

Taykwa Tagamou Nation
Consolidated Financial Statements
March 31, 2020

Taykwa Tagamou Nation

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For the year ended March 31, 2020

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Management's Responsibility

To the Chief and Council and 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 fulfils 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.

January 18, 2021

On behalf of Chief and Council

On behalf of management

Independent Auditor's Report

To the Chief and Council and members of Taykwa Tagamou Nation:

Qualified Opinion

We have audited the consolidated financial statements of Taykwa Tagamou Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net debt and 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 effects and 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 as at March 31, 2020, and the results of its consolidated operations, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation has investments in several limited partnerships and related general partner corporations. For some of these entities, as described in Note 2, financial information was not made available. As such, the classification of these entities, and by extension their treatment under Public Sector Accounting Standards, was undeterminable. Consequently, we were unable to determine what adjustments, if any, may be necessary.

We were also not able to obtain sufficient and appropriate audit evidence relating to the prior year accounts receivable and revenues of Apatisawin Limited Partnership, a consolidated entity.

Also, 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.

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 opinion.

Emphasis of Matter - Comparative Information

We draw attention to note 25 in the consolidated financial statements, which describes the change in comparative figures as a result of a restatement. Our opinion is not modified in respect of this matter.

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.
- 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.

Timmins, Ontario

January 18, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Taykwa Tagamou Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019 (Restated)
Financial assets		
Cash and cash equivalents	3,358,152	2,604,452
Accounts receivable (Note 3)	1,681,798	770,541
Investments (Note 4)	198,503	177,262
Advances to related First Nation entities (Note 5)	249,880	287,998
Due from funding agencies (Note 6)	1,288,264	1,103,646
Investment in First Nation partnership (Note 7)	1	136,299
Investment in First Nation business entities (Note 7)	1	51,748
Funds held in Ottawa trust fund (Note 8)	153,495	150,541
Restricted cash (Note 9)	163,271	149,656
	7,093,365	5,432,143
Liabilities		
Accounts payable and accruals (Note 10)	838,227	985,909
Deferred revenue (Note 11)	1,198,779	1,072,244
Advances from related First Nation entities (Note 12)	-	223,129
Due to funding agencies (Note 6)	657,562	433,642
Deficit in First Nation business entities (Note 7)	646,161	22,839
Debt (Note 13)	3,695,809	3,813,540
	7,036,538	6,551,303
Net financial assets (net debt)	56,827	(1,119,160)
Contingencies (Note 14)		
Non-financial assets		
Tangible capital assets (Note 15) (Schedule 1)	6,360,958	6,176,130
Prepaid expenses	83,080	58,360
	6,444,038	6,234,490
Accumulated surplus (Note 16)	6,500,865	5,115,330
Approved on behalf of Chief and Council		
_____ Chief	_____	Councilor

Taykwa Tagamou Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	2020	2019 (Restated)
Revenue		
Indigenous Services Canada		
Grant funding	-	299,375
Fixed funding	1,866,922	1,632,038
Set funding	-	514,956
Flexible funding	121,624	-
NFR Grant	1,202,531	-
Canada Mortgage and Housing Corporation	156,933	64,992
First Nation and Inuit Health Branch	1,066,093	1,137,947
Mushkegowuk Council	925,681	233,000
Kirkland Lake Gold	2,384,296	973,623
Earnings (loss) from investment in First Nation business entities	506,826	(545,220)
Management and administration fees	160,000	-
Nishnawbe Aski Nation	129,319	145,732
Ontario First Nations Limited Partnership	678,520	784,954
Ontario Power Generation	158,850	10,000
Province of Ontario	496,795	377,417
Rental income	100,648	130,751
Repayment of funding	(223,921)	(155,822)
Other revenue (Note 17)	1,296,415	1,701,865
Deferred revenue - prior year (Note 11)	1,072,244	891,590
Deferred revenue - current year (Note 11)	(1,198,779)	(1,072,244)
	10,900,997	7,124,954
Expenses (Schedule 2)		
Band government	2,912,656	1,995,439
Community services	1,496,861	1,000,725
Economic development	1,994,894	1,086,025
Education	1,025,407	1,394,404
Health	1,468,642	1,210,612
Housing	617,002	530,231
	9,515,462	7,217,436
Annual Surplus (deficit)	1,385,535	(92,482)
Accumulated surplus, beginning of year	5,115,330	5,207,812
Accumulated surplus, end of year (Note 16)	6,500,865	5,115,330

