

WAHTA MOHAWKS FIRST NATION

**2664 Muskoka Rd 38
Bala, Ontario P0C 1A0**

PRIVATE AND CONFIDENTIAL

Indigenous and Northern Affairs Canada

40 Elm Street, Suite 290
Rainbow Centre - 2nd floor
Sudbury ON P3C 1S8

July 27, 2017

Dear Sir or Madam:

Wahta Mohawks First Nation

Please note the package submitted to your office from our organization re: the March 31, 2017 year end contains the following documents:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council
- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Revenues and Expenses – Indigenous and Northern Affairs Canada
- Revenues and Expenses – Health Canada March 31, 2017
- Revenues and Expenses – Health Canada March 31, 2016

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours truly,


By: Ms. Joanne Contant, Chief Financial Officer

Financial Statements of

WAHTA MOHAWKS

Year ended March 31, 2017

WAHTA MOHAWKS

Financial Statement Index

Year ended March 31, 2017

	Page
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 17

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Wahta Mohawks are the responsibility of management and have been approved by Chief and Council.

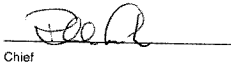
The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Wahta Mohawks maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the Wahta Mohawks' financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

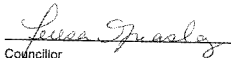
The financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Wahta Mohawks.



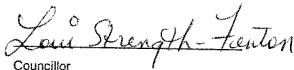
Chief



Councillor



Councillor



Councillor



Councillor



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
Telephone (705) 675-8500
Fax (705) 675-7586

INDEPENDENT AUDITORS' REPORT

To the Members of the Wahta Mohawks

We have audited the accompanying financial statements of the Wahta Mohawks which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Wahta Mohawks as at March 31, 2017 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 26, 2017
Sudbury, Canada

WAHTA MOHAWKS

Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash		
Accounts receivable (note 2)	\$ 2,910,732	\$ 2,413,612
Investments (note 3)	1,098,135	707,339
Consolidated revenue funds	24,454,074	23,199,482
	3,060,341	3,004,640
	31,523,282	29,325,073
Financial liabilities		
Accounts payable and accrued liabilities	371,998	352,004
Deferred revenue	451,736	53,421
	823,734	405,425
Net financial assets	30,699,548	28,919,648
Non-financial assets		
Tangible capital assets (note 5)	6,501,363	6,562,419
Prepaid expenses	21,451	51,921
Inventory (note 6)	404,079	614,630
	6,926,893	7,228,970
Contingent liabilities (note 8)		
Accumulated surplus (note 7)	\$ 37,626,441	\$ 36,148,618

See accompanying notes to financial statements.

On behalf of the First Nation:


Chief



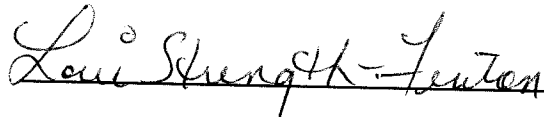
Councillor



Councillor



Councillor



Councillor



WAHTA MOHAWKS

Statement of Operations and Accumulated Surplus

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Government transfers - Provincial	\$ 421,843	\$ 373,301
- Federal	1,900,005	1,629,667
Investment income (note 4)	1,383,438	1,203,845
Grants and subsidies	460,845	324,476
Rental income	81,009	100,989
Business operation	477,418	307,281
Other	1,809,221	2,524,626
	6,533,779	6,464,185
Expenses:		
Band Administration	787,624	618,496
Health Services	798,816	691,745
Community Infrastructure	569,736	512,125
Education	669,506	484,283
Community and Economic Development	584,956	1,372,801
Investments	104,709	100,154
Social Assistance	168,192	140,249
Community Property	264,102	243,648
Business Operations	1,108,315	1,278,261
	5,055,956	5,441,762
Excess of revenue over expenses	1,477,823	1,022,423
Accumulated surplus, beginning of year	36,148,618	35,126,195
Accumulated surplus, end of year	\$ 37,626,441	\$ 36,148,618

See accompanying notes to financial statements.

WAHTA MOHAWKS

Statement of Changes in Net Financial Assets

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Excess of revenue over expenses	\$ 1,477,823	\$ 1,022,423
Acquisition of tangible capital assets	(432,057)	(1,034,892)
Impairment of tangible capital assets	133,448	-
Amortization of tangible capital assets	359,665	331,655
	1,538,879	319,186
Acquisition of prepaid expenses	(21,451)	(51,921)
Use of prepaid expenses	51,921	72,477
Production of inventory	(404,079)	(614,630)
Use of inventory	614,630	1,009,602
Change in net financial assets	1,779,900	734,714
Net financial assets, beginning of year	28,919,648	28,184,934
Net financial assets, end of year	\$ 30,699,548	\$ 28,919,648

See accompanying notes to financial statements.

