

Timiskaming First Nation
Consolidated financial statements
March 31, 2022

Timiskaming First Nation

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Management's Statement of Responsibility

The consolidated financial statements of the Timiskaming First Nation as of March 31, 2022, are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards ("PSAS") and, as such, include amounts that are the best estimates and judgments of management.

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

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

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

The external auditor, MNP LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the consolidated financial statements. The external auditor has full and free access to financial management of Timiskaming First Nation and meets when required.

On behalf of Timiskaming First Nation:

A handwritten signature in black ink, appearing to read "Christine Goss", written over a horizontal line.

Signature and title
for Timiskaming First Nation

Independent Auditor's Report

To the Chief and Council of
Timiskaming First Nation

Qualified Opinion

We have audited the consolidated financial statements of Timiskaming First Nation (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, except for the possible effects of the matter 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 Organization as at March 31, 2022, and the results of its consolidated operations, its changes in net financial assets and its consolidated cash flows for the year then ended in accordance with the Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

As explained in Note 2, the Organization has not accounted for the investment in Widjikiwe Gas Bar LP using the modified equity method because it has not yet been able to obtain data related to this entity. Under Canadian public sector accounting standards, the Organization should have accounted for this entity using the equity method. Had Widjikiwe Gas Bar LP been properly accounted for, the surplus for the year ended March 31, 2022 and 2021 and financial assets as at March 31, 2022 and 2021 should have been adjusted. The amount of the adjustments linked to this departure has not been determined. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified because of the effects of this departure from PSAS.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Organization 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

We draw attention to the fact that the Organization includes, in its consolidated financial statements, certain financial information that is not required by the PSAS. This information, prepared in accordance with the requirements of Indigenous Services Canada ("ISC"), addresses the conciliation to ISC financial reporting requirement on page 2. The Organization also choose to present a consolidated statement of cumulative operating surplus on page 3, a consolidated statement of net investment in capital assets in page 4 and schedules on pages 22 to 205. Our opinion is not modified in respect of this matter.

Other Matter

The Organisation has prepared a set of consolidated financial statements for general purpose for the year ended March 31, 2022 in accordance with PSAS on which we issued an auditor's report dated March 21, 2023.

Other Matter - Restriction on Use

These special purpose consolidated financial statements have been prepared to assist the Organization to comply with the Financial Reporting Requirements in the Indigenous Services Canada Financial Reporting Guide. Our report is intended solely for the Organization and Indigenous Services Canada and should not be used by parties other than the Organization and Indigenous Services Canada.

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 the PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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 Organization 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.

¹
MNP LLP
MNP LLP

Amos (Québec)
March 21, 2023

¹ CPA auditor, public accountancy permit No.A121190

Timiskaming First Nation
Consolidated statement of operations
Year ended March 31, 2022

	2022	2021
Revenues		
ISC - Fixed Contribution	11,903,280	5,064,696
ISC - Block Contribution	10,973,868	9,244,195
ISC - Flexible Contribution	10,426,898	3,059,310
ISC - Set Contribution	442,000	269,616
Administration fees	609,995	595,665
Canadian Mortgage and Housing Corporation (CMHC)	176,111	173,924
Contracts	-	16,800
First Nations Education Council (FNEC)	833,777	1,051,365
ANHRSDC	106,327	181,426
Ministère de la Culture et des Communications	60,000	49,500
Ministère des Forêts, de la Faune et des Parcs	110,000	135,000
Rent revenues	335,360	287,576
Review letters and (refundable surplus) recoverable deficit	(245,884)	(178,602)
Secrétariat aux Relations avec les Premières Nations et les Inuit (SRPNI)	224,592	224,592
Sécurité publique du Québec	395,571	399,525
Public Safety and Emergency Preparedness Canada	428,535	1,017,819
Transfer from (to) Social Assistance program	(14,625)	(19,194)
Western Quebec School Board Invoicing	167,858	162,941
Withdrawal from replacement reserve	26,433	30,784
Other revenues	2,296,619	4,716,196
Deferred revenue from previous year	5,630,689	4,509,406
Deferred revenue to following year	(18,893,144)	(5,630,689)
	25,994,260	25,361,851

Timiskaming First Nation
Consolidated statement of operations
Year ended March 31, 2022

	2022	2021
Expenses (Note 23)		
Band government	78,967	40,622
Administration	1,830,891	1,824,163
Education	5,078,238	4,680,539
Health	5,501,962	4,564,431
Public works	2,100,710	1,931,678
Public security	797,459	782,873
Social assistance	1,017,486	1,269,610
Housing	441,480	249,078
Economic development	2,046,500	2,312,106
Natural resources	679,026	560,937
Other	79,553	68,431
	19,652,272	18,284,468
Surplus of the year	6,341,988	7,077,383
Conciliation to ISC financial reporting requirements		
Surplus for the year under PSAS	6,341,988	7,077,383
Proceeds from long-term debt	663,500	888,550
Reimbursement of long-term debt	(466,239)	(425,306)
Acquisition of capital assets	(7,640,924)	(4,103,717)
Surplus (deficit) under ISC financial reporting requirements (1)	(1,101,675)	3,436,910

- (1) The operating surplus under ISC financial reporting requirements before amortization, loss on disposal and proceeds from disposal of capital assets is \$415,736 (surplus of \$4,900,132 in 2021).