Taykwa Tagamou Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	2020	2019 <i>(Restated)</i>
Annual surplus (deficit)	1,385,535	(92,482)
Purchase/construction of tangible capital assets	(736,877)	(544,964)
Amortization of tangible capital assets	552,049	515,850
Proceeds on disposal of tangible capital assets	-	10,127
Acquisition of prepaid expenses	(24,720)	-
Use of prepaid expenses	-	38,191
(Increase) decrease in net debt	1,175,987	(73,278)
Net debt, beginning of year	(1,119,160)	(1,045,882)
Net financial assets, end of year	56,827	(1,119,160)

Taykwa Tagamou Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019 (Restated)
Cash provided by (used for) the following activities		
Operating activities		
Annual Surplus (deficit)	1,385,535	(92,482)
Non-cash items		
Amortization	552,049	515,850
Bad debts	37,849	23,866
Earnings (loss) from investment in First Nation business enterprises	(506,826)	545,220
Recovery of write down of investment in First Nation partnership	-	(136,298)
	1,468,607	856,156
Changes in working capital accounts		
Accounts receivable	(949,106)	(496,725)
Prepaid expenses	(24,720)	38,191
Funds held in Ottawa trust fund	(2,955)	(3,417)
Due from funding agencies	(184,618)	300,385
Accounts payable and accruals	(147,682)	(479,909)
Deferred revenue	126,535	180,655
Due to funding agencies	223,920	146,641
	509,981	541,977
Financing activities		
Repayment of debt	(117,731)	(114,771)
Capital activities		
Purchase/construction of tangible capital assets	(736,877)	(544,964)
Proceeds on disposal of tangible capital assets	-	10,127
	(736,877)	(534,837)
Investing activities		
Purchase of investments	(21,241)	-
Repayment of advances to related First Nation entities	321,815	101,064
Proceeds from investments in First Nation partnerships	113,458	-
Disposal of investments	-	12,500
Dividends received from First Nation business entities	697,909	641,649
Transfer to restricted cash	(13,614)	(13,107)
	1,098,327	742,106
Increase in cash resources	753,700	634,475
Cash resources, beginning of year	2,604,452	1,969,977
Cash resources, end of year	3,358,152	2,604,452

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, a wholly owned limited partnership, along with its general partner corporation
- 2284327 Ontario Inc. (TTN-Detour Education and Training Fund Corp.)
- Thomas Archibald Senior Institute
- CRP Opportunities Limited Partnership, a wholly owned limited partnership, along with its general partner corporation

All inter-entity balances have been eliminated on consolidation.

These consolidated financial statements do not include all the activities of:

- Pahquataaskahmekook Limited Partnership, a wholly owned limited partnership, along with its general partner corporation;
- First Nation Yellow Falls Limited Partnership, a 50% owned limited partnership, along with its general partner corporation;
- Kisis Aski Energy Inc., a 50% owned corporation; and
- SE5 2013 LP, a 50.01% owned limited partnership

No financial information is available for these entities, and as such their classification under Public Sector Accounting Standards, and by extension of their accounting treatment, is not determinable.

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 business partnerships are accounted for using the modified equity method. Entities accounted for by the modified equity basis include:

- Weekashin Domco Limited Partnership

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

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.

Cash and cash equivalents

Cash and cash equivalent include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash (*Note 3*).

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary 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
Computer equipment	3 years
Vehicles and moveable equipment	5-15 years

Long-lived assets and discontinued operations

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 quoted market prices. 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.

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.

Net financial assets (net debt)

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

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. Balances repayable to funding agencies are based on the expected amount of funding liabilities based on funding surpluses to the financial statement date.

