

**Taykwa Tagamou Nation
Consolidated Financial Statements**
March 31, 2022

Taykwa Tagamou Nation

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For the year ended March 31, 2022

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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.

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. 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 the appointment of the First Nation's external auditors.

MNP LLP is appointed by Chief and Council on 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.

September 21, 2023

e-Signed by Bruce Archibald
2023-09-21 14:57:37:37 EDT

On behalf of Chief and Council

e-Signed by Linda Job
2023-09-21 14:45:10:10 EDT

On behalf of Management

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, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (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 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, 2022, and the results of its consolidated operations, changes in its net financial assets (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 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. The audit opinion on the consolidated financial statements for the year ended March 31, 2021 was qualified accordingly.

The First Nation's consolidated statements of operations and accumulated surplus and changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards. The audit opinion on the consolidated financial statements for the year ended March 31, 2021 was qualified accordingly.

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.

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 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
September 21, 2023

MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

MNP

Taykwa Tagamou Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	4,422,540	3,822,204
Accounts receivable (Note 3)	4,052,176	1,135,340
Investments (Note 4)	479,976	468,822
Due from related First Nation entities (Note 5)	10,641,094	325,142
Due from funding agencies (Note 6)	2,006,421	1,865,356
Investments in First Nation partnerships (Note 7)	1	1
Investment in First Nation business entities (Note 7)	4,224,365	2
Funds held in Ottawa trust fund (Note 8)	157,880	156,468
Restricted cash (Note 9)	1,052,563	226,907
	27,037,016	8,000,242
Liabilities		
Accounts payable and accruals (Note 10)	2,063,353	1,633,737
Deferred revenue (Note 11)	1,097,681	813,749
Due to funding agencies (Note 6)	826,441	776,065
Deficit in First Nation business entity (Note 7)	1,446,768	973,783
Debt (Note 12)	20,722,360	4,659,874
	26,156,603	8,857,208
Net financial assets (net debt)	880,413	(856,966)
Contingencies (Note 13)		
Non-financial assets		
Tangible capital assets (Note 14) (Schedule 1)	12,280,033	10,231,269
Prepaid expenses	184,568	100,208
	12,464,601	10,331,477
Accumulated surplus (Note 15)	13,345,014	9,474,511

Approved on behalf of Chief and Council

e-Signed by Bruce Archibald
 2023-09-21 14:57:48:48 EDT

Chief

e-Signed by Derek Archibald
 2023-09-21 14:49:18:18 EDT

Councillor

Taykwa Tagamou Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed funding	2,158,790	2,383,779
Flexible funding	208,041	255,438
NFR Grant	1,201,023	1,088,059
Canada Mortgage and Housing Corporation	64,992	92,432
First Nation and Inuit Health Branch	1,402,176	1,470,275
Mushkegowuk Council	2,292,687	1,293,951
Agnico Eagle Mines Ltd.	2,875,000	2,777,906
Earnings from investment in First Nation business entities	1,974,388	525,097
Management and administration fees	80,000	80,000
Nishnawbe Aski Nation	193,665	199,014
Ontario First Nations Limited Partnership	398,854	656,904
Ontario Power Generation	109,137	-
Other provincial and federal revenue	1,409,929	1,157,958
Rental income	375,276	117,330
Repayment of funding	(66,860)	(118,502)
Other revenue (Note 17)	1,404,624	1,736,119
Deferred revenue - prior year (Note 11)	813,749	1,198,779
Deferred revenue - current year (Note 11)	(1,097,681)	(813,749)
	15,797,790	14,100,790
Expenses (Schedule 2)		
Band Government	3,128,335	2,882,172
Community Services	1,518,875	1,041,815
Economic Development	1,960,827	1,497,635
Education	1,360,364	1,438,296
Health	2,183,558	2,598,942
Housing	672,158	503,737
Social Services	1,103,170	1,164,543
	11,927,287	11,127,140
Annual surplus	3,870,503	2,973,650
Accumulated surplus, beginning of year	9,474,511	6,500,861
Accumulated surplus, end of year (Note 15)	13,345,014	9,474,511