WAHTA MOHAWKS

Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 1,477,823	\$ 1,022,423
Adjustment for:		
Impairment of tangible capital assets	133,448	-
Amortization of tangible capital assets	359,665	331,655
	1,970,936	1,354,078
Change in non-cash working capital:		
Increase in accounts receivable	(390,796)	(71,259)
Decrease in inventory	210,551	394,972
Decrease in prepaid expenses	30,472	20,556
Increase in deferred revenue	398,315	23,790
Decrease in accounts payable and accrued liabilities	19,994	(243,364)
	2,239,472	1,478,773
Cash flows from investing activities:		
Increase in consolidated revenue funds	(55,703)	(62,418)
Purchase of tangible capital assets	(432,057)	(1,034,892)
Increase in investments	(1,254,592)	(1,071,965)
	(1,742,352)	(2,169,275)
Net increase (decrease) in cash	497,120	(690,502)
Cash position, beginning of year	2,413,612	3,104,114
Cash position, end of year	\$ 2,910,732	\$ 2,413,612

See accompanying notes to financial statements.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

Wahta Mohawks (the "First Nation"), administers programs and performs services as contracted with various funding agencies for the benefit of its members.

1. Basis of presentation and significant accounting policies:

The financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Reporting entity:

The reporting entity includes activities of all committees of the First Nation under the control of Chief and Council.

(b) Revenue recognition:

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

(c) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	25 years
Buildings and improvements	25 - 40 years
Infrastructure	20 - 40 years
Machinery and equipment	10 - 15 years
Furniture, computers and fixtures	7 - 15 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

1. Basis of presentation and significant accounting policies (continued):

(d) Consolidated revenue funds:

Consolidated revenue funds are comprised of funds held in Ottawa Trust accounts and arise from monies 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.

(e) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the governments. Adjustments are recorded in the year during which the adjustments are made.

(f) Inventories:

Inventories are comprised of crushed gravel, frozen cranberries and cranberry juice. Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

(g) Use of estimates:

The preparation of financial statements 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 financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the First Nation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

2. Accounts receivable:

	2017	2016
Member loans and advances	\$ 46,592	58,456
Association of Iroquois and Allied Indians	96,544	19,681
Indigenous and Northern Affairs Canada	533,588	103,042
Canada Mortgage and Housing Corporation	76,028	16,000
Health Canada	8,447	17,093
Canada Revenue Agency	67,759	249,266
Business customers	72,195	59,445
Hydro One Networks	68,675	68,675
Other	148,302	156,251
Allowance for doubtful accounts	(19,995)	(40,570)
	\$ 1,098,135	707,339

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

3. Investments:

2017	Cost	Market	Carrying Value
Scotia Asset Management			
- Cash	\$ 17,578	17,578	17,578
- Common shares	5,221,075	6,890,222	5,221,075
- Mutual funds	19,195,472	20,063,974	19,195,472
USC Education Savings Plan	19,949	19,949	19,949
	<u>\$ 24,454,074</u>	<u>26,991,723</u>	<u>24,454,074</u>

2016	Cost	Market	Carrying Value
Scotia Asset Management			
- Cash	\$ 14,640	14,640	14,640
- Common shares	4,813,290	6,145,900	4,813,290
- Mutual funds	18,352,229	19,009,377	18,352,229
USC Education Savings Plan	19,323	19,323	19,323
	<u>\$ 23,199,482</u>	<u>25,189,240</u>	<u>23,199,482</u>

4. Investment income:

	Interest and Dividends	Investment Gain	2017 Total
Scotia Asset Management	\$ 786,444	572,231	1,368,432
Scotiabank	24,764	-	15,006
	<u>\$ 811,207</u>	<u>572,231</u>	<u>1,383,438</u>

	Interest and Dividends	Investment Gain	2016 Total
Scotia Asset Management	\$ 658,047	521,988	1,180,035
Scotiabank	23,810	-	23,810
	<u>\$ 681,857</u>	<u>521,988</u>	<u>1,203,845</u>

