

Taykwa Tagamou Nation
Consolidated Financial Statements
March 31, 2018

Taykwa Tagamou Nation Contents

For the year ended March 31, 2018

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Management's Responsibility

To the Members of Taykwa Tagamou Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Taykwa Tagamou Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council are also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by Chief and Council of behalf of the Members to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

November 6, 2018



On behalf of Chief and Council



On behalf of management

Independent Auditors' Report

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, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' 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 auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

The First Nation controls 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. As described in note 21, Canadian public sector accounting standards require budget figures be reported in the statement of operations and accumulated surplus and change in net debt. No budget figures were available.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Taykwa Tagamou Nation as at March 31, 2018 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Timmins, Ontario
November 6, 2018

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

Taykwa Tagamou Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 3)	2,106,526	869,671
Accounts receivable (Note 5)	297,682	663,569
Investments (Note 4)	189,760	169,427
Advances to related First Nation entities (Note 8)	484,973	139,392
Due from funding agencies (Note 6)	1,404,031	1,073,374
Investments in First Nation partnership (Note 9)	1	670,715
Investment in First Nation business entities (Note 9)	1,215,777	1,146,786
Funds held in Ottawa trust fund (Note 7)	147,124	144,066
	5,845,874	4,877,000
Liabilities		
Accounts payable and accruals (Note 11)	1,465,819	1,964,151
Deferred revenue (Note 12)	891,590	1,373,890
Advances from related First Nation entities (Note 14)	319,039	822,506
Advance from Weekashin Domco Limited Partnership (Note 13)	-	250,000
Due to funding agencies (Note 6)	287,001	78,164
Debt (Note 15)	3,928,311	1,128,903
	6,891,760	5,617,614
Net debt	(1,045,886)	(740,614)
Contingencies (Note 16)		
Non-financial assets		
Tangible capital assets (Note 10) (Schedule 1)	6,157,144	4,729,784
Prepaid expenses	96,551	42,516
	6,253,695	4,772,300
Accumulated surplus	5,207,809	4,031,686

Approved on behalf of Chief and Council

 Chief

 Councillor

Taykwa Tagamou Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous and Northern Affairs Canada		
Grant funding	290,505	207,221
Fixed funding	1,781,555	1,963,322
Set funding	249,683	370,110
Canada Mortgage and Housing Corporation	52,118	6,171
Health Canada	494,010	276,885
Mushkegowuk Council	247,425	157,993
Coral Rapids expense recoveries	(36,668)	626,685
Detour Gold Corporation	1,238,780	842,156
Earnings from investment in First Nation business entities	1,068,637	634,066
Loss from investment in First Nation partnerships	-	(355,904)
Management and administration fees	125,000	-
Nishnawbe Aski Nation	124,338	119,263
Ontario First Nations Limited Partnership	614,861	600,773
Ontario Power Generation	428,334	714,000
Other revenue (Note 20)	1,076,076	898,215
Province of Ontario	226,512	-
Rental income	118,939	125,013
Repayment of funding	(249,743)	(35,042)
Deferred revenue - prior year	1,373,890	271,076
Deferred revenue - current year	(854,922)	(1,373,890)
	8,369,330	6,048,113
Expenses (Schedule 2)		
Band government	1,894,262	1,721,615
Community services	880,629	726,533
Economic development	1,863,906	2,135,782
Education	1,292,842	990,222
Health	653,916	437,730
Housing	519,006	222,402
Public works and technical services	81,936	59,223
	7,186,497	6,293,507
Surplus (deficit)	1,182,833	(245,394)
Accumulated surplus, beginning of year	4,031,686	4,265,900
Unrealized gain on temporary investments	18,733	25,443
Realized loss on temporary investments, reclassified to operations	(25,443)	(14,263)
Accumulated surplus, end of year (Note 18)	5,207,809	4,031,686

Taykwa Tagamou Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018	2017
Annual surplus (deficit)		
Purchase/construction of tangible capital assets	1,182,833	(245,394)
Amortization of tangible capital assets	(1,832,239)	(1,709,354)
Acquisition of prepaid expenses	404,879	272,029
Use of prepaid expenses	(54,035)	-
Net remeasurement loss (gain)	(6,710)	11,180
Increase in net debt	(305,272)	(1,661,971)
Net debt, beginning of year	(740,614)	921,357
Net debt, end of year	(1,045,886)	(740,614)