The accompanying notes are an integral part of the consolidated financial statements.

Timiskaming First Nation
Consolidated statement of cumulative operating surplus
Year ended March 31, 2022

	2022	2021
Balance at beginning of year	2,811,358	1,483,988
Surplus of the year	6,341,988	7,077,383
Transfer to net investment in capital assets		
Acquisition of capital assets	(7,640,924)	(4,103,717)
Amortization, (gain) loss on disposal of capital assets and proceeds from disposal of capital assets	1,517,410	1,463,222
Proceeds from long-term debt	663,500	738,550
Reimbursement of long-term debt	(466,239)	(425,306)
Allocation to Community Arena reserve	-	(3,578,682)
Adjustment of reserves funds - Article 95	(180,522)	155,920
Balance at end of year	3,046,571	2,811,358

The accompanying notes are an integral part of the consolidated financial statements.

Timiskaming First Nation
Consolidated statement of net investment in capital assets
Year ended March 31, 2022

	2022	2021
Net investment in capital assets at beginning of year	25,310,303	24,022,685
Variation of net investment in capital assets		
Plus:		
Acquisition of capital assets	7,640,924	4,103,717
Reimbursement of long-term debt	466,239	425,306
Transfer of loans to Widjikiwe Gas Bar LP	-	1,277,000
	8,107,163	5,806,023
Less:		
Proceeds from long-term debt	663,500	738,550
Amortization, (gain) loss on disposal of capital assets and proceeds from disposal of capital assets	1,517,410	1,463,222
Transfer of capital assets to Widjikiwe Gas Bar LP	-	2,316,633
	2,180,910	4,518,405
Net investment in capital assets at end of year	31,236,556	25,310,303


The accompanying notes are an integral part of the consolidated financial statements.

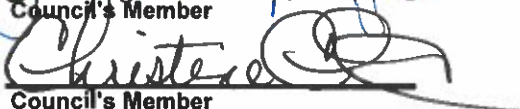
Timiskaming First Nation
Consolidated statement of financial position
As at March 31, 2022

	2022	2021
Financial assets		
Cash	12,405,311	9,904,496
Accounts receivable (Note 4)	15,961,805	5,862,218
Restricted cash and deposits (Note 6)	837,011	825,829
	29,204,127	16,592,543
Liabilities		
Accounts payable and accrued liabilities (Note 9)	2,416,904	3,447,650
Due to ISC (Note 10)	226,945	120,349
Deferred revenue (Note 11)	18,893,144	5,630,689
Due to Widjikiwe Gas Bar	156,657	259,807
Current portion of long term debt (Note 12)	344,179	616,055
Long-term debt (Note 12)	3,803,062	3,333,925
	25,840,891	13,408,475
Net financial assets	3,363,236	3,184,068
Non-financial assets		
Prepaid expenses (Note 5)	165,346	96,499
Capital assets (Note 7)	35,233,800	29,110,286
	35,399,146	29,206,785
Accumulated surplus (Note 14)	38,762,382	32,390,853

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the First Nation's Council


 Council's Member


 Council's Member

Timiskaming First Nation
Consolidated statement of changes in net financial assets
Year ended March 31, 2022

	2022	2021
Surplus for the year	6,341,988	7,077,383
Changes in capital assets		
Acquisition of capital assets	(7,640,924)	(4,103,717)
Proceeds from disposal of capital assets	33,500	190,000
Amortization	1,442,911	1,337,724
Loss (gain) from disposal of capital assets	40,999	(64,502)
	(6,123,514)	(2,640,495)
Changes in other non financial assets		
Change in the prepaid expenses	(68,847)	115,625
Changes in non-operational surpluses and reserves		
Transfer to replacement reserve - Article 95	44,650	40,050
Use of replacement reserve - Article 95	(26,433)	(30,784)
Interests added to replacement and operating reserve funds - Article 95	7,491	6,429
Increase in in-trust fund	3,832	3,011
Transfer of loans to Widjikiwe Gas Bar LP	-	1,277,000
	29,540	1,295,706
Changes in net financial assets	179,167	5,848,219
Net financial assets (debt) at beginning of year	3,184,068	(2,664,151)
Net financial assets at end of year	3,363,235	3,184,068

The accompanying notes are an integral part of the consolidated financial statements.