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

5. Tangible capital assets:

Cost	Balance at March 31, 2016	Additions	Adjustments	Balance at March 31, 2017
Buildings	\$ 4,098,426	596,799	-	4,695,225
Computers	104,015	24,591	-	128,606
Vehicles	500,814	39,000	-	539,814
Roads	3,189,162	186,367	-	3,375,529
Equipment and furniture	1,710,185	148,337	(19,934)	1,838,588
Water and sewer	92,327	-	-	92,327
Housing	983,819	-	-	983,819
Land improvements	1,132,365	-	(121,614)	1,010,751
Construction-in-progress	660,256	105,319	(660,256)	105,319
Total	\$ 12,471,369	1,100,413	(801,804)	12,769,978

Accumulated Amortization	Balance at March 31, 2016	Disposals	Amortization	Balance at March 31, 2017
Buildings	\$ 1,843,549	-	131,410	1,974,959
Computers	67,656	-	12,756	80,412
Vehicles	265,419	-	38,831	304,250
Roads	1,518,093	-	79,470	1,597,563
Equipment and furniture	1,366,196	-	46,749	1,412,945
Water and sewer	16,119	-	2,308	18,427
Housing	427,973	-	26,243	454,216
Land improvements	403,945	-	21,898	425,843
Construction-in-progress	-	-	-	-
Total	\$ 5,908,950	-	359,665	6,268,615

	Net book value, March 31, 2016	Net book value, March 31, 2017
Buildings	\$ 2,254,877	2,720,266
Computers	36,359	48,194
Vehicles	235,395	235,564
Roads	1,671,069	1,777,966
Equipment and furniture	343,989	425,643
Water and sewer	76,208	73,900
Housing	555,846	529,603
Land improvements	728,420	584,908
Construction-in-progress	660,256	105,319
Total	\$ 6,562,419	6,501,363

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

5. Tangible capital assets (continued):

Cost	Balance at March 31, 2015	Additions	Disposals	Balance at March 31, 2016
Buildings	\$ 3,705,851	392,575	-	4,098,426
Computers	104,015	-	-	104,015
Vehicles	489,274	11,540	-	500,814
Roads	3,189,162	-	-	3,189,162
Equipment and furniture	1,657,427	52,758	-	1,710,185
Water and sewer	79,775	12,552	-	92,327
Housing	975,123	8,696	-	983,819
Land improvements	1,132,365	-	-	1,132,365
Construction-in-progress	103,486	660,256	(103,486)	660,256
Total	\$ 11,436,478	1,138,377	(103,486)	12,471,369

Accumulated Amortization	Balance at March 31, 2015	Disposals	Amortization	Balance at March 31, 2016
Buildings	\$ 1,729,498	-	114,051	1,843,549
Computers	54,838	-	12,818	67,656
Vehicles	227,165	-	38,254	265,419
Roads	1,440,341	-	77,752	1,518,093
Equipment and furniture	1,327,491	-	38,705	1,366,196
Water and sewer	13,968	-	2,151	16,119
Housing	401,948	-	26,025	427,973
Land improvements	382,047	-	21,898	403,945
Construction-in-progress	-	-	-	-
Total	\$ 5,577,296	-	331,654	5,908,950

	Net book value, March 31, 2015	Net book value, March 31, 2016
Buildings	\$ 1,976,353	2,254,877
Computers	49,177	36,359
Vehicles	262,109	235,395
Roads	1,748,821	1,671,069
Equipment and furniture	329,936	343,989
Water and sewer	65,807	76,208
Housing	573,175	555,846
Land improvements	750,318	728,420
Construction-in-progress	103,486	660,256
Total	\$ 5,859,182	6,562,419

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

6. Inventory:

	2017	2016
Crushed gravel	\$ 53,073	129,320
Frozen cranberries	79,052	99,457
Cranberry juice	394,430	578,779
Adjustment to net realizable value	(122,476)	(192,926)
	\$ 404,079	614,630

7. Accumulated surplus:

The allocation of the accumulated surplus between the various funds is as follows:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 6,390,298	6,278,583
Other	21,237,175	20,371,705
Business Enterprises	(4,108,038)	(3,477,141)
Total surplus	23,519,435	23,173,147
Reserves	14,107,006	12,975,471
	\$ 37,626,441	36,148,618

8. Contingent liabilities:

- Indigenous and Northern Affairs Canada has guaranteed loans to various members in the amount of \$870,269 (2016 - \$590,781). If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.
- The First Nation is the defendant in a small claims case where the plaintiff is claiming damages amounting to \$25,000. The likelihood as to the occurrence of a future liability is not known, as a result, no provision has been made in the financial statements.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

8. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band administration, education, health services, community infrastructure, community and economic development, community property, social assistance and business operations. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide.