Taykwa Tagamou Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,182,833	(245,394)
Non-cash items		
Amortization	404,879	272,029
Loss from investment in First Nation partnerships	-	355,904
Earnings from investment in First Nation business enterprises	(1,068,637)	(634,066)
Write down of investment in First Nation partnership	420,715	-
	939,790	(251,527)
Changes in working capital accounts		
Accounts receivable	365,887	277,854
Prepaid expenses	(54,035)	9,568
Funds held in Ottawa trust fund	(3,056)	(2,622)
Due from funding agencies	(330,657)	(977,471)
Accounts payable and accruals	(498,336)	645,494
Deferred revenue	(482,300)	1,063,389
Due to funding agencies	208,837	35,042
	146,130	799,727
Financing activities		
Advances of debt	4,282,881	673,102
Repayment of debt	(1,483,473)	(322,728)
Advances from related First Nation entities	-	573,760
Repayment of advances from related First Nation entities	(249,670)	-
	2,549,738	924,134
Capital activities		
Purchase/construction of tangible capital assets	(1,832,239)	(1,709,354)
Investing activities		
Purchase of investments	(27,043)	(4,316)
Dividends received	400,269	-
	373,226	(4,316)
Increase in cash resources	1,236,855	10,191
Cash resources, beginning of year	869,671	859,480
Cash resources, end of year	2,106,526	869,671

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The Taykwa Tagamou Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. The First Nation includes its members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards. Further, the consolidated 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:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Taykwa Tagamou Nation Band
- Apitisawin Limited Partnership and its general partner corporation
- 2284327 Ontario Inc. (TTN-Detour Education and Training Fund Corp.)
- Thomas Archibald Senior Institute
- CRP Opportunities Limited Partnership and its general partner corporation

All inter-entity balances have been eliminated on consolidation. These consolidated financial statements do not include all the activities of several wholly-owned Limited Partnerships. Amisk Construction Limited Partnership and New Post Constructors Limited Partnership along with their respective general partner corporations and Pahquataskkahmekook GP Inc. which 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 on behalf of these related entities.

First Nation business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Island Falls Forestry Limited Partnership and its general partner corporation
- Coral Rapids Power Corporation

Investments in First Nation partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership have been combined on a line-by-line basis with similar items of the First Nation.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

The collectability of accounts receivable is assessed as at the balance sheet date and an appropriate allowance for doubtful accounts is provided when considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Net debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Portfolio investments

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution. One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Amortization

The cost, less residual value, of the tangible capital assets are amortized using the straight line method as follows:

	Rate
Buildings	25 years
Furniture and equipment	5 years
Computers	3 years
Vehicles & Heavy equipment	5-10 years

Financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in debt.

Repayments of debt are recognized as a decrease in debt.

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

2. Significant accounting policies *(Continued from previous page)*

Government Transfers

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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

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.

Prior period funding adjustments

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

Segments

The First Nation conducts its business through eight reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses 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 22.

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the CMHC with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. At the year-end date, the respective monies on hand in the amount of \$2,610 were sufficient to meet the CMHC reserve fund requirements.

	2018	2017
Petty cash	100	-
Cash - Unrestricted	1,969,877	869,671
CMHC Reserve Fund - Restricted	2,610	-
FNFA Debt Reserve Fund - Restricted	133,939	-
	<hr/>	<hr/>
	2,106,526	869,671

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Investments

Portfolio investments, comprised of widely held shares in publicly traded entities and mutual fund units, are recorded at their market value. Any changes in market value are reported as remeasurements gains and losses until realized.

Investments subject to significant influence are recorded at their market value. Any changes in market value are reported as remeasurements gains and losses until realized.

	2018	2017
Portfolio investments		
Widely held shares in publicly traded entities	183,881	163,498
Mutual funds	5,777	5,727
	189,658	169,225
Investments subject to significant influence		
True North Hardwood Plywood Inc.	1	1
CRP Opportunities Inc. and LP	100	200
Kisis Aki Energy Inc.	1	1
	102	202
	189,760	169,427

5. Accounts receivable

	2018	2017
Due from government:		
Receiver General for Canada	18,833	75,664
Total due from government	18,833	75,664
Due from members:		
Advances receivable - Chief and Council	-	145,862
Advances receivable - All other members	79,400	593,105
Rent receivable	8,610	158,932
Less: allowance for doubtful accounts	(79,400)	(761,552)
Total due from members - net	8,610	136,347
Due from others:		
Algonquin Power	-	90,000
Detour Gold Corporation	168,163	38,632
Hydro One	20,643	-
Northland Power Inc.	-	8,750
Ontario Power Generation	-	132,934
Rockshield	10,500	-
Other trade receivables	73,838	181,242
Less: allowance for doubtful accounts	(2,905)	-
Total due from others - net	270,239	451,558
	297,682	663,569

