

**FINANCIAL STATEMENTS**

**For**

**MOHAWK COUNCIL OF AKWESASNE**

**For year ended**

**MARCH 31, 2014**

**MOHAWK COUNCIL OF AKWESASNE  
INDEX TO FINANCIAL STATEMENTS**

**MARCH 31, 2014**

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# MOHAWK COUNCIL OF AKWESASNE

## Management's Responsibility for the Financial Statements

The accompanying financial statements of the **Mohawk Council of Akwesasne** are the responsibility of management and have been approved by Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

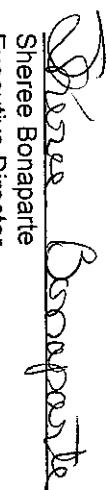
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

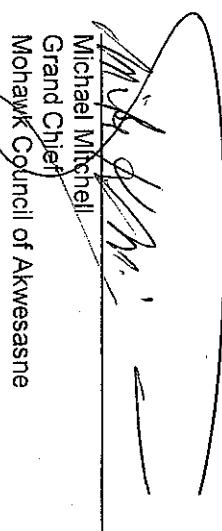
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, 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 auditors, Welch LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Mohawk Council of Akwesasne and meet when required.

On behalf of the Mohawk Council of Akwesasne:

  
Sheree Bonaparte  
Executive Director  
Mohawk Council of Akwesasne

  
Michael Mitchell  
Grand Chief  
Mohawk Council of Akwesasne

Dated: November 18, 2014



## INDEPENDENT AUDITOR'S REPORT

To:

### **MOHAWK COUNCIL OF AKWESASNE**

We have audited the accompanying financial statements of **Mohawk Council of Akwesasne**, which comprise the statement of financial position as at March 31, 2014 and the statements of financial activities, changes in net financial assets and cash flows for the year then ended, and the related notes, which comprise 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.

#### *Auditor's 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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, the financial statements present fairly in all material respects, the financial position of the **Mohawk Council of Akwesasne** as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Schedules 1 to 8 accompanying the financial statements are presented as supplementary information only and are unaudited.

*Welch LLP*  
Chartered Accountants  
Licensed Public Accountants

Cornwall, Ontario  
November 18, 2014.

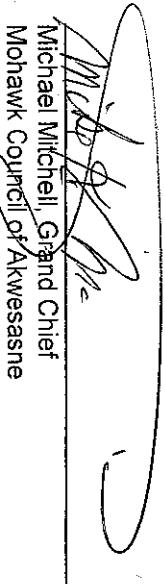
**MOHAWK COUNCIL OF AKWESASNE**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>Financial Assets</b>		
Cash	\$ 7,729,912	\$ 8,053,558
Due from government and other government organizations (note 3)	8,553,558	12,150,840
Accounts receivable (note 4)	2,578,099	4,603,673
Temporary investments (note 9)	22,339,459	56,000,551
Ontario Power Generation Settlement receivable (note 21)	-	12,969,452
Restricted assets - future settlement trust (note 23)	40,947,308	-
Temporary investments (note 10)	11,089,092	-
Housing and housing construction loans (note 5)	5,524,921	5,222,521
Funds held in trust by AANDC	84,544	84,544
<b>Total Financial Assets</b>	<u>98,846,893</u>	<u>99,085,139</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	7,800,493	6,372,916
Employee benefit obligations (note 12)	1,720,950	1,646,752
Due to government and other government organizations (note 13)	2,157,897	2,419,060
Deferred revenue (note 15)	1,680,790	1,627,367
Long-term loans (note 16)	8,141,631	8,910,977
Promissory notes / Land Settlement Claims (note 14)	2,732,339	2,732,339
Total Financial Liabilities	<u>24,234,100</u>	<u>23,709,411</u>
<b>Net Financial Assets</b>	<u>74,612,793</u>	<u>75,375,728</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	107,140,912	101,449,028
Tangible capital assets under construction (note 7)	5,177,149	11,456,135
Other assets held for sale (note 8)	82,072	242,196
Deferred charges	2,458,072	2,379,834
Prepaid expenses	810,525	124,214
<b>Total non-financial assets</b>	<u>115,668,730</u>	<u>115,651,407</u>
<b>Accumulated surplus (note 20)</b>	<b><u>\$ 190,281,523</u></b>	<b><u>\$ 191,027,135</u></b>