Band Administration

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

Education

The education department enters into service contracts with provincially funded area school boards for elementary and secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post secondary institutions.

Health Services

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programs such as diabetes, mental health, healthy babies and many other programs designed to enhance the health of members.

Community Infrastructure

The infrastructure department provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Community and Economic Development

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department also secures and delivers employment training and culture funding for the First Nation.

WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2017

8. Segmented information (continued):

Community Property

This department is responsible for all major renovations to housing stock for the First Nation.

Social Assistance

The social services department delivers a variety of programs including Ontario works and offers employment support services. In addition, the department manages the homemakers and national child benefit and child welfare prevention programs.

Business Operations

The Business Operations division harvests and produces cranberries and related products.

For each reported segment, revenues and expenses include 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, including transfers that have been apportioned based on a percentage of budgeted expenses.

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

WAHTA MOHAWKS

Notes to Financial Statements

Note 8 - Segmented information (continued)

Year ended March 31, 2017

	Band Administration	Health Services	Community Infrastructure	Education	Community and Economic Development	Social Assistance	Community Property	Business Operations	Restricted Funds	Total
Revenue	\$ 325,156	877,795	223,868	675,290	2,261,866	180,021	266,990	477,418	1,245,375	6,533,779
Expenses:										
Salaries, benefits and honorarium	340,132	270,195	209,783	53,218	379,204	34,098	-	358,611	17,950	1,663,191
Materials, supplies and rentals	279,134	417,059	436,735	11,019	83,864	5,800	300,013	439,687	60,264	2,033,575
Contractual and professional	144,836	5,093	3,801	63,499	25,815	54,272	19,409	2,000	3,874	322,599
Tuition and allowances	-	-	-	309,350	-	-	-	-	-	309,350
Travel and training	25,437	26,105	-	20,032	5,594	13,235	-	17,955	-	108,358
Other	83,716	900	-	172,372	127,659	55,889	-	258,839	-	699,375
Administration (recovery)	(164,842)	164,943	(72,483)	33,235	34,250	4,897	-	-	-	-
Amortization	23,626	30,688	218,230	8,951	38,848	-	-	39,323	-	359,666
Investment in tangible capital assets	(26,504)	(116,167)	(226,330)	(2,169)	(5,568)	-	(55,320)	(8,100)	-	(440,158)
	705,535	798,816	569,736	669,507	689,666	168,191	264,102	1,108,315	82,088	5,055,956
Excess (deficiency) of revenue over expenses	\$ (380,379)	78,979	(345,868)	5,783	1,572,200	11,830	2,888	(630,897)	1,163,287	1,477,823

WAHTA MOHAWKS

Notes to Financial Statements

Note 8 - Segmented information (continued)

Year ended March 31, 2016

	Band Administration	Health Services	Community Infrastructure	Education	Community and Economic Development	Social Assistance	Community Property	Business Operations	Restricted Funds	Total
Revenue	\$ 277,479	760,535	183,084	574,045	2,805,928	146,856	312,204	307,281	1,096,773	6,464,185
Expenses:										
Salaries, benefits and honorarium	262,756	298,207	206,711	51,453	418,638	28,859	-	248,941	16,934	1,532,499
Materials, supplies and rentals	74,995	245,692	141,157	8,726	41,498	7,893	-	423,235	227,873	2,141,511
Contractual and professional	354,505	27,350	5,633	66,697	6,406	43,033	-	2,000	10,371	515,995
Tuition and allowances	-	-	-	249,282	-	-	-	-	-	249,282
Travel and training	7,801	62,020	-	8,067	23,286	10,603	-	-	-	133,716
Other	114,437	38,339	22,956	49,956	705,703	44,964	-	558,734	7,917	1,543,006
Administration (recovery)	(281,263)	70,548	(72,483)	33,234	238,812	4,897	-	-	6,255	-
Amortization	23,749	3,696	219,681	8,951	38,612	-	-	36,956	-	331,655
Investment in tangible capital assets	-	(54,107)	(11,540)	-	-	-	(726,794)	-	(213,461)	(1,005,902)
	556,980	691,745	512,125	476,366	1,472,955	140,249	243,648	1,278,261	69,433	5,441,762
Excess (deficiency) of revenue over expenses	\$ (279,501)	68,790	(329,041)	97,679	1,332,973	6,607	68,556	(970,980)	1,027,340	1,022,423