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Due from/to funding agencies

	2018	2017
Due from funding agencies:		
Canada Mortgage and Housing Corporation	21,439	-
Health Canada	-	5,949
Indigenous and Northern Affairs Canada	1,069,108	1,035,695
Mushkegowuk Council	126,734	5,246
Nishnawbe Aski Nation	58,660	26,485
Province of Ontario	128,090	-
	1,404,031	1,073,375
Due to funding agencies:		
Health Canada	90,249	-
Indigenous and Northern Affairs Canada	153,630	35,042
Province of Ontario	43,122	43,122
	287,001	78,164

7. Funds held in Ottawa trust fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

	2018	2017
Capital Trust		
Balance, beginning and end of year	134,388	134,388
Revenue Trust		
Balance, beginning of year	9,678	7,056
Interest	3,058	2,623
Balance, end of year	12,736	9,678
	147,124	144,066

The Ottawa trust funds arise from moneys 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.

8. Due from related First Nation entities

The balances bear no interest and have no fixed terms of repayment.

	2018	2017
New Post Constructors	139,392	139,392
Coral Rapids Power	345,581	-
	484,973	139,392

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Investments in First Nation partnership and business entities

The First Nation has interests in First Nation Business Enterprises. Unless otherwise noted, the First Nation's interest is 100% of the shares or units of the respective entity.

The First Nation's 100% interest in Island Falls Forestry, a government business enterprise, consists of Island Falls Forestry General Partner Inc. (IFFGPI), a company incorporated to act as the general partner for forestry operations of the First Nation and Island Falls Forestry Limited Partnership (IFFLP), for which IFFGPI acts as general partner. The following represents a summary of Island Falls Forestry's financial position as at March 31, 2018 and its results of operations for the year then ended.

The First Nation's 100% interest in Coral Rapids Power Corporation, a government business enterprise, a company incorporated to share in the profits from hydro-electric stations across Northern Ontario. The following represents a summary of Coral Rapids Power Corporation's financial position as at March 31, 2018 and its results of operations for the year then ended. Coral Rapids Power Corporation was consolidated as at March 31, 2017 since it did not meet the requirements at the time to be recorded as a government business enterprise.

The First Nation has investments in the following entities:

The First Nation's investment in Weekashin Domco Limited Partnership was established for the purposes of providing catering services.

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, is as follows:

<i>Weekashin Domco Limited Partnership As at December 31, 2017</i>	
Capital at the beginning of the year	670,715
Distributions made	263,000
Capital at the end of the year	407,715
Provision for impairment	(407,714)
Book value, end of year	1

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Investments in First Nation partnership and business entities (continued from previous page)

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Island Falls Forestry</i> <i>As at March 31, 2018</i>	<i>Coral Rapids Power Corporation</i> <i>As at March 31, 2018</i>
Assets		
Current assets	1,012,306	1,696,490
Non-current assets	1,789,524	19,358,452
Total assets	2,801,830	21,054,942
Liabilities		
Current liabilities	986,934	1,579,668
Long-term debt	796,527	19,277,866
Total liabilities	1,783,461	20,857,534
Accumulated surplus	1,018,369	197,408
Total revenue	9,170,613	1,581,585
Total expenses	8,699,656	983,908
	470,957	597,677

During the year, the following First Nation business enterprises had transactions with other organizations of the First Nation:

Name of business enterprise	Name of organization	Nature of transactions/balances
Island Falls Forestry Limited Partnership	Taykwa Tagamou Nation	Sales for services rendered and payment of expenses to Taykwa Tagamou Nation
Coral Rapids Power Corporation	Taykwa Tagamou Nation	Distribution of dividends to Taykwa Tagamou Nation

10. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Buildings include costs associated to INAC and CMHC housing projects with a carrying value of \$1,249,457 (2017 - \$1,360,498). A CMHC housing project was completed during the year and, as such, amortization has been recorded. No amortization of the INAC housing project has been recorded during the year because it is currently under construction.