**Contingencies and commitments (note 19)**

Approved by the Council

  
Sheree Bonaparte, Executive Director  
 Mohawk Council of Akwesasne

  
Michael Mitchell, Grand Chief  
 Mohawk Council of Akwesasne

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED MARCH 31, 2014**

	<u>Budget</u> (Unaudited)	<u>2014</u>	<u>2013</u>
<b>Revenues</b>			
Contributions			
Ontario Lottery and Gaming Corporation	\$ 66,963,562	\$ 69,697,736	\$ 74,587,929
Administration fees and user charges	4,000,000	3,944,136	4,005,821
Land leases	2,772,186	1,095,408	961,379
Interest	481,000	530,622	530,200
Other income	350,000	2,208,617	2,411,323
Rental	5,183,172	3,757,378	3,095,425
	<u>4,100,836</u>	<u>947,483</u>	<u>630,588</u>
	<u>83,850,756</u>	<u>82,181,380</u>	<u>86,222,665</u>
<b>Operating expenses (note 24)</b>			
Akwesasne Mohawk Board of Education			
Akwasasne Mohawk Police Service	13,980,768	14,366,580	15,095,037
Community and social services	4,986,152	5,392,768	5,031,546
Executive services	12,073,646	13,145,383	11,911,628
Health	15,681,635	13,346,410	14,100,607
Housing	25,022,542	24,847,361	23,701,492
Justice	3,359,734	1,588,696	1,827,953
Mohawk government	1,622,370	1,366,920	1,332,812
Technical services	779,392	1,564,395	2,915,896
	<u>7,680,635</u>	<u>7,308,479</u>	<u>7,438,845</u>
	<u>85,186,874</u>	<u>82,926,992</u>	<u>83,355,816</u>
<b>Annual (deficit) surplus</b>			
Accumulated surplus at beginning of year	(1,336,118)	(745,612)	2,866,849
Accumulated surplus at end of year	<u>191,027,135</u>	<u>191,027,135</u>	<u>188,160,286</u>
	<b><u>\$ 189,691,017</u></b>	<b><u>\$ 190,281,523</u></b>	<b><u>\$ 191,027,135</u></b>

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**YEAR ENDED MARCH 31, 2014**

	<u>Budget</u> (Unaudited)	<u>2014</u>	<u>2013</u>
<b>Annual surplus (deficit)</b>			
Acquisition of tangible capital assets	\$ (604,601)	\$ (745,612)	\$ 2,866,849
Acquisition of tangible capital assets under construction	(780,000)	(1,435,250)	(1,267,284)
Loss on disposal of tangible capital assets	(3,000,000)	(1,653,209)	(2,699,538)
Amortization of tangible capital assets*	3,800,000	3,640,998	9,990 14,000 3,785,129
Loss on disposal of other assets held for sale	20,000	22,369	19,159
	<u>20,000</u>	<u>584,898</u>	<u>(148,534)</u>
Acquisition of prepaid expenses	(124,214)	(810,525)	(124,214)
Acquisition of deferred charges	470,863	(78,238)	470,863
Use of prepaid expenses	746,234	124,214	746,234
Proceeds on disposition of other assets held for sale	622,020	162,328	(602,221) 1,092,883
	<u>622,020</u>	<u>162,328</u>	<u>(602,221)</u> <u>1,092,883</u>
<b>Increase (decrease) in net financial assets</b>			
<b>Net financial assets at beginning of year*</b>	37,419	(762,935)	3,811,198
<b>Net financial assets at end of year</b>	<u>\$ 75,413,147</u>	<u>\$ 74,612,793</u>	<u>\$ 75,375,728</u>

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2014**

**Cash provided by (used for):**

**Operating activities**

Net revenues over expenses (expenses over revenues)

\$ (745,612) \$ 2,866,849

Items not affecting cash:

Amortization

Unrealized gains on investments

3,785,129

14,004

Loss on disposal of other assets held for sale

22,369

19,159

Loss on disposal of tangible capital assets

9,990

—

Net change in non-cash working capital items:

Due from government and other government organizations

3,597,282

(678,783)

Accounts receivable

2,025,574

(3,228,334)

Prepaid expenses

(686,311)

622,020

Ontario Power Generation Settlement receivable

1,880,360

1,783,024

Accounts payable and accrued liabilities

1,427,577

124,069

Employee benefit obligations

74,198

137,827

Due to government and other government organizations

(261,163)