Segments

The First Nation conducts its business through six 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.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Accounts receivable

	2020	2019
Due from government:		
Receiver General for Canada - HST	190,597	63,406
Due from members:		
Advances receivable	79,901	78,701
Rent receivable	41,328	22,796
Less: allowance for doubtful accounts	(78,701)	(78,701)
Total due from members - net	42,528	22,796
Due from others:		
Abitibi River Forest Management	53,130	-
Algonquin Power	130,660	112,396
Independent Energy System Operator	37,660	-
Kirkland Lake Gold Inc. (formerly Detour Gold Corporation)	1,117,005	158,726
Moose Cree First Nation	29,207	-
Shkagamik-Kwe Health Centre	-	223,685
Strategic Hub	-	60,000
Other trade receivables	81,011	132,437
Less: allowance for doubtful accounts	-	(2,905)
Total due from others	1,448,673	684,339
	1,681,798	770,541

4. Investments

	2020	2019
Publicly traded shares and mutual funds	173,501	177,260
Mushkegowuk Regional Economic Development Limited Partnership	25,000	-
Kisis Aski Energy Inc.	1	1
Ontario First Nation Sovereign Wealth LP	1	1
	198,503	177,262

5. Advances to related First Nation entities

During the year, \$139,391 of advances (2019 - \$0) were determined to be uncollectible from New Post Constructors, a previously wholly owned limited partnership that was dissolved, and a loss provision was recorded.

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

	2020	2019
New Post Constructors	-	139,391
Island Falls Forestry	249,880	111,852
Coral Rapids Power Corporation - owed to Coral Rapids Power Opportunities LP	-	36,755
	249,880	287,998

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Due from/to funding agencies

	2020	2019
Due from funding agencies:		
Canada Mortgage and Housing Corporation	5,416	5,416
Indigenous Services Canada	1,064,470	656,514
Mushkegowuk Council	109,206	233,000
Nishnawbe Aski Nation	-	51,087
Province of Ontario	109,172	157,629
	1,288,264	1,103,646
Due to funding agencies:		
First Nation and Inuit Health Branch (FNIHB)	90,249	90,249
Indigenous Services Canada	300,270	300,271
Province of Ontario	267,043	43,122
	657,562	433,642

7. 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.

Island Falls Forestry, a government business enterprise, consists of Island Falls Forestry Limited Partnership (IFFLP) along with its general partner corporation, Island Falls Forestry General Partner Inc. (IFFGPI). The partnership was formed to operate the forestry operations of the First Nation.

Coral Rapids Power Corporation, is a company incorporated to share in the profits from its one-third interest in Peter Sutherland Sr. Generating Station LP, which operates a hydro-electric power station in Northern Ontario. Coral Rapids Power has a policy of distributing all excess cash flows to the First Nation. As these payments are made in excess of the accounting income earned, these payments will reverse in future periods. As such, the deficiency has been recorded as a liability on the Statement of Financial Position.

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	399,298
Capital at the end of the year	271,417
Provision for impairment	(271,416)
Book value, end of year	1

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. 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 As at March 31, 2020</i>	<i>Coral Rapids Power As at March 31, 2020</i>
Assets		
Current assets	571,096	384,747
Non-Current assets	1,328,664	15,827,981
Total assets	1,899,760	16,212,728
Liabilities		
Current liabilities	1,610,310	1,277,898
Long-term debt	291,474	15,580,991
Total liabilities	1,901,784	16,858,889
Equity (deficit)	(2,024)	(646,161)
Total revenue	-	-
Total expenses	-	-
Annual surplus (deficit)	-	-
Equity (deficit), beginning of year	-	-
Dividends / Distributions	-	-
Equity (deficit), beginning of year	-	-

	<i>Island Falls Forestry As at March 31, 2020</i>	<i>Coral Rapids Power Corporation As at March 31, 2020</i>
Assets		
Current assets	571,096	384,747
Non-current assets	1,328,664	15,827,981
Total assets	1,899,760	16,212,728
Liabilities		
Current liabilities	1,610,310	1,277,898
Long-term debt	291,474	15,580,991
Total liabilities	1,901,784	16,858,889
Accumulated surplus (deficit)	(2,024)	(646,161)
Total revenue	6,477,590	1,343,724
Total expenses	6,531,362	785,148
Annual surplus (deficit)	(53,772)	558,576

The investment of Island Falls Forestry is reported on the Statement of Financial Position at a nominal amount of \$1.

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

<i>Name of business enterprise</i>	<i>Name of organization</i>	<i>Nature of transactions/balances</i>
Island Falls Forestry Limited Partnership	Taykwa Tagamou Nation	Sales for services rendered and payment of expenses to Taykwa Tagamou Nation - \$60,468 (2019 - \$62,983)
Coral Rapids Power Corporation	Taykwa Tagamou Nation	Distribution of dividends to Taykwa Tagamou Nation - \$697,909 (2019 - \$641,649)

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Funds held in Ottawa trust fund

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

	2020	2019
Capital Trust		
Balance, beginning and end of year	134,388	134,388
Revenue Trust		
Balance, beginning of year	16,153	12,736
Interest	2,954	3,417
Balance, end of year	19,107	16,153
	153,495	150,541

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.