The First Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

11. Accounts payable and accruals

	2018	2017
Trade accounts payable	1,139,940	1,495,282
Government remittances payable	46,945	62,237
Payable to school boards	278,934	406,632
	1,465,819	1,964,151

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
INAC:				
Water Filtration Project	69,805	-	69,805	-
New Lagoon Upgrade	-	156,250	-	156,250
Comprehensive Community Planning	75,000	-	32,722	42,278
Financial Management Capacity Development	86,800	-	-	86,800
FN Water Management Strategy: Wastewater O&M	-	46,444	-	46,444
FN Water Management Strategy: Water O&M	-	44,324	-	44,324
Planning Design and Construction	63,414	63,401	-	126,815
Construction of Multiunits	669,636	-	669,636	-
Renovations and additions	196,773	-	196,773	-
Innovation	81,000	-	2,500	78,500
Lot Servicing	75,000	-	75,000	-
Education	-	86,800	-	86,800
Homecare	-	40,500	-	40,500
Language and Culture	-	125,950	-	125,950
Rental deposits	11,794	25,184	34,944	2,034
Ontario Power Generation grave restoration	36,668	-	-	36,668
Right to Play	8,000	-	8,000	-
Service Canada	-	18,227	-	18,227
	1,373,890	607,080	1,089,380	891,590

13. Advance from Weekashin Domco Limited Partnership

Weekashin Domco Limited Partnership (WDLP) provided Apitisawin Limited Partnership (ALP) with a loan for \$250,000 payable in full on March 31, 2019 including interest charged annually at the Royal Bank prime rate, plus 1%. The principal and interest are immediately due and payable in full in the event the contract between Detour Gold Corporation and Weekashin Domco Limited Partnership is not renewed on or before June 30, 2016. The contract was not renewed. On September 8, 2017, the loan plus accrued interest was repaid through a shareholder distribution.

14. Advances from related First Nation entities

During the year, loans were received from related First Nation entities. The advances bears no interest and have no fixed terms of repayment

	<i>2018</i>	<i>2017</i>
Island Falls Forestry	132,665	599,377
Coral Rapids Power	(36,755)	-
Pahquataskkahmekook General Partner	223,129	223,129
	319,039	822,506

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Debt

	2018	2017
Royal Bank of Canada fixed term loan repaid during the year	-	455,802
CMHC mortgage bearing interest at 1.97%, repayable in blended monthly payments of \$5,616, maturing December 1, 2042 and secured by Band Council Resolution and Ministerial Guarantee from Indigenous and Northern Affairs Canada	1,320,374	673,101
First Nations Finance Authority promissory note bearing interest at 3.41%, repayable in blended monthly payments of \$13,495, amortized over twenty five years, renewable December 1, 2027 and secured by ONFLP funding and a general security agreement.	2,607,937	-
	3,928,311	1,128,903

Principal repayments on debt in each of the next five years and thereafter, assuming debt subject to refinancing is renewed, are estimated as follows:

	Total
2019	114,049
2020	114,822
2021	115,777
2022	116,584
2023	117,364
Thereafter	3,349,715

16. Contingencies

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.

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 the Consolidated Financial Statements
For the year ended March 31, 2018

17. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Risk management

The First Nation has credit risk by having a significant number of members/customers. The First Nation records allowances for potentially uncollectible accounts receivable.

Fair Value of Financial Instruments

The First Nation'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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to operating lines of credit and term loans subject to refinancing. Management negotiates financing terms with its creditors in order to minimize interest rate risk.

Commodity risk

The First Nation 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.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to borrow funds from financial institutions or other creditors, for which repayment is required by maturity.

Contractual maturities of debt are disclosed in Note 15.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

18. Accumulated operating surplus

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

	2018	2017
Equity in Ottawa Trust Funds	147,124	144,067
Equity in CMHC operating reserve	2,610	-
Equity in tangible capital assets	4,747,493	4,729,781
Unrestricted surplus (deficit)	269,353	(890,103)
OFNLP Fund	22,496	22,496
<u>Remeasurement gains</u>	<u>18,733</u>	<u>25,443</u>
	5,207,809	4,031,684

19. Distributions from Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

The First Nation's monthly payments are required to be used to service the debt balance with First Nation Finance Authority (FNFA). OFNLP transfers the payment to the FNFA who retain the monthly service cost and the excess is returned to the First Nation.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

20. Other revenue

The balance reported as "Other Revenue" on the Consolidated Statement of Operations and Accumulated Surplus consists of the following:

	2018	2017
Algonquin Power and Utilities Corporation	-	91,982
Boralex Corporation	27,777	89,867
Donations and fundraising	67,952	26,444
Education (TASI)	323,627	-
GoWest Gold Ltd.	13,687	-
GST/HST Rebates	44,004	121,824
Hydro One	35,000	-
Independent Electricity System Operator	31,178	35,470
Ministry of Aboriginal Affairs	90,005	181,583
Ministry of Health and Long-Term Care	72,770	17,470
Right to Play	19,777	18,169
Tembec	10,000	5,000
Tisdale joint venture	90,108	80,694
Training and tuition	863	173,968
TransCanada Corporation	107,663	-
Miscellaneous	141,665	55,744
	1,076,076	898,215

21. Economic dependence

Taykwa Tagamou Nation receives 53% (2017 - 52%) of its revenue from Indigenous and Northern Affairs Canada, Health Canada, the Province of Ontario and other funding agencies. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

22. Budget information

Canadian public sector accounting standards (PSAS) require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus have not been reported in these financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSAS.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

23. Segments

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 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.