Timiskaming First Nation
Consolidated statement of cash flows
Year ended March 31, 2022

	2022	2021
Operating activities		
Surplus for the year	6,341,988	7,077,383
Items not affecting cash		
Amortization	1,442,911	1,337,724
Loss (gain) from disposal of capital assets	40,999	(64,502)
	7,825,898	8,350,605
Changes in non-cash operating working capital items (Note 16)	2,066,721	2,000,984
	9,892,619	10,351,589
Investing activities		
Acquisition of capital assets	(7,640,924)	(4,103,717)
Proceeds on disposal of capital assets	33,500	190,000
Increase of the restricted cash and deposit	(11,182)	(10,359)
	(7,618,606)	(3,924,076)
Financing activities		
Transfer to replacement reserve - Article 95	44,650	40,050
Use of replacement reserve - Article 95	(26,433)	(30,784)
Interests added to replacement and operating reserve funds - Article 95	7,491	6,429
Increase in in-trust fund from ISC	3,832	3,011
Proceeds from long-term debt	663,500	888,550
Reimbursement of long-term debt	(466,239)	(425,306)
	226,801	481,950
Net increase in cash and cash equivalents	2,500,814	6,909,463
Cash and cash equivalents, beginning of year	9,904,496	2,995,033
Cash and cash equivalents, end of year	12,405,310	9,904,496

See additional information presented in Note 16.

The accompanying notes are an integral part of the financial statements.

Timiskaming First Nation
Notes to the consolidated financial statements
March 31, 2022

1. Description of the Organization

Timiskaming First Nation (the "First Nation") is an unincorporated legal body as defined in the Indian Act. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards.

Principle of consolidation

The consolidated financial statements include the accounts of the First Nation and the organizations under its control. The First Nation controls 100% of Widjikiwe Holdings Corp. (WHC - company incorporated under the Canada Business Corporation Act) which is fully responsible of Widjikiwe L.P., TFN Construction L.P. (TFNCLP) and Widjikiwe Gas Bar L.P. (WGB) as general partner of this limited partnership. The First Nation is the limited partner. Transactions concluded between these organizations and reciprocal balances are eliminated. Nevertheless, the reciprocal balances have not been eliminated in the information of the schedules presented on pages 184 to 190 neither than in the segment disclosure (Note 24) and WGB has not been properly accounted by using the equity method.

Cash and cash equivalents

Cash and cash equivalents include cash, bank overdraft, bank loan and short-term investments with a term to maturity of three months or less at the date of acquisition. In addition, cash and term deposits that the First Nation cannot use for current transaction because they are pledged as collateral are excluded from cash and cash equivalents.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated using the following method at the following rate and over the following periods:

	Methods	Rate and periods
Community buildings	Diminishing balance	2.50%
Private Housing	straight-line	25 years
Motorized equipment	Declining balance	10.00%, 20.00% and 30.00%
Roadway system	Declining balance	2.50%
Office and other equipment	Declining balance	20.00% and 30.00%
Water and sanitation systems	Declining balance	2.50%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Timiskaming First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Loans

Loans with significant concessionary terms are presented at fair value discounted by the amount of the grant portion.

2. Significant accounting policies (continued)

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Other revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

Revenues and expenses related to the acquisition of capital assets

Revenues and expenses related to the acquisition of capital assets are primarily recorded in the net investment in capital assets when the related capital expenses are recorded, provided that the First Nation meets the eligibility criteria.

Use of estimates

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets, the deferred revenue, the evaluation of certain accrued liabilities and liabilities under legal contingencies. Actual results could differ from these estimates.

Pension plan

The cost of the defined pension plan is equal to the pension plan expense.

The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

3. Canada Emergency Wage Subsidy

During the fiscal year, in the context of the COVID-19 pandemic, TFNCLP qualified as an eligible employer for the Canada Emergency Wage Subsidy (CEWS) by demonstrating that it reached a percentage decrease in required income during the program eligibility period. Therefore, the Organization is entitled to a subsidy representing from 50% to 75% of the eligible salaries for employees. Subsidies received were inscribed against salaries.

Timiskaming First Nation
Notes to the consolidated financial statements
March 31, 2022

4. Accounts receivable

	2022	2021
ISC receivable	12,773,643	3,127,269
CMHC receivable	697,807	45,626
First Nations Education Council receivable	164,584	32,201
Public Safety and Emergency Preparedness Canada receivable	226,631	686,848
SRPNI receivable	482,000	548,357
Rent receivable - Article 95	19,313	22,219
Rent receivable - Band housing	113,238	108,893
Western Quebec School Board receivable	100,213	119,288
Other accounts receivable	1,649,041	1,074,196
SOCCA - Receivable	-	25,000
Canada Economic Development (CED)	-	116,763
Sécurité pulique du Québec receivable	14,052	94,014
Canada Emergency Wage Subsidy	55,194	214,087
	16,295,716	6,214,761
Allowance for doubtful accounts	(333,911)	(352,543)
	15,961,805	5,862,218