Taykwa Tagamou Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2022

	2022	2021
Annual surplus	3,870,503	2,973,650
Purchase/construction of tangible capital assets	(2,955,381)	(4,679,188)
Amortization of tangible capital assets	906,617	741,131
Proceeds on disposal of tangible capital assets	-	36,500
Loss on disposal of tangible capital assets	-	31,246
Acquisition of prepaid expenses	(84,360)	(17,128)
Increase (decrease) in net financial assets (net debt)	1,737,379	(913,789)
Net financial assets (net debt), beginning of year	(856,966)	56,823
Net financial assets (net debt), end of year	880,413	(856,966)

Taykwa Tagamou Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual Surplus (deficit)	3,870,503	2,973,650
Non-cash items		
Amortization	906,617	741,131
Bad debts	177,981	18,260
Earnings from investment in First Nation business enterprises	(661,888)	(525,097)
Loss on disposal of tangible capital assets	-	31,246
	4,293,213	3,239,190
Changes in working capital accounts		
Accounts receivable	(3,094,817)	528,198
Prepaid expenses	(84,360)	(17,128)
Funds held in Ottawa trust fund	(1,412)	(2,973)
Due from funding agencies	(141,065)	(577,092)
Accounts payable and accruals	429,616	795,506
Deferred revenue	283,932	(385,030)
Due to funding agencies	50,376	118,503
	1,735,483	3,699,174
Financing activities		
Advances of debt	15,466,394	1,035,025
Repayment of debt	(221,734)	(125,435)
	15,244,660	909,590
Capital activities		
Purchase/construction of tangible capital assets	(2,955,381)	(4,679,188)
Proceeds on disposal of tangible capital assets	-	36,500
	(2,955,381)	(4,642,688)
Investing activities		
Purchase of investments	(11,154)	(270,320)
Advances to related First Nation entities	(10,315,952)	(75,262)
Purchase investment in Nation business entities	(4,121,643)	-
Dividends received from First Nation business entities	1,032,153	852,719
Transfer to restricted cash	(7,830)	(9,161)
	(13,424,426)	497,976
Increase in cash resources	600,336	464,052
Cash resources, beginning of year	3,822,204	3,358,152
Cash resources, end of year	4,422,540	3,822,204

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

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, or are controlled by, the First Nation.

Impact on operations of COVID-19 (coronavirus)

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have 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.

The First Nation's operations were impacted by COVID-19 due to periodic closures of the First Nation's band office among other community services, changes in methods of program delivery, including delays in infrastructure and/or capital projects, and increases in pandemic specific funding. This impact has been mitigated by increased funding from several sources, including Indigenous Services Canada, Nishnawbe Aski Nation, and Mushkegowuk Council.

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 closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause periodic shutdowns of major capital projects and increased expenditures on personal protective equipment.

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;
- 2752980 Ontario Inc., a wholly owned corporation; and
- 2366969 Ontario Inc., a wholly owned corporation.

All inter-entity balances have been eliminated on consolidation.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

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

- Pahquataskkahmekook 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 Aki Energy Inc., a 50% owned corporation; and
- Transmission Infrastructure Partners Ltd., a 50% owned corporation.

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 consolidated 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; and
- 976356 Ontario Inc., operating as Bussiere's Quality Meats (Bussiere).

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.

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 9*).

Portfolio investments

Investments in entities that are not 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.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

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.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

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.

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

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned and collection is reasonably assured. 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 consolidated financial statements in the year they become known.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Net financial assets (net debt)

The First Nation's consolidated 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 surplus (deficit).

Measurement uncertainty

The preparation of consolidated 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 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 seven 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.