1,400,697

Deferred revenue

53,423

(463,165)

Cash applied to operating transactions

11,038,685

6,382,496

**Capital activities**

Proceeds on disposal of other assets held for sale

162,328

(3,088,459)

(3,966,822)

Purchase of tangible capital assets and under construction

(2,926,131)

(3,966,822)

Cash applied to capital transactions

—

**Investing activities**

Advances for housing and housing construction loans

(1,064,489)

(1,193,791)

Housing loans repaid

762,089

801,918

Deferred charges

(78,238)

470,863

Redemption of investments

14,477,929

18,062,839

Purchases of investments

(21,764,145)

(15,683,526)

(7,666,854)

2,458,303

**Financing activities**

Proceeds from long-term loans

—

535,479

Repayments of long-term loans

(769,346)

(724,529)

Net proceeds from promissory note

(769,346)

(567,098)

(769,346)

(756,148)

**Increase (decrease) in cash**

**Cash at beginning of year**

(323,646)

4,117,829

**Cash at end of year**

8,053,558

3,935,729

**Supplementary cash flow information**

Interest received in year

\$ 1,528,977 \$ 1,634,347

\$ 176,799 \$ 232,308

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

**NATURE OF OPERATIONS**

The Mohawk Council of Akwesasne (Council) is the body which administers various programs to the Akwesasne community. Activities are funded by Aboriginal Affairs and Northern Development Canada (AANDC) (formerly known as Indian and Northern Affairs Canada) (INAC) under a multi-year agreement which will expire March 31, 2015 and other agreements with federal and provincial government bodies. The operations of the Council are dependent upon continued funding under these agreements. The council is responsible for ensuring compliance with agreements.

The Council is not subject to income taxes.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The Council prepares its financial statements in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA). These financial statements include the following significant accounting policies:

- a) *Basis of accounting*

These financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon cost of goods and services acquired.
- b) *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 provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets consist of tangible capital assets, tangible capital assets under construction, other assets held for resale, deferred charges and prepaid expenses.
- c) *Deferred charges*

Costs related to the Dundee land claim negotiations which are ongoing and expected to continue into the foreseeable future are recorded as deferred charges until such time as settlement of the land claims have been confirmed by Canada and ratified by the Community. Accumulated deferred charges will then be recorded in operations and matched against settlement receipts. Should it become apparent that the anticipated settlement will not be received, the accumulated charges, at that point, will be recognized in the statement of financial activities. During fiscal year ended March 31, 2014, The Easterbrook land claim settlement was finalized and the MCA received \$5,016,030 less a recovery of \$567,098 for accumulated deferred costs.
- d) *Tangible capital assets*

Purchased tangible capital assets are recorded at cost less accumulated amortization. The costs of constructing tangible capital assets, including direct overhead and carrying costs, are recorded as tangible capital assets under construction until the assets are substantially complete, at which time they are transferred from tangible capital assets under construction to tangible capital assets and amortization is commenced. Government funding related to tangible capital assets is recorded using the percentage of completion method.

## MOHAWK COUNCIL OF AKWESASNE

### NOTES TO FINANCIAL STATEMENTS - Cont'd.

**YEAR ENDED MARCH 31, 2014**

#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **d) Tangible capital assets (continued)**

Amortization is recorded using the declining balance method at the following annual rates:

Buildings and major infrastructures	2.5%
Computer hardware	20%
Computer software	50%
Equipment	20%
Equipment under capital lease	20%
Furniture and fixtures	10%
Roads	10%
Vehicles	25%

Amortization is charged at 50% of the amount in the year of acquisition but no amortization is charged in the year of disposal.

##### **e) Net financial assets**

The Mohawk Council of Akwesasne's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Mohawk Council of Akwesasne is determined by its financial assets less its financial liabilities. Net assets are compromised of two components, net financial assets and non-financial assets.

The Council restricts funds to recognize the investment in tangible capital assets, tangible capital assets under construction and housing and housing construction loans to meet reserve requirements of certain funding arrangements and to reflect internal restrictions placed on the use of certain funds by Council.

##### **f) Revenue recognition**

Unrestricted contributions and Ontario Lottery and Gaming Corporation ("OLG") revenue are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Where the terms of the agreement require unexpended contributions to be returned to the funder, the unexpended amount is recorded as a contribution repayable and not included in the determination of annual surplus for the year.