9. Restricted cash

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 \$18,270 (2019 - \$10,440) were sufficient to meet the CMHC reserve fund requirements.

Under the terms of a debt agreement with First Nation Finance Authority, the First Nation was required to fund a debt reserve trust account which cannot be used until the debt is paid off. The debt reserve trust account earns annual interest.

	2020	2019
CMHC Reserve Fund	18,270	10,440
FNFA Debt Reserve Fund	145,001	139,216
	163,271	149,656

10. Accounts payable and accruals

	2020	2019
Trade accounts payable	523,576	704,994
Government remittances payable	58,824	60,844
Payable to school boards	255,827	220,071
	838,227	985,909

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

11. 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>
ISC - Early Learning and Childcare	-	77,180	-	77,180
ISC - Education: High Cost Special Education	200,123	99,782	45,601	254,304
ISC - Education: Guidance and counselling	188,600	-	-	188,600
ISC - Parental & Comm. Eng.	138,740	-	-	138,740
ISC - Community Based Initiative	73,910	179,510	-	253,420
ISC - Planning Design and Construction	191,753	-	-	191,753
ISC - Language and Culture	197,450	-	3,202	194,248
FNIHB - Pathfinders	45,000	662,848	655,382	52,466
Ontario Power Generation - Grave Restoration	36,668	-	-	36,668
	1,072,244	1,019,320	704,185	1,387,379

12. Advances from related First Nation entities

The advances bears no interest, are unsecured and have no fixed terms of repayment

	<i>2020</i>	<i>2019</i>
Pahquataaskahmekook General Partner	-	223,129

13. Debt

	<i>2020</i>	<i>2019</i>
CMHC mortgage bearing interest at 1.97%, repayable in blended monthly payments of \$5,616, maturing December 1, 2042 and secured by a Ministerial Guarantee from ISC.	1,235,884	1,278,515
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 OFNLP funding and a general security agreement.	2,459,925	2,535,025
	3,695,809	3,813,540

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
2021	115,621
2022	116,485
2023	117,365
2024	118,263
2025	119,179
	<hr/>
	586,913
Thereafter	3,108,896

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

14. 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 funding 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. As a result of the COVID-19 pandemic, Indigenous Services Canada temporarily converted certain set funded programs to fixed funding, allowing the First Nation an additional year to spend any surpluses. Should the surpluses remain unspent by the revised deadline, they will be converted back to set funding and will become repayable.

15. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Buildings includes various projects with a carrying value of \$304,636 (2019 - \$132,318). No amortization of these asset has been recorded during the year because they are currently under construction.

The First Nation's tangible capital assets include equipment of \$21,791, transferred from Island Falls Forestry for various uses within the entity.

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.

16. Accumulated surplus

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

	2020	2019 (Restated)
Equity in Ottawa Trust Funds	153,495	150,541
Equity in CMHC operating reserve	18,270	10,440
Equity in tangible capital assets	5,053,814	4,831,127
Unrestricted surplus (deficit)	984,072	(186,519)
OFNLP Fund	102,614	309,741
	6,312,265	5,115,330

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

17. Other revenue

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

	2020	2019
Algonquin Power	386,101	463,713
Aramark	-	85,000
Donations and fundraising	18,500	21,793
Education (TASl):	-	131,549
IESO	77,660	20,000
Revenue sharing agreements	236,849	183,356
Right to Play	36,564	-
Rockshield	9,375	-
Shkagamik-Kwe	-	323,552
Strategic Hub	-	60,000
Tembec	10,000	10,000
Losses from portfolio investments	-	(18,733)
Miscellaneous	521,366	421,635
	1,296,415	1,701,865

18. 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 debt service with the excess returned to the First Nation.

19. Commitments

The First Nation has entered into various lease agreements with estimated minimum annual payments as follows:

2021	55,981
2022	14,449
	70,430

20. Loan guarantees

The First Nation has provided a limited recourse guarantee for the TD Canada Trust credit facility term loan of Coral Rapids Power Inc. (CRP), where the First Nation has pledged its share ownership in CRP as collateral for the loan. Payment under this guarantee, which will remain in place until April 15, 2037, is required if CRP were to default on this loan. As at March 31, 2020, no liability has been recorded associated with this guarantee.