EDUCATION

-Provides elementary and secondary education instructional services by way of tuition agreements with area school boards 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.

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 the Consolidated Financial Statements
For the year ended March 31, 2018

24. Change in accounting policies

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively and prior periods have not been restated. There was no material impact on the consolidated financial statements as a result of adopting the new Sections.

25. Comparative figures

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

Taykwa Tagamou Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Land</i>	<i>Buildings</i>	<i>Buildings under construction</i>	<i>Computer equipment</i>	<i>Furniture and equipment</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	568,000	3,753,409	1,360,498	247,316	771,710	6,700,933
Acquisition of tangible capital assets	-	104,184	-	43,181	98,897	246,262
Construction-in-progress	-	-	1,540,978	-	-	1,540,978
Tangible capital assets placed in use	-	1,652,019	(1,652,019)	-	-	-
Balance, end of year	568,000	5,509,612	1,249,457	290,497	870,607	8,488,173
Accumulated amortization						
Balance, beginning of year	-	1,677,736	-	227,610	300,630	2,205,976
Annual amortization	-	213,050	-	10,117	124,122	347,289
Balance, end of year	-	1,890,786	-	237,727	424,752	2,553,265
Net book value of tangible capital assets	568,000	3,618,826	1,249,457	52,770	445,855	5,934,908
2017						
Net book value of tangible capital assets	568,000	2,075,673	1,360,498	19,706	471,080	4,494,957

Taykwa Tagamou Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Vehicles and moveable equipment</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	6,700,933	778,589	7,479,522	5,770,168
Acquisition of tangible capital assets	246,262	45,000	291,262	348,856
Construction-in-progress	1,540,978	-	1,540,978	1,360,498
Tangible capital assets placed in use	-	-	-	-
Balance, end of year	8,488,173	823,589	9,311,762	7,479,522
Accumulated amortization				
Balance, beginning of year	2,205,976	543,762	2,749,738	2,477,709
Annual amortization	347,289	57,591	404,880	272,029
Balance, end of year	2,553,265	601,353	3,154,618	2,749,738
Net book value of tangible capital assets	5,934,908	222,236	6,157,144	4,729,784
Net book value of tangible capital assets	2017	4,494,957	234,827	4,729,784

Taykwa Tagamou Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018	2017
Consolidated expenses by object		
Amortization	404,879	272,029
Bad debts	154,053	41,929
Bank charges and interest	38,008	59,068
Honouraria	141,035	188,186
Insurance	63,308	57,697
Interest on long-term debt	95,343	-
Writedown of interest limited partnership	407,714	-
Office and other	396,154	370,658
Post secondary - Tuition, travel and allowances	1,021,050	851,052
Professional fees	604,038	1,079,304
Repairs and maintenance	17,491	27,262
Salaries and benefits	2,540,791	2,420,590
Social assistance	96,467	68,625
Subcontracts	231,576	121,109
Supplies	389,813	128,256
Telephone and internet	42,209	46,946
Tradition and culture	8,400	16,100
Travel	403,520	434,930
Utilities	130,648	109,766
	7,186,497	6,293,507

Taykwa Tagamou Nation
Schedule 3 - Consolidated Schedule of Segmented Disclosure
For the year ended March 31, 2018

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus</i>	<i>Prior Year Deficit</i>
Band Government	295,008	233,258	32,722	560,989	1,894,262	(1,333,273)	(1,354,784)
Community Services	257,118	542,022	77,805	876,945	880,629	(3,684)	127,644
Economic Development	50,250	3,333,984	48,462	3,432,696	1,863,906	1,568,790	796,371
Education	796,074	643,220	(105,027)	1,334,267	1,292,842	41,425	289,809
Health	166,450	678,700	(166,450)	678,700	653,916	24,784	(6,332)
Housing	446,424	97,433	941,875	1,485,732	519,006	966,726	(67,066)
Public works and Technical services	310,419	-	(310,419)	-	81,936	(81,936)	(31,036)
Total	2,321,743	5,528,617	518,968	8,369,329	7,186,497	1,182,832	(245,394)