5. Prepaid expenses

	2022	2021
Prepaid expenses - Post-secondary	51,689	51,689
Prepaid expenses - Other	113,657	44,810
	165,346	96,499

6. Restricted cash and deposits

	2022	2021
In-trust fund - Capital and revenues accounts	246,377	242,545
Replacement reserve fund (Note 15)*	513,606	343,680
Operating reserve fund*	77,028	239,604
	837,011	825,829

* Under the agreement with CMHC, an annual amount for housing units must be invested for the replacement reserve in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then capital. As at March 31, 2022, the Organization underfunded the combined minimal amounts to be invested in the replacement reserve (\$517,870) and in the operating reserve (\$116,251) by \$43,487.

Timiskaming First Nation
Notes to the consolidated financial statements
March 31, 2022

7. Capital assets

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Land	809,842	-	809,842	779,842
Community buildings	23,224,543	6,081,373	17,143,170	10,687,517
Private Housing	9,121,576	4,050,143	5,071,433	5,137,901
Motorized equipment	4,102,449	2,242,872	1,859,577	2,052,475
Roadway system	8,552,464	6,133,442	2,419,022	2,481,048
Office and other equipment	2,293,457	1,515,395	778,062	935,055
Water and sanitation systems	9,614,034	2,461,340	7,152,694	7,036,448
	57,718,365	22,484,565	35,233,800	29,110,286

Assets under construction, included in Community buildings and Private housing for an amount of \$8,784,734 (\$1,915,092 as of March 31, 2021) are not amortized as at March 31, 2022.

8. Bank loan

TFN Construction L.P. has an authorized bank loan for an amount of \$75,000, bearing interests at prime rate (2.70% as at March 31, 2022) plus 1.25%. No amount has been used as of March 31, 2022.

9. Accounts payable and accrued liabilities

	2022	2021
Suppliers	1,740,535	2,467,401
Salaries, vacation and pension plan	331,308	424,022
Remittances payable	38,492	153,229
Other	306,569	402,998
	2,416,904	3,447,650

10. Due to ISC

	2022	2021
Medical Transportation	185,016	73,744
Water Quality	12,060	10,872
Estates Management Program	-	2,262
Community Arena	-	3,602
Advisory Services - Housing	23,954	23,954
Culture	5,915	5,915
	226,945	120,349

Timiskaming First Nation
Notes to the consolidated financial statements
March 31, 2022

11. Deferred revenue

	<i>Project</i>	2022	2021
Schedule 1 - Registry and Land Management	3610000	-	27,153
Schedule 2 - ISC - Block Unexpended funding	4100000	757,350	-
Schedule 7 - Capacity Development - Electoral Code	4000002	10,000	10,000
Schedule 11 - Mentorship & Capacity Building	4000011	51,387	89,000
Schedule 12 - HR Software & Training	4000012	8,930	27,000
Schedule 13 - Food Storage Shelter	4000014	18,950	32,952
Schedule 14 - Emergency Management Assistance - COVID-19	4000008	205,531	87,864
Schedule 15 - EMA COVID-19 - ICSF 3 - ISC	4000010	52,702	83,792
Schedule 23 - Special Education	2121000	-	138,021
Schedule 24 - Skills Link // Youth Programs - Science and Technology	2137000	12,992	18,009
Schedule 26 - Skills Link // Youth Programs - Career Promotion and Awareness	2136000	20,037	15,254
Schedule 28 - Skills Link FNEC - Youth Employment ITC	1006500	-	2,168
Schedule 34 - Continuous School Improvement - FNEC	2142000	59,510	120,174
Schedule 36 - Partnership Initiative	2143000	49,528	83,066
Schedule 37 - Storytelling Spaces	2062000	4,121	20,000
Schedule 38 - Together We Speak	2063000	-	19,500
Schedule 40 - Instruction Services - Administration - COVID-19	2110000	30,637	37,337
Schedule 43 - Indigenous Language Preservation	2238000	135,272	-
Schedule 46 - ISC Health - Block Unexpended Funding	1005000	955,099	480,056
Schedule 47 - Water Quality	1000460	10,872	-
Schedule 52 - Health Services Integration Fund (HSIF)	1000300	91,035	26,809
Schedule 56 - Jordan's Principle	1000150	554,976	1,134,772
Schedule 60 - Medical Transportation	1003000	-	116,757
Schedule 61 - Travel/accommodation Expenses For Health Professionals (code Q019)	1003100	-	3,500
Schedule 65 - Diabetes Education	1008800	-	31,043
Schedule 66 - Health Careers (HCR)	1000400	4,509	-
Schedule 73 - First Line Project	1008600	93,519	143,521
Schedule 74 - Mental Wellness Team	1004300	-	-
Schedule 75 - Tobacco Reduction Program	1003360	46,782	33,386
Schedule 77 - Prescription drug abuse	1000470	-	47,367
Schedule 78 - Mental Health - MHC - Traditionnal Healer	1004000	22,142	16,520
Schedule 80 - Prevention Projects (Family Violence)	2420000	-	32,084
Schedule 81 - Infrastructure - Renovation	1002300	12,080	12,080
Schedule 87 - COVID-19 Testing Center	1001600	135,490	135,490
Schedule 89 - Family Violence Prevention - FNQLHSSC	1002700	-	3,705
Schedule 90 - Cancer Control - FNQLHSSC	1002800	19,379	11,367
Schedule 92 - Second Harvest	1008700	13,151	6,825
Schedule 93 - Sports Participation - FNQLHSSC	1002400	6,498	1,485
Schedule 96 - FNCFS - CWJI - Retro	1008300	155,781	-
Schedule 97 - FNCFS - CWJI	1008500	21,325	-
Schedule 101 - Eco Center - Operations	4227001	-	58,328
Schedule 102 - Eco center - Upgrade	4220000	15,811	105,667
Schedule 104 - Other Community Infrastructure (OCI)	4243000	205,386	-
Schedule 105 - Ventilation System - Band Office	4246000	55,360	-
Schedule 106 - Kiwetin Extension	4270000	3,715,835	576,794
Schedule 107 - Drinking Water Upgrade	4227000	20,651	342,143
Schedule 112 - Road Reconstruction - phase 1	4211000	5,511,459	-
Amounts to be carried forward		13,084,087	4,130,989

