090
Honoraria	-	-	-	3,500	148,631	145,325
Insurance	-	-	-	-	69,079	59,889
Loss (gain) on Investment	-	-	-	-	(145,156)	531,281
Office and other	855	1,758	-	9,774	743,984	561,493
Professional fees	1,410	1,410	-	6,402	1,596,555	889,523
Rental and leasing expenses	-	-	-	-	33,585	50,605
Repair and maintenance	-	-	-	-	39,616	32,478
Social assistance	-	21,167	-	-	57,651	106,314
Student Tuition	-	-	-	-	1,145,593	1,052,633
Student supplies	-	-	-	-	56,112	24,446
Subcontracts	-	-	-	-	83,300	102,258
Supplies	-	312	-	808	129,582	145,229
Telephone and internet	462	-	-	-	57,472	75,346
Tradition and culture	-	-	-	-	13,473	636
Travel	2,014	120	-	9,410	721,824	735,263
Utilities	-	-	-	-	120,384	115,458
Wages and benefits	3,287	5,875	-	14,404	3,157,530	2,839,594
Writedown of receivables	-	-	-	-	46,356	69,340
Total expenditures	8,028	30,732	48,411	114,070	8,429,398	7,858,311
Surplus (deficit) for year before recoveries	\$ (4,128)	\$ 28,706	\$ 100,627	\$ 34,999	\$ 50,694	\$ (1,981,282)