Loan guarantees

The First Nation records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on current economic conditions facing the individual borrower and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the First Nation's statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. There are no prior service costs. Contributions are discretionary, and are based on 5% of participants' contributions, subject to annual maximums based on the Year's Maximum Pensionable Earnings (YMPE). The First Nation follows a policy of funding retirement plan contributions as accrued. The First Nation contributions totaled \$127,319 (2021 - \$117,159).

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Accounts receivable

	2022	2021
Due from government:		
Receiver General for Canada - HST	321,680	268,535
Due from members:		
Advances receivable	78,701	78,701
Rent receivable	63,586	53,446
Less: allowance for doubtful accounts	(142,287)	(132,147)
Total due from members - net	-	-
Due from others:		
Algonquin Power	108,049	114,880
Aramark	-	85,000
Boralex	-	105,010
District School Board Ontario North East	391,952	-
First Nations Finance Authority	1,956,253	77,845
Hydro One	126,632	-
Independent Energy System Operator	-	326,666
Agnico Eagle Mines Ltd. (Formerly Kirkland Lake Gold Inc.)	1,020,000	52,700
Wahgoshig First Nation	15,000	15,000
Other trade receivables	137,826	107,964
Less: allowance for doubtful accounts	(25,216)	(18,260)
Total due from others	3,730,496	866,805
	4,052,176	1,135,340

4. Investments

	2022	2021
Publicly traded shares and mutual funds	188,965	177,811
Mushkegowuk Regional Economic Development Limited Partnership	25,000	25,000
Ontario First Nation Sovereign Wealth LP	1	1
Yellow Falls Power LP	262,500	262,500
SE5 2013 LP	10	10
ASM Solar G1 LP	3,500	3,500
	479,976	468,822

5. Due from related First Nation entities

All related party balances are valued at the exchange amount, which is the amount agreed to by the parties. All amounts are unsecured with no terms of repayment.

	2022	2021
Island Falls Forestry	293,953	325,142
Coral Rapids Power	210,788	-
Kisis Aki Energy	10,136,353	-
	10,641,094	325,142

Included in accounts payable is \$4,842 due to Bussiere.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

6. Due from/to funding agencies

	2022	2021
Due from funding agencies:		
Canada Mortgage and Housing Corporation	5,416	5,416
Indigenous Services Canada	1,626,946	876,317
Mushkegowuk Council	124,877	351,288
Nishnawbe Aski Nation	149,605	58,696
OFNLP	-	437,266
Province of Ontario	13,693	136,373
Impact Assessment Agency of Canada	85,884	-
	2,006,421	1,865,356
Due to funding agencies:		
First Nation and Inuit Health Branch (FNIHB)	90,249	90,249
Indigenous Services Canada	350,646	300,270
Province of Ontario	385,546	385,546
	826,441	776,065

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 Corporation 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.

Bussiere operates a smoked meat shop in Cochrane, Ontario.

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:

Weekashin Domco Limited Partnership
As at December 31, 2017

Capital, beginning of year	271,417
Distributions made	-
Capital, end of 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, 2022

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 year ended March 31, 2022 is as follows:

	<i>Bussiere</i>	<i>Island Falls Forestry</i>	<i>Coral Rapids Power Corporation</i>
Assets			
Current assets	545,867	693,259	775,398
Non-Current assets	1,213,511	1,167,128	12,248,484
Total assets	1,759,378	1,860,387	13,023,882
Liabilities			
Current liabilities	1,386,610	2,079,183	1,056,860
Long-term debt	20,030	439,954	13,413,790
Total liabilities	1,406,640	2,519,137	14,470,650
Equity (deficit)	352,738	(658,750)	(1,446,768)
 Total revenue	 1,962,848	 7,142,942	 1,318,384
Total expenses	1,793,550	7,611,401	759,216
Annual surplus (deficit)	169,298	(468,459)	559,168
Equity (deficit), beginning of year	1,458,515	(190,291)	(973,783)
Dividends / Distributions	-	-	(1,032,153)
Equity (deficit), end of year	1,627,813	(658,750)	(1,446,768)