Timiskaming First Nation
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11. Deferred revenue (continued)

	<i>Project</i>	2022	2021
Amounts carried forward		13,084,087	4,130,989
Schedule 113 - Community Hall/Youth Center Construction	2625000	2,647,119	-
Schedule 116 - By-Law Coordinator / Enforcement Officer	4249000	74,138	-
Schedule 117 - Water / Wastewater	4267000	307,434	-
Schedule 120 - Police Operations	4127200	85,565	12,602
Schedule 122 - Police Station Construction	1009600	415,893	585,000
Schedule 129 - Pre-Employment Support Program	2320000	535,204	357,263
Schedule 130 - Basic Needs - COVID-19	2301000	204,422	150,271
Schedule 131 - Service Delivey - COVID-19	2337000	28,787	29,467
Schedule 132 - Basic needs COVID-19 - FNQLHSSC	2312000	119,263	-
Schedule 137 - Housing construction 18 Chevrier ST.	3000015	185,108	-
Schedule 140 - RRAP - 70 Richards Rd.	4000069	-	1,311
Schedule 141 - Housing construction 20 Makwa	3000017	183,566	-
Schedule 145 - Capital Planning Project Infrastructure - Housing	4248000	-	92,535
Schedule 146 - RRAP - 22 Polson Street	4000071	11,335	14,243
Schedule 147 - Housing Renovations 2020-21	3000010	43,147	61,805
Schedule 149 - Housing construction 18 Makwa	3000016	183,843	-
Schedule 152 - Housing - Rehabilitation of 3 Saltings	4000020	15,125	31,417
Schedule 156 - Radio Station (CHNT 92.3)	4007000	97,059	55,808
Schedule 175 - CEAA	2808000	391,362	92,878
Schedule 177 - Impact Assessment Agency Canada	2807000	229,193	-
Schedule 179 - Emergency Preparedness	2000000	15,100	15,100
Schedule 183 - FNQ - Initiative to Combat Poverty	2430000	36,394	-
		18,893,144	5,630,689

12. Long-term debt

	2022	2021
Loans from CMHC, 0.69% to 2.68%, guaranteed by ISC, payable by monthly instalments of \$302 to \$2,008, capital and interests, maturing from 2028 to 2046	2,312,311	2,433,914
Loan, 5.55%, guaranteed by a construction and excavating equipment with a net book value of \$93,713, payable by monthly instalments of \$2,712, capital and interest, maturing in 2026	96,568	122,950
Loan, 3.33%, reimbursed in April 2021	-	8,202
Loan from SOCCA, 5.50%, guaranteed and repaid by the Secrétariat aux relations avec les Premières Nations et les Inuit by semi-annual repayments of \$46,296 principal and interest, maturing in 2024	131,707	213,668
Amounts to be carried forward	2,540,586	2,778,734

Timiskaming First Nation
Notes to the consolidated financial statements
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12. Long-term debt (continued)