21. Economic dependence

Taykwa Tagamou Nation receives 57% (2019 - 68%) of its revenue from ISC, FNIHB, the Province of Ontario and other funding agencies. The ability of the First Nation to continue operations is dependent upon the continuation of these funding arrangements.

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.

23. Segments

During , the First Nation had 7 reportable segments, listed below. These segments are differentiated by service lines.

BAND GOVERNMENT

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

COMMUNITY SERVICES

-Provides services to Taykwa Tagamou Nation members including workshops, awareness programs and events that benefit the community. Community services also include infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities.

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.

Inter-segment transfers are recorded at transaction prices, which approximates market value. The accounting policies of the segments are the same as those described in Note 2.

24. Comparative figures

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

25. Correction of an error

During the year, the First Nation determined that significant reporting issues existed with respect to one of its Government Business Entities, Island Falls Forestry. For 2019 the impact of this correction has resulted in a decrease of Investment in First Nation business entities of \$399,853 and an increase in loss from investment in First Nation business entities of \$399,853, as well as an increase in net debt of \$399,853.

26. Subsequent events

Subsequent to year-end, the First Nation incorporated a subsidiary corporation, 2752980 Ontario Inc., with the express purpose of purchasing two properties in Cochrane, Ontario. Funds of \$568,506 were disbursed with respect to these arrangements in May 2020.

In April 2020, the First Nation made a capital contribution of \$262,500 to First Nation Yellow Falls Limited Partnership, a partnership in which the First Nation has a 50% stake. These amounts, along with other amounts contributed by the other partner, was used to purchase a 10% stake in Yellow Falls Forestry Limited Partnership and its general partner corporation, which operates a hydro-electric power station in the vicinity of Smooth Rock Falls, Ontario.

The First Nation has undertaken a construction contract for on-reserve lot development. Work on this contract was completed in August, 2020, and payments of \$513,967, inclusive of change orders, was disbursed with respect to the contract.

Subsequent to year-end, Island Falls Forestry obtained a line of credit in the amount of \$500,000, as well as a credit card with a spending limit of \$25,000. Both of these credit facilities are subject to a guarantee by the First Nation.

27. Significant event

On March 18, 2020, there was a pandemic declared for the global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closure or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

28. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 31, 2020. As the audit report date is after this date, the First Nation is not in compliance with the requirement. The possible effect of this non-compliance has not yet been determined.

Taykwa Tagamou Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

		<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	6,765,406	132,318	353,248	985,542	8,804,514
Acquisition of tangible capital assets		-	164,575	172,318	25,544	197,277	559,714
Disposal/transfer of tangible capital assets		-	-	-	-	-	-
Balance, end of year		568,000	6,929,981	304,636	378,792	1,182,819	9,364,228
Accumulated amortization							
Balance, beginning of year		-	2,154,706	-	244,420	578,166	2,977,292
Annual amortization		-	269,574	-	25,720	164,895	460,189
Accumulated amortization on disposals		-	-	-	-	-	-
Balance, end of year		-	2,424,280	-	270,140	743,061	3,437,481
Net book value of tangible capital assets		568,000	4,505,701	304,636	108,652	439,758	5,926,747
Net book value of tangible capital assets	2019	568,000	4,614,455	128,563	108,828	407,376	5,827,222

Taykwa Tagamou Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Vehicles and moveable equipment</i>	<i>2020</i>	<i>2019</i>
Cost				
Balance, beginning of year	8,804,514	986,590	9,791,104	9,311,762
Acquisition of tangible capital assets	559,714	177,163	736,877	544,964
Disposal/transfer of tangible capital assets	-	-	-	(65,622)
Balance, end of year	9,364,228	1,163,753	10,527,981	9,791,104
Accumulated amortization				
Balance, beginning of year	2,977,292	637,682	3,614,974	3,154,618
Annual amortization	460,189	91,860	552,049	515,850
Accumulated amortization on disposals	-	-	-	(55,494)
Balance, end of year	3,437,481	729,542	4,167,023	3,614,974
Net book value of tangible capital assets	5,926,747	434,211	6,360,958	6,176,130
Net book value of tangible capital assets	2019	5,827,222	348,908	6,176,130