Investment in First Nation business entities is comprised of:

	2022	2021
Bussiere		
Equity	1,627,813	-
Net book value of purchase premium	2,596,550	-
	4,224,363	-
Kisis Aki Energy Inc.	1	1
Island Falls Forestry, at nominal value	1	1
	4,224,365	2

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

Name of business enterprise	Name of organization	Nature of transactions/balances
Coral Rapids Power Corporation	Taykwa Tagamou Nation	Distribution of dividends to Taykwa Tagamou Nation - \$1,032,153 (2021 - \$852,719)
Coral Rapids Power Corporation	CRP Opportunities LP	Management fees to CRP Opportunities LP - \$80,000 (2021 - \$80,000)
Bussiere	Taykwa Tagamou Nation	Purchase of goods and services - \$33,361

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
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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.

	2022	2021
Capital Trust		
Balance, beginning and end of year	134,388	134,388
Revenue Trust		
Balance, beginning of year	22,080	19,107
Interest	1,412	2,973
Balance, end of year	23,492	22,080
	157,880	156,468

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 monies on hand were sufficient to meet the CMHC reserve fund requirements.

Under the terms of debt agreements with First Nation Finance Authority, the First Nation is 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.

	2022	2021
CMHC Reserve Fund	33,930	26,100
FNFA Debt Reserve Fund	1,018,633	200,807
	1,052,563	226,907

10. Accounts payable and accruals

	2022	2021
Trade accounts payable	1,243,970	1,182,570
Government remittances payable	27,265	65,398
Payable to school boards	792,118	385,769
	2,063,353	1,633,737

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
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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 - Child Well Being Law	-	250,000	48,141	201,859
ISC - Early Learning and Childcare	243,060	105,761	-	348,821
ISC - Community Based Initiative	78,595	141,059	219,654	-
ISC - Community Involvement Government Capacity Development	75,000	-	7,022	67,978
ISC - Language and Culture	194,248	-	43,000	151,248
FNIHB - Pathfinders	100,995	707,762	808,757	-
Mushkegowuk - Homecare Program Other	86,664	-	6,728	79,936
Mushkegowuk - NAPS House	-	113,145	73,763	39,382
Ontario Power Generation - Grave Restoration	35,187	-	1,480	33,707
Rent - Rogers Communications	-	180,000	5,250	174,750
	813,749	1,497,727	1,213,795	1,097,681

12. Debt

	<i>2022</i>	<i>2021</i>
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.	2,302,900	2,382,573
First Nations Finance Authority promissory note bearing interest at 1.90%, repayable in blended monthly payments of \$4,383, amortized over twenty five years, renewable June 16, 2030 and secured by OFNLP funding and a general security agreement.	1,052,859	1,085,004
First Nations Finance Authority promissory note bearing interest at 3.06%, repayable in blended monthly payments of \$107,047, amortized over twenty five years, renewable March 2, 2041 and secured by funding from OFNLP, Kisik Aki Energy, Coral Rapids Power, Algonquin Power, as well as general security agreement.	16,218,698	-
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.	1,147,903	1,192,297
	20,722,360	4,659,874

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

2023	935,525
2024	936,423
2025	937,339
2026	938,273
2027	939,226
Thereafter	16,035,574
	20,722,360

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. 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.

On December 22, 2021, the Federal Court of Canada approved a settlement between Canada and certain First Nations and their members who were subject to a drinking water advisory that lasted at least one year between November 20, 1995 and June 20, 2021. Taykwa Tagamou Nation is eligible to participate in the settlement class, and has confirmed their acceptance by submitting a Band Council Resolution. The First Nation received \$500,000 on September 21, 2022 but is unable to reasonably estimate a value or range of outcomes for the settlement as another component is based on individual impacted members' claims which can be filed up to March 7, 2024.