	2022	2021
Amounts carried forward	2,540,586	2,778,734
Loan from SOCCA, 6.50%, no guarantee, payable by monthly instalments of \$3,542, capital and interests, maturing in 2035	353,673	372,505
Loan, 5.99%, guaranteed by a motorized equipment with a net book value of \$22,381, payable by monthly instalments of \$1,081, capital and interests, maturing in 2024	22,548	33,796
Loan, 5.99%, guaranteed by a motorized equipment with a net book value of \$23,206, payable by monthly instalments of \$1,121, capital and interests, maturing in 2024	20,313	32,153
Obligation under capital lease, 5.30%, reimbursed in April 2021	-	127,174
Loan from SOCCA, 6.50%, guaranteed by a chattel mortgage on the universality of all present and future assets and by Timiskaming First Nation, payable by monthly instalments of \$6,359, capital and interest, maturing in 2029	407,621	455,618
Temporary loan, reimbursable at the reception of a subsidy, reimbursed in 2022	150,000	150,000
Loans in progress, approved by CMHC, with a term of 5 years, interest and other terms to be determined	652,500	-
	4,147,241	3,949,980
Current portion	344,179	616,055
	3,803,062	3,333,925

Capital payments due within each of the next five years are as follow:

	\$
2022	344,179
2023	304,872
2024	250,241
2025	234,665
2026	235,126

13. Reserves

These reserves are created from the cumulative operating surplus. When events for which they were created occur, they shall be returned to the cumulative operating surplus.

	2022	2021
Reserve for health contingencies (Note 13)	20,074	20,074
Reserve for Community Arena (Note 13)	3,578,682	3,578,682
	3,598,756	3,598,756

Timiskaming First Nation
Notes to the consolidated financial statements
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14. Accumulated surplus

	2022	2021
Reserve for health contingencies (Note 13)	20,074	20,074
Reserve for Community Arena (Note 13)	3,578,682	3,578,682
In-trust fund (Note 6)	246,377	242,545
Operating reserve fund	116,251	84,211
Replacement reserve (Note 15)	517,870	343,680
Net investment in capital assets	31,236,556	25,310,303
Cumulative operating surplus	3,046,571	2,811,358
	38,762,381	32,390,853

15. Replacement reserve

The main categories of external restrictions related to fund balances are as follows:

	2022	2021
Balance at beginning of the year	343,680	478,611
Add: Current year addition	44,650	40,050
Adjustment from CMHC	149,566	(149,566)
Use of replacement reserve	(26,433)	(30,784)
Interests earned	6,407	5,369
Balance at end of the year	517,870	343,680

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually. These funds along with accumulated interests must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interests first and then capital.

16. Additional information relating to the statement of cash flows

Changes in non-cash operating working capital items:

	2022	2021
Accounts receivable	(10,099,587)	(1,202,024)
Prepaid expenses	(68,847)	115,625
Accounts payable and accrued liabilities	(1,030,746)	1,758,183
Due to ISC	106,596	49,840
Due to Widjikiwe Gas Bar	(103,150)	259,807
Deferred revenue	13,262,455	1,117,146
ISC - Unexpended Funding	-	(1,730)
Deferred revenue - long-term	-	(95,863)
	2,066,721	2,000,984

17. Cumulative operating and funds balances

The cumulative operating and funds balances as at March 31, 2022, do not take in consideration possible modifications following the review and analysis of the present consolidated financial statements by the ISC, CMHC and FNEC. Any adjustment, including deferred revenue, resulting from this analysis will be recorded in the current year as an adjustment in the funds or the results.

18. Budget

Budget results are provided for comparison purposes; they present estimates approved by the First Nation's Council. Budget figures are presented in each statement of revenues and expenses by project, when available.

19. Pension plan

The First Nation supports the contributory defined benefit pension plan for substantially all of its employees (rates for the police department are described below). It is a multiemployer plan that is administered by the Native Benefit Plan. The pension for native employees is 8.50% of the gross salary and the employer contributes 1.82 times the employee contribution, for the non-native it is 6.80% of the gross salary and the employer contributes 1.82 times the employee contribution.

For the police department, the rate is 9.50% of the gross salary for the native employees and 7.20% for the non-native employees. The employer's contribution is 2 times the amount.

An expense of \$636,352 (\$413,542 in 2021) is included in salaries and fringe benefits of various departments.

20. Financial instruments

Fair value of financial assets and liabilities

The fair value represents approximately the amounts of the financial instruments that would be exchanged between the consenting parties, according to the current market value of instruments for which the risk, capital and duration are the same. Certain estimates and decisions were required to arrive at the fair value of financial instruments which was based upon actualization and other evaluation methods which depend largely on hypothesis of estimated cash flows and the actualization rate depending on different degrees of risk.

The fair value of cash, accounts receivable, restricted cash and deposits, accounts payable and accrued liabilities, due to ISC and due to Widjikiwe Gas Bar is approximately equal to their carrying value due to their short-term maturity date.