Taykwa Tagamou Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	2020	2019
Consolidated expenses by object		
Amortization	552,049	515,850
Bad debts	37,849	23,866
Bank charges and interest	12,079	26,459
Honouraria	282,743	226,290
Insurance	87,816	28,775
Interest on long-term debt	114,426	115,214
Office and other	403,754	365,758
Professional fees	895,758	529,056
Repairs and maintenance	101,246	102,605
Salaries and benefits	4,010,612	2,791,609
Social assistance	462,839	375,131
Supplies	309,438	355,342
Telephone and internet	75,081	55,709
Travel	932,434	620,916
Post secondary - Tuition, travel and allowances	828,559	1,045,801
Utilities	100,991	116,449
Writedown (recovery) of investment in First Nation Partnership	-	(136,298)
Subcontracts	255,638	31,954
Tradition and culture	52,150	26,950
	9,515,462	7,217,436

Taykwa Tagamou Nation

Schedule 3 - Consolidated Schedule of Segmented Disclosure

For the year ended March 31, 2020

	Schedule #	ISC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Current Surplus (Deficit)	Prior Year Surplus (Deficit) (Restated)
Segment								
Band Government	4	1,250,062	921,560	-	2,171,622	2,912,656	(741,034)	(288,379)
Community Services	5	319,557	836,661	-	1,156,218	1,496,861	(340,643)	297,221
Economic Development	6	188,050	4,052,289	-	4,240,339	1,994,894	2,245,445	(165,330)
Education	7	1,149,417	504,582	(41,889)	1,612,110	1,025,407	586,703	97,848
Health	8	84,124	1,311,640	(84,646)	1,311,118	1,468,642	(157,524)	220,805
Housing	9	199,868	209,724	-	409,591	617,002	(207,411)	(254,644)
Total		3,191,078	7,836,456	(126,535)	10,900,998	9,515,462	1,385,536	(92,479)

Taykwa Tagamou Nation
Band Government
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada		
Grant funding	-	299,375
Fixed funding	947,336	138,567
Set funding	-	4,563
NFR Grant	302,726	-
Mushkegowuk Council	47,621	-
Rental income	20,650	29,207
Deferred revenue - prior year	-	86,800
Kirkland Lake Gold	100,000	-
Other revenue	753,289	1,148,548
	2,171,622	1,707,060
Expenses		
Administration (recovery)	(66,285)	(44,443)
Amortization	97,824	89,254
Bad debts	37,849	23,866
Bank charges and interest	10,187	13,669
Honouraria	136,795	126,116
Insurance	70,113	23,422
Interest on long-term debt	89,742	89,750
Office and other	177,103	176,365
Professional fees	621,469	430,670
Repairs and maintenance	15,250	-
Salaries and benefits	1,254,558	759,535
Social assistance	34,791	5,780
Supplies	32,256	14,753
Telephone and internet	47,195	28,850
Travel	332,116	246,602
Utilities	3,688	8,779
Subcontracts	18,005	2,471
	2,912,656	1,995,439
Deficit	(741,034)	(288,379)

Taykwa Tagamou Nation
Community Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada		
Fixed funding	104,631	328,185
NFR Grant	214,926	-
Mushkegowuk Council	-	233,000
Province of Ontario	347,175	40,843
Repayment of funding	(223,921)	(112,997)
Deferred revenue - prior year	191,753	373,833
Ontario First Nations Limited Partnership	657,493	605,042
Ontario Power Generation	850	-
Other revenue	55,064	21,793
Deferred revenue - current year	(191,753)	(191,753)
	1,156,218	1,297,946
Expenses		
Administration (recovery)	-	19,000
Amortization	202,005	184,741
Honouraria	43,112	48,235
Insurance	30	200
Office and other	139,601	36,530
Professional fees	16,798	8,049
Repairs and maintenance	75,851	11,848
Salaries and benefits	305,300	176,677
Social assistance	237,412	156,603
Supplies	124,198	159,045
Telephone and internet	2,545	3,129
Travel	142,026	145,578
Utilities	56,471	39,090
Subcontracts	151,512	12,000
	1,496,861	1,000,725
Surplus (deficit)	(340,643)	297,221