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, which extended the fiscal periods in which qualifying expenditures could be incurred, before repayment could be required.

14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets includes \$2,107,570 (2021 - \$408,539) of assets that are fully amortized.

Buildings includes various construction projects with a carrying value of \$132,056 (2021 - \$1,340,575). No amortization of these assets has been recorded during the year because they are 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.

Any intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in the consolidated financial statements.

15. Accumulated surplus

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

	2022	2021
Equity in Ottawa Trust Funds	157,880	156,468
Equity in CMHC reserve fund	33,930	26,100
Equity in tangible capital assets	11,132,128	9,038,972
Unrestricted surplus (deficit)	175,871	(451,730)
OFNLP Fund	8,768	289,687
MNDM Fund	1,836,437	415,014
	<hr/> 13,345,014	<hr/> 9,474,511

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. Government transfers

	2022	2021
Indigenous Services Canada	3,567,853	3,727,276
First Nations and Inuit Health Branch	1,402,176	1,470,275
CMHC	64,992	92,432
Ministry of Mines & Ministry of Natural Resources and Forestry (by way of Mushkegowuk Council)	1,882,102	849,646
Other provincial and federal funding	1,409,929	1,157,958
	8,327,052	7,297,587

17. Other revenue

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

	2022	2021
Algonquin Power	369,333	393,532
Aramark	-	175,000
Boralex	174,942	330,386
Hydro One	175,032	124,665
IESO	115,954	137,819
Revenue sharing agreements	293,340	318,822
Other	276,023	255,895
	1,404,624	1,736,119

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 OFNLP, 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.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

19. Commitments

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

2023	92,589
2024	86,332
2025	50,700
229,621	

20. 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) in the amount of \$14,669,184 (2021 - \$15,370,430), where the First Nation has pledged its share ownership in CRP as collateral for the loan. This guarantee will remain in place until April 15, 2037. As at March 31, 2022, no liability has been recorded associated with this guarantee.

The First Nation has guaranteed the line of credit of Island Falls Forestry 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. As at March 31, 2022, no liability has been recorded associated with this guarantee.

21. 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 consolidated financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSAS.

22. Segments

During the year, 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 First Nation members under various programs.

SOCIAL SERVICES

-Provides a variety of services to First Nation members for family well being and related protective purposes.

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.

Taykwa Tagamou Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

23. 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 Indigenous Services Canada by July 29, 2022. 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.

24. Subsequent events

Subsequent to year-end, the First Nation purchased equipment for Takwata Builders LP for total purchase price of \$8,240,000 (inclusive of HST). This was financed via a loan from the First Nation Financial Authority with total proceeds of \$8,421,060.

Subsequent to year-end, the First Nation provided a loan to Island Falls Forestry for the purchase of equipment for total loan balance of \$2,206,683. This was financed via a loan from the First Nation Finance Authority with proceeds equal to the loan provided to Island Falls Forestry.

25. Acquired business enterprise

On October 12, 2021, the First Nation acquired 100% of the outstanding shares of Bussiere for cash consideration in the amount of \$4,121,643 inclusive of legal fees. The results of Bussiere's operations have been included in these consolidated financial statements since that date.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed on the date of acquisition. Third party valuations of certain intangible assets have been obtained and are reflected in the fair values below.

	As at October 12, 2021
Current assets	\$ 315,217
Tangible capital assets	1,256,913
Goodwill	<u>1,340</u>
Total assets acquired	1,573,470
Current liabilities	<u>114,955</u>
Net assets acquired	<u>\$ 1,458,515</u>

A purchase premium of \$2,663,128 arose on the purchase of Bussiere, representing the assessed value of the business over and above the value of its net assets. The purchase premium has been deferred and will be amortized to income using the straight-line method over a 20 year period.

26. Comparative figures

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