As at March 31, 2022, the net book value of all financial instruments corresponded approximately to their fair value with the exception of the following item:

	Net book value	Fair value
Long-term debt	4,147,241	3,930,287

Credit risk

The First Nation provides credit to its tenants in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses.

Interest rate risk

The long-term debt mainly bears interest at fixed rates. Consequently, the cash flows exposure is not significant. However, the fair value of loans having fixed rates of interest could fluctuate with changes in market interest rates. The short-term loans represent a limited exposure to interest rate risk due to their short-term maturity.

21. Contingencies, guaranties and contractual rights and obligations

The First Nation entered into forgivable loans agreements with CMHC for the Residential Rehabilitation Assistance Program On-Reserve (RRAP). If the same person owns and occupies the house for the term of the loan, which could vary for periods from two to five years, ending different dates, the loan will be earned of the full amount. Failing which, the unearned portion of this forgivable loan plus interests will become due and payable. The First Nation must notify CMHC if the property is sold, rented or transferred before the loan being fully earned. In that case, CMHC, at its sole discretion, could approve an assignment of this forgivable loan if the property is sold to a Band member who is eligible and meets the RRAP program criteria. As at March 31,

In March 2022, a new policing infrastructure funding agreement was signed by the provincial and federal governments and the First Nation. The federal contribution amounts to a maximum of \$3,026,400 or 52% of the project and a payment of \$585,000 has been received for our period ending March 31, 2022 (see Schedule 122). A sum of \$2,441,400 is expected for 2022-2023. The provincial contribution is in the form of a capital repayment of a loan not exceeding \$2,793,600 or 48% of the project. A sum of \$2,498,600 is expected in 2022-2023 and \$295,000 in 2023-2024.

For the purposes of the Community hall/youth Center construction project, a grant with Development Agency of Canada was signed in March 2022. This agreement provides, in the form of presentation of eligible invoices, for a transfer of funds of a maximum of \$750,000, including \$675,000 expected in 2022-2023 and \$75,000 in 2023-2024.

For the purposes of the community hall/youth Center construction project, a grant with Le Secrétariat aux relations avec les Premières Nations et les Inuit was signed in March 2022 to conclude funding for a maximum amount of \$1,490,926 through a reimbursement of a loan contracted for this purpose by the organization in a financial institution.

The First Nation has guaranteed personal housing loans from members of the community for an amount of \$311,000 as at March 31, 2022.

The First Nation has guaranteed a credit line from Widjikiwe Gas Bar L.P. for a maximum of \$150,000.

As previously described, the First Nation is the limited partner of Widjikiwe Gas Bar L.P. (WGB). Without limitation, this entity has certain commitments of which here are a few:

WGB have entered into a supply contract for the purchase of gasoline stocks from an exclusive supplier. This ten (10) years contract will expire in November 2030.

WGB have also entered into a supply contract for the purchase of general merchandise, dry goods and food products from an exclusive supplier. In return, the supplier shall advance to Widjikiwe Gas Bar L.P. \$80,000 in the form of cash, gratuities, rebates or incentive. This seven (7) years contract will expire in November 2027.

22. Subsequent event

A situation concerning the RBA pension plan was discovered after the end of the financial year concerning the fact that the pension plan is compulsory and not voluntary. This implies, when certain conditions are met, that the employee must contribute as well as the employer. It turns out that several individuals should have been covered by this plan but were not. The First Nation is currently assessing the amounts involved and analyzing the various options available. It is currently impossible to assess the outcome of this situation and the amount that the First Nation could, if necessary, have to pay. No provision has been recorded in the consolidated financial statements.

Timiskaming First Nation
Notes to the consolidated financial statements
March 31, 2022

23. Expenses by object

	2022	2021
Salaries	7,181,699	6,424,631
Fringe benefits	1,447,313	970,019
Administration fees	480,552	571,628
Amortization	1,442,911	1,337,724
Allocations	1,389,119	1,691,688
Bad debt (recovery)	(18,632)	56,018
Council - Honoraries	62,379	45,675
Contracts	1,442,503	810,259
Contracts - Rental of equipment	36,393	17,975
Eating Healthy Education	-	5,419
Election expenses	13,300	264
Electricity	178,824	159,682
FNEC Membership fees	-	2,000
Emergency (covid)	163,103	385,754
Insurances	284,956	222,444
Interests an bank charges	50,753	9,756
Interests on long-term debt	116,143	134,906
Loss (gain) on disposal of capital assets	40,999	(64,502)
Maintenance	357,831	301,526
Material and supplies	2,139,188	2,290,836
Medical transportation	6,443	42,213
Professional fees	578,820	597,827
Professional fees (audit, accounting support & consultants)	190,902	131,167
Professional fees (legal)	270,883	129,510
Purchase of fuel	173,164	128,814
Summer Camp	-	235
Telecommunication	112,803	113,724
Training	73,228	103,263
Transfer to replacement reserve	44,650	40,050
Travel expenses	197,074	136,572
Tuition fees	928,583	914,823
Workshops	188,807	162,312
Other expenses	77,580	50,731
Transfer to Widjikiwe Gas Bar L.P.	-	356,167
Management fees	-	3,358
	19,652,271	18,284,468