Taykwa Tagamou Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada		
Fixed funding	146,050	150,550
NFR Grant	42,000	-
Mushkegowuk Council	876,600	-
Earnings (loss) from investment in Nation business entities	506,826	(545,220)
Rental income	27,208	51,754
Province of Ontario	76,500	263,454
Deferred revenue - prior year	36,668	78,946
Deferred revenue - current year	(36,668)	(36,668)
Ontario First Nations Limited Partnership	-	106,227
Kirkland Lake Gold	1,761,296	473,623
Ontario Power Generation	158,000	10,000
Other revenue	485,859	368,029
Management and administration fees	160,000	-
	4,240,339	920,695
Expenses		
Administration (recovery)	-	16,541
Amortization	39,947	42,595
Bank charges and interest	1,527	-
Honouraria	36,563	18,125
Insurance	12,623	-
Office and other	9,125	101,638
Professional fees	237,644	27,251
Repairs and maintenance	2,840	15,035
Salaries and benefits	1,304,295	837,426
Social assistance	58	-
Supplies	24,717	7,887
Telephone and internet	9,048	2,231
Travel	214,937	50,117
Utilities	39,420	60,527
Loss on dissolution of limited partnership	-	(136,298)
Subcontracts	10,000	16,000
Tradition and culture	52,150	26,950
	1,994,894	1,086,025
Surplus (deficit)	2,245,445	(165,330)

Taykwa Tagamou Nation
Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada		
Fixed funding	571,485	934,467
Set funding	-	510,393
NFR Grant	577,932	-
Repayment of funding	-	(33,643)
Deferred revenue - prior year	798,824	230,977
Deferred revenue - current year	(840,712)	(798,824)
Ontario First Nations Limited Partnership	4,564	542
Kirkland Lake Gold	500,000	500,000
Other revenue	17	148,340
	1,612,110	1,492,252
Expenses		
Bank charges and interest	282	12,718
Honouraria	300	-
Office and other	16,507	19,580
Professional fees	6,623	62,897
Repairs and maintenance	-	11,592
Salaries and benefits	80,799	134,368
Social assistance	5,903	5,542
Supplies	18,254	66,036
Telephone and internet	1,168	996
Travel	67,012	34,874
Post secondary - Tuition, travel and allowances	828,559	1,045,801
	1,025,407	1,394,404
Surplus	586,703	97,848

**Taykwa Tagamou Nation
Health**

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada		
Flexible funding	84,124	-
First Nation and Inuit Health Branch	1,066,093	1,137,947
Mushkegowuk Council	1,460	-
Province of Ontario	73,120	73,120
Repayment of funding	-	(9,181)
Deferred revenue - prior year	45,000	40,500
Deferred revenue - current year	(129,646)	(45,000)
Ontario First Nations Limited Partnership	16,463	73,144
Kirkland Lake Gold	23,000	-
Nishnawbe Aski Nation	129,319	145,732
Other revenue	2,185	15,155
	1,311,118	1,431,417
Expenses		
Administration (recovery)	66,285	8,901
Amortization	66,278	58,651
Honouraria	65,974	33,814
Insurance	1,164	1,268
Office and other	53,149	31,163
Professional fees	11,259	189
Repairs and maintenance	3,106	13,576
Salaries and benefits	814,394	616,079
Social assistance	183,387	205,655
Supplies	33,530	105,499
Telephone and internet	10,238	15,837
Travel	157,265	119,141
Utilities	2,613	839
	1,468,642	1,210,612
Surplus (deficit)	(157,524)	220,805

Taykwa Tagamou Nation
Housing

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Government funding		
Indigenous Services Canada		
Fixed funding	97,421	80,270
Flexible funding	37,500	-
NFR Grant	64,947	-
Canada Mortgage and Housing Corporation	156,933	64,992
Rental income	52,790	49,791
Deferred revenue - prior year	-	80,534
	409,591	275,587
Expenses		
Amortization	145,994	140,609
Bank charges and interest	84	72
Insurance	3,885	3,885
Interest on long-term debt	24,684	25,464
Office and other	8,271	485
Professional fees	1,965	-
Repairs and maintenance	4,200	50,554
Salaries and benefits	251,265	267,525
Social assistance	1,288	1,550
Supplies	76,483	2,120
Telephone and internet	4,886	4,665
Travel	19,078	24,604
Utilities (recovery)	(1,201)	7,215
Subcontracts	76,120	1,483
	617,002	530,231
Deficit	(207,411)	(254,644)