Administration fees and user charges and rental revenues represent internal charges to programs which are included in both revenues and expenses. Land lease income are fees collected from rental of land on Council territory and is recognized when it becomes receivable. Interest income represents interest earned on cash and temporary investments. Other income represents actual income earned from various Council operations and is recorded when the services are provided.

##### **g) Funds held in trust**

The Council receives revenue from the lease of certain Council owned lands and from interest on funds held by AANDC on behalf of Council. This interest and lease revenue is paid directly into trust funds administered by AANDC on Council's behalf. It is recorded as revenue of Council in the year in which it is paid into the AANDC trust accounts irrespective of whether or not Council has permitted the withdrawal of the funds from the trusts.

## MOHAWK COUNCIL OF AKWESASNE

### NOTES TO FINANCIAL STATEMENTS - Cont'd.

**YEAR ENDED MARCH 31, 2014**

#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **h) Pension plan**

The Council operates a defined contribution pension plan which offers Council employees a pension benefit upon retirement or termination based on the accumulated contributions made by the individual employee and on the employee's behalf by Council plus any investment earnings on these contributions. The Council's contributions to the plan are based on participants' earnings up to a maximum of 9.00% and are expensed as incurred. Pension expense recorded in the accounts for the 2014 fiscal year amounted to \$2,724,781 (2013 - \$2,644,100).

The Council is not making any past service contributions to the plan.

##### **i) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include Ontario Power Generation settlement receivable, allowance for doubtful accounts receivable, certain accrued funding receivables, certain accrued liabilities and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

##### **j) Temporary investments**

Temporary investments are short-term investments made to obtain a return on a temporary basis and are carried at market value.

##### **k) Employee benefit obligations**

Employee benefit obligations is the accumulation of vacation pay accrued to all employees of the Mohawk Council of Akwesasne at their current salary as of March 31, 2014.

#### **2. FINANCIAL INSTRUMENTS**

Financial instruments recognized in the statement of financial position consist of cash, due from government and other government organizations, accounts receivable, temporary investments, Ontario Power Generation Settlement receivable, housing and housing construction loans, funds held by AANDC, accounts payable and accrued liabilities, due to government and other government organizations, long-term debt and promissory note. The book value of these financial instruments approximate their fair value due to the short-term nature of the current items and the market rates of interest on the long-term items with the exception of housing and housing construction loans, the promissory notes and the Ontario Power Generation Settlement receivable. Ontario Power Generation Settlement receivable is recorded at amortized cost which approximates fair value. Housing and housing construction loans are repayable over 10 to 20 years and are non-interest bearing. Certain mortgages are subsidized by Canada Mortgage and Housing Corporation such that the effective annual rate of interest paid by Council is 2%. The promissory notes from AANDC are payable in full upon settlement of the related land claims and are interest free until maturity or unless Council is in default. Management considers it not practicable within the constraints of timeliness and cost to determine the fair value of the housing and housing construction loans and promissory notes with sufficient reliability.

**MOHAWK COUNCIL OF AKWESASNE**

**NOTES TO FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED MARCH 31, 2014**

**2. FINANCIAL INSTRUMENTS (continued)**

Financial instruments which potentially subject the Council to concentrations of credit risk consist of cash, due from governments and other government organizations, accounts receivable, temporary investments, Ontario Power Generation Settlement receivable, housing and housing construction loans and funds held by AANDC. Cash and temporary investments are held at reputable financial institutions and contributions, accounts receivable and Ontario Power Generation settlement receivable are principally due from federal and provincial governments or bodies, therefore the Council believes the risk of non-performance to be remote. Housing and housing construction loans are due from community members and Council believes that an adequate provision has been made for the possibility of these loans proving uncollectible.

Included in temporary investments and restricted assets are financial securities totaling \$62,047,440 (2013 - \$54,870,678) which have a weighted average yield of 19.42% (2013 - 2.43%) and maturing within 3 years (2013 - 4 years) of the year end.