Timiskaming First Nation
Notes to the financial statements
March 31, 2022

24. Segment disclosure

	Band government		Administration	
	2022	2021	2022	2021
Revenues				
Federal government transfers	50,207	67,775	1,253,014	1,919,624
Provincial governments transfers	-	-	-	-
Other revenues	(729,672)	(27,153)	643,575	265,543
	(679,465)	40,622	1,896,589	2,185,167
Expenses				
Salaries and fringe benefits	52,376	35,196	964,188	602,244
Interests on long-term debt	-	-	-	-
Amortization	-	-	16,086	15,738
Other expenses	26,591	5,426	850,615	1,281,530
	78,967	40,622	1,830,889	1,899,512
	(758,432)	-	65,700	285,655
	Education		Health	
	2022	2021	2022	2021
Revenues				
Federal government transfers	5,613,316	5,062,006	5,605,854	5,176,179
Provincial governments transfers	167,858	202,441	102,000	52,000
Other revenues	308,587	(284,531)	(280,332)	(884,958)
	6,089,761	4,979,916	5,427,522	4,343,221
Expenses				
Salaries and fringe benefits	2,714,681	2,326,461	2,366,045	2,281,074
Interests on long-term debt	-	-	-	-
Amortization	186,589	104,797	187,832	146,056
Other expenses	2,178,318	2,270,727	2,967,668	2,162,051
	5,079,588	4,701,985	5,521,545	4,589,181
	1,010,173	277,931	(94,023)	(245,960)

Timiskaming First Nation
Notes to the financial statements
March 31, 2022

24. Segment disclosure (continued)

	Public works		Public security	
	2022	2021	2022	2021
Revenues				
Federal government transfers	19,392,261	3,451,966	405,811	1,017,819
Provincial governments transfers	92,592	92,592	395,571	399,525
Other revenues	(10,833,852)	3,464,691	108,011	(592,895)
	8,651,001	7,009,249	909,393	824,449
Expenses				
Salaries and fringe benefits	781,188	610,713	571,469	552,664
Interests on long-term debt	10,654	16,991	-	-
Amortization	436,320	393,102	42,293	41,171
Other expenses	900,143	957,579	183,697	189,038
	2,128,305	1,978,385	797,459	782,873
	6,522,696	5,030,864	111,934	41,576
	Social assistance		Housing	
	2022	2021	2022	2021
Revenues				
Federal government transfers	1,763,845	1,801,409	486,586	933,517
Provincial governments transfers	-	-	-	-
Other revenues	(246,037)	(306,323)	(114,936)	135,432
	1,517,808	1,495,086	371,650	1,068,949
Expenses				
Salaries and fringe benefits	106,039	113,875	130,946	117,404
Interests on long-term debt	-	-	33,527	33,462
Amortization	-	-	388,640	381,669
Other expenses	911,447	1,155,735	280,852	551,739
	1,017,486	1,269,610	833,965	1,084,274
	500,322	225,476	(462,315)	(15,325)

Timiskaming First Nation
Notes to the financial statements
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24. Segment disclosure (continued)

	Economic development		Natural resources	
	2022	2021	2022	2021
Revenues				
Federal government transfers	404,092	404,089	69,926	55,280
Provincial governments transfers	90,000	90,000	110,000	135,000
Other revenues	1,331,665	3,849,533	499,100	267,714
	1,825,757	4,343,622	679,026	457,994
Expenses				
Salaries and fringe benefits	617,070	493,441	284,950	224,601
Interests on long-term debt	71,962	113,155	-	-
Amortization	149,976	227,044	-	-
Other expenses	1,500,942	1,871,613	394,076	359,336
	2,339,950	2,705,253	679,026	583,937
	(514,193)	1,638,369	-	(125,943)
	Other		Total	
	2022	2021	2022	2021
Revenues				
Federal government transfers	-	(5,915)	35,044,912	19,883,749
Provincial governments transfers	-	-	958,021	971,558
Other revenues	39,680	39,088	(9,274,211)	5,926,141
	39,680	33,173	26,728,722	26,781,448
Expenses				
Salaries and fringe benefits	40,060	36,977	8,629,012	7,394,650
Interests on long-term debt	-	-	116,143	163,608
Amortization	35,175	28,147	1,442,911	1,337,724
Other expenses	4,320	3,307	10,198,669	10,808,081
	79,555	68,431	20,386,735	19,704,063
	(39,875)	(35,258)	6,341,987	7,077,385

The segment disclosure is presented before elimination of revenues and expenses for consolidation purpose.

25. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.