**3. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

	<u>2014</u>	<u>2013</u>
Aboriginal Affairs and Northern Development Canada	\$ 2,997,089	\$ 5,317,860
Human Resources Development Canada	134,834	255,137
Health Canada	387,927	2,143,882
Province of Ontario	607,712	880,719
Province of Quebec	664,571	850,589
Other Federal contributions	<u>3,761,425</u>	<u>2,702,653</u>
	<u>\$ 8,553,558</u>	<u>\$ 12,150,840</u>

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following

	<u>2014</u>	<u>2013</u>
Future settlement trust receivable	\$ 471,659	\$ 230,924
Interest receivable from temporary investments	584,225	593,089
Miscellaneous receivables	442,951	433,278
Ontario Lottery Gaming / Rama receivable	-	2,622,867
Other Grants and Contributions	1,151,787	753,977
Rental facilities receivables	<u>283,851</u>	<u>320,434</u>
Less: allowance for doubtful accounts	<u>2,934,473</u>	<u>4,954,569</u>
	<u>\$ 2,578,099</u>	<u>\$ 4,603,673</u>

**5. HOUSING AND HOUSING CONSTRUCTION LOANS**

Housing and housing construction loans are advanced to residents to finance the purchase of homes constructed by Council. These loans are repayable over 10 to 20 years and are non-interest bearing.

**2014**

**2013**

Principal outstanding	\$ 11,408,687	\$ 11,677,183
Less: allowance for doubtful loans	<u>5,883,766</u>	<u>6,454,662</u>
	<u>\$ 5,524,921</u>	<u>\$ 5,222,521</u>

**Welch LLP**

**MOHAWK COUNCIL OF AKWESASNE**  
**NOTES TO FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2014**

**6. TANGIBLE CAPITAL ASSETS**

	<u>Land</u>	<u>Building &amp; Major Infrastructure</u>	<u>Computer Hardware</u>	<u>Computer Software</u>	<u>Equipment</u>	<u>Equipment under a Capital Lease</u>	<u>Furniture and Fixtures</u>	<u>Roads</u>	<u>Vehicles</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b>Cost</b>											
Opening Costs	\$ 590,228	\$ 132,981,410	\$ 3,430,003	\$ 604,444	\$ 6,302,067	\$ 504,822	\$ 2,006,444	\$ 5,769,261	\$ 6,665,623	\$ 158,854,302	\$ 157,804,935
Additions	123,277	735,705	61,508	-	173,869	-	14,910	2,612	323,369	1,435,250	1,107,159
Transfers from WIP	-	7,932,195	-	-	-	-	-	-	-	7,932,195	-
Disposals	-	7,892	-	-	19,265	-	-	-	58,968	86,125	57,792
<b>Closing Costs</b>	<u>713,505</u>	<u>141,641,418</u>	<u>3,491,511</u>	<u>604,444</u>	<u>6,456,671</u>	<u>504,822</u>	<u>2,021,354</u>	<u>5,771,873</u>	<u>6,930,024</u>	<u>168,135,622</u>	<u>158,854,302</u>
<b>Accumulated Amortization</b>											
Opening accumulated	-	39,527,061	2,776,933	525,327	4,403,341	434,701	1,178,152	3,304,081	5,255,677	57,405,273	53,644,779
Disposals	-	-	-	-	-	-	-	-	51,561	51,561	24,634
Amortization Expense	-	2,336,155	136,767	39,563	393,281	14,024	83,576	246,576	391,056	3,640,998	3,785,129
Closing Accumulated	-	41,863,216	2,913,700	564,890	4,796,622	448,725	1,261,728	3,550,657	5,595,172	60,994,710	57,405,274
<b>Net Book Value</b>	<u>\$ 713,505</u>	<u>\$ 99,778,202</u>	<u>\$ 577,811</u>	<u>\$ 39,554</u>	<u>\$ 1,660,049</u>	<u>\$ 56,097</u>	<u>\$ 759,626</u>	<u>\$ 2,221,216</u>	<u>\$ 1,334,852</u>	<u>\$ 107,140,912</u>	<u>\$ 101,449,028</u>
Opening Balance	\$ 590,228	\$ 93,454,349	\$ 653,070	\$ 79,117	\$ 1,898,726	\$ 70,121	\$ 828,292	\$ 2,465,180	\$ 1,409,946	\$ 101,449,029	\$ 104,160,156
Closing Balance	<u>713,505</u>	<u>99,778,202</u>	<u>577,811</u>	<u>39,554</u>	<u>1,660,049</u>	<u>56,097</u>	<u>759,626</u>	<u>2,221,216</u>	<u>1,334,852</u>	<u>107,140,912</u>	<u>101,449,028</u>
<b>Increase (Decrease) in Net Book Value</b>	<u>\$ 123,277</u>	<u>\$ 6,323,853</u>	<u>\$ (75,259)</u>	<u>\$ (39,563)</u>	<u>\$ (238,677)</u>	<u>\$ (14,024)</u>	<u>\$ (68,666)</u>	<u>\$ (243,964)</u>	<u>\$ (75,094)</u>	<u>\$ 5,691,883</u>	<u>\$ (2,711,128)</u>

## MOHAWK COUNCIL OF AKWESASNE

## NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2014

**7. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION**

	Total Remaining Commitment <u>(unaudited)</u>	2014	2013
Kanohhkwtsherti:io Renovations - Phase I	815,256	\$ 3,358,411	\$ 3,323,667
Kawenoke Water Line Construction Extension	2,781,534	1,818,738	200,272
Snye Waterline	N/A		7,932,196
		<u><u>\$ 5,177,149</u></u>	<u><u>\$ 11,456,135</u></u>

**8. OTHER ASSETS HELD FOR SALE**

Assets are classified as held for sale when certain criteria are met including Council's commitment to a plan, and availability of the asset for immediate sale in its present condition.

During 2013, the MCA, under the Bank of Montreal Loan Guarantee program, paid the balance of a mortgage for a community member who was in default as stipulated in the terms of agreement under the program. As a result, the property acquired was classified as Other Assets Held for Sale. In 2014, this property was disposed of for proceeds of \$140,000 which resulted in a loss on disposal of \$20,163.

In fiscal year 2006, Council designated the Stanley Island log cabins as held for sale. The carrying value of these log cabins have been written down to approximate fair value. As at March 31, 2014 the carrying value recorded for both the Stanley Island Cabins and the property acquired from the BMO housing program are \$82,072 (2013 - \$242,196). Two cabins remain and none were sold during the year. No impairment write down was considered necessary or recorded for 2014.

## MOHAWK COUNCIL OF AKWESASNE

NOTES TO FINANCIAL STATEMENTS - Cont'd.  
YEAR ENDED MARCH 31, 2014

## 9. TEMPORARY INVESTMENTS

Holder	Type	Maturity	Interest	Amount
Bank of Montreal	GIC	September 2014	1.250%	\$ 1,400,000
Canadian Western Bank	GIC	April 2014	1.550%	2,200,000
Montreal Trust Co.	GIC	June 2016	3.000%	1,270,000
Montreal Trust Co.	GIC	December 2015	3.150%	82,250
Royal Bank of Canada	GIC	June 2015	3.500%	1,072,000
National Bank	GIC	June 2014	3.960%	2,096,000
Montreal Trust Co.	GIC	June 2015	2.300%	896,960
Bank of Montreal	GIC	October 2014	1.200%	180,261
Canadian Western Bank	GIC	June 2015	2.300%	163,423
Advisors Advantage	GIC	December 2015	2.000%	1,361,600
National Bank	GIC	December 2014	1.900%	1,361,600
National Bank	GIC	March 2016	2.050%	919,178
Royal Bank of Canada	GIC	May 2015	1.700%	66,470
Royal Bank of Canada	GIC	May 2014	1.650%	1,543,005
TD Mortgage Corp.	GIC	May 2015	1.700%	1,545,551
Montreal Trust Co.	GIC	June 2014	2.200%	154,414
Town of Quebec	Fixed income fund	May 2015	3.250%	193,781
University of Montreal	Fixed income fund	February 2015	4.550%	186,094
Municipality of Petite Riviere	Fixed income fund	May 2016	3.050%	198,290
Town of Levis	Fixed income fund	December 2016	2.700%	199,607
Town of Kativik	Fixed income fund	May 2017	2.500%	219,248
Community Funds	Shares			592,784
Fund 650-02095-12	Shares			143,173
Fund 650-02095-12	Shares			454,238
BMO High Interest Savings				<u>3,839,532</u>
Total Short-Term Investments				<u><u>\$ 22,339,459</u></u>

## 10. RESTRICTED ASSETS - TEMPORARY INVESTMENTS

Holder	Type	Maturity	Interest	Amount
Advisors Advantage	GIC	April 2014	1.150%	2,048,000
Canadian Western Bank	GIC	January 2015	1.900%	412,862
TD Mortgage Corp	GIC	December 2014	2.170%	3,279,000
National Bank	GIC	December 2014	1.900%	5,000,000
Bank of Montreal	GIC	October 2014	1.200%	2,560,000
Montreal Trust	GIC	November 2014	2.550%	3,000,000
Advisors Advantage	GIC	December 2015	3.150%	387,250
Advisors Advantage	GIC	January 2016	3.300%	560,000
Canadian Western Bank	GIC	October 2015	2.300%	2,036,000
National Bank of Canada	GIC	October 2016	2.610%	2,560,000
Royal Bank of Canada	GIC	December 2015	2.350%	2,000,000
National Bank of Canada	GIC	December 2016	2.660%	3,000,000
Advisors Advantage	GIC	December 2015	2.000%	320,000
Bank of Montreal	GIC	November 2014	1.150%	3,076,000
Advisors Advantage	GIC	May 2014	2.650%	1,000,000
Bank of Montreal	GIC	May 2014	1.150%	2,100,000
Bank of Montreal	GIC	May 2014	1.150%	2,500,000
Montreal Trust	GIC	May 2014	1.150%	2,608,196
Total Short-Term Investments				<u><u>\$ 40,947,308</u></u>

## MOHAWK COUNCIL OF AKWESASNE

## NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2014

## 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 4,421,460	\$ 3,172,642
Accrued salaries and employee benefits payable	478,132	619,487
Other accrued liabilities	2,900,901	2,580,787
Total accounts payable	<u>\$ 7,800,493</u>	<u>\$ 6,372,916</u>

## 12. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2014</u>	<u>2013</u>
Vacation pay obligation	<u>\$ 1,720,950</u>	<u>\$ 1,646,752</u>

## 13. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2014</u>	<u>2013</u>
AANDC repayables	\$ 468,510	\$ 1,067,173
Ontario repayables	715,001	471,976
Health Canada repayables	859,898	723,208
Other federal repayables	114,488	138,470
Miscellaneous repayables	<u>\$ 2,157,897</u>	<u>\$ 2,419,060</u>

## 14. PROMISSORY NOTES / LAND CLAIM SETTLEMENTS

The Council has entered into a loan funding agreement with Aboriginal Affairs and Northern Development Canada for legal and administrative costs in pursuing settlement of a land claim. The promissory note becomes immediately payable upon settlement of the land claim, or if earlier, and are currently due as follows.

	<u>2014</u>	<u>2013</u>
Due March 31, 2015	<u>\$ 2,732,339</u>	<u>\$ 2,732,339</u>

The promissory note is interest free until maturity or unless Council is in default under the agreement. As of March 31, 2014 AANDC has approved a promissory note advance of \$2,732,339 (2013 - \$2,732,339) of which Council has expended \$2,282,923 (2013 - \$2,282,923) for purposes of the intended use.

## 15. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Aboriginal Affairs and Northern Development Canada	\$ 626,295	\$ 531,251
Health Canada	623,876	508,910
Province of Ontario	267,256	210,000
Province of Quebec	-	246,179
Other	<u>163,363</u>	<u>131,027</u>
	<u>\$ 1,680,790</u>	<u>\$ 1,627,367</u>

## MOHAWK COUNCIL OF AKWESASNE

## NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2014

## 16. LONG-TERM LOANS

	<u>2014</u>	<u>2013</u>
1.65% mortgage, due August 2016, payable in equal monthly installments of \$6,669 including principal and interest (Kawenoke Riverview Apartments - Net Book Value \$658,069).	\$ 189,473	\$ 265,701
1.65% mortgage, due September 2016, payable in equal monthly installments of \$10,086 including principal and interest (Kawenoke Riverview Apartments - Net Book Value \$940,099).	296,260	411,397
1.52% mortgage, due May 2018, payable in equal monthly installments of \$2,294 including principal and interest (Family Violence Centre - Net Book Value \$323,186).	104,596	130,083
1.52% mortgage, due May 2018, payable in equal monthly installments of \$2,294 including principal and interest (Adolescent Treatment Centre - Net Book Value \$283,092).	104,596	130,083
2.56% mortgage, due December 2015, payable in equal monthly installments of \$3,900 including principal and interest (CMHC Section 95 Project 9798 - Net Book Value \$495,113).	463,454	497,909
2.84% mortgage, due April 2015, payable in equal monthly installments of \$4,874 including principal and interest (CMHC Section 95 Project 0304 - Net Book Value \$908,824).	755,362	791,960
1.53% mortgage, due December 2017, payable in equal monthly installments of \$5,134 including principal and interest (CMHC Section 95 Project 02/03 - Net Book Value \$845,412).	763,772	813,281
1.67% mortgage, due April 2017, payable in equal monthly installments of \$3,653 including principal and interest (CMHC Section 95 Project 04/05 - Net Book Value \$1,139,708).	681,416	713,620
2.35% mortgage, due September 2018, payable in equal monthly installments of \$5,730 including principal and interest. 17 Units (CMHC Section 95 Project 05/06 - Net Book Value \$1,905,673).	1,072,313	1,114,148
1.53% mortgage, due December 2017, payable in equal monthly installments of \$4,433 including principal and interest. 9 Units (CMHC Section 95 Project 05/06 - Net Book Value \$1,075,588).	860,310	900,008
1.99% mortgage, due May 2014, payable in equal monthly installments of \$6,450 including principal and interest. 19 Units (CMHC Section 95 Project 06/07 - Net Book Value \$2,548,668).	1,285,837	1,337,201
2.63% mortgage, due June 2016, payable in equal monthly installments of \$2,226 including principal and interest. 4 Units (CMHC Section 95 Project Oak Court - Net Book Value \$501,048).	450,120	464,843
1.61% mortgage, due June 2016, payable in equal monthly installments of \$2,170 including principal and interest. 4 Units (CMHC Section 95 Project Hawthorne - Net Book Value \$649,709).	512,028	529,663
Prime plus 1% loan, due March 2016, payable in equal monthly principal installments of \$8,333 plus interest (Tsiiionkwanonhso:té Nursing Home - Net Book Value \$5,409,230).	300,048	408,376
Loans - Caisse Populaire Desjardins de Kahnawake - 5.4 - 6.4%, due May 2014, payable in semi-annual installments of \$61,730 including principal and interest	<u>302,046</u>	<u>402,704</u>
	<u><u>\$ 8,141,631</u></u>	<u><u>\$ 8,910,977</u></u>

Interest expense for the year on long-term loans is \$176,799 (2013 - \$232,308).

**MOHAWK COUNCIL OF AKWESASNE**

**NOTES TO FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED MARCH 31, 2014**

**16. LONG-TERM LOANS (continued)**

The aggregate amount of principal payments required in each of the next five years and beyond, assuming renewal at similar rates and terms, to meet loan retirement provision is as follows:

2015	\$ 779,646
2016	796,795
2017	668,203
2018	396,263
2019	353,669
2020 and beyond	5,147,055

Management has a practice of refinancing long-term loans in advance of maturity.

The mortgage loans are guaranteed by AANDC in lieu of a normal mortgage lien on properties. Canada Mortgage and Housing Corporation (CMHC) subsidizes the interest rate on certain mortgages such that the effective annual rate paid by the Council on these loans is 2%. CMHC also offers a housing development subsidy program such that approximately 50% of the operating expenses, including interest is subsidized. Interest expense on long-term loans, net of subsidies, totaled \$30,129 (2013 - \$64,607).

Council has entered into a Tri-Partite agreement with The Secrétariat aux Affaires Autochtones-Québec (SAA) and La Caisse Populaire Desjardins de Kahnawake (La Caisse). Under the terms of this agreement, SAA agrees to finance various minor capital projects put forward by Council. This enables Council to obtain financing by means of long-term loans from La Caisse, supported by the SAA's undertaking to assume the repayment of the principal, interest and other expenses of these loans.

**17. ASSETS HELD IN TRUST FOR OTHERS**

The Council acts as trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of the Council. Amounts held in trust at the year-end are:

	<u>2014</u>	<u>2013</u>
Akwesasne Settlement Fund	<u>\$ 59,286</u>	<u>\$ 59,040</u>

**18. INTERNAL CHARGES**

Added to tangible capital assets and deferred charges during the year are certain administrative and salary amounts totaling \$62,345 (2013 - \$147,721).

## MOHAWK COUNCIL OF AKWESASNE

### NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2014

#### **19. CONTINGENCIES AND COMMITMENTS**

The Council has a loan facility of up to \$7,000,000 with the Bank of Montreal which may be drawn on by qualified borrowers for the purchase, renovation or construction of owner-occupied homes.

Under the terms of this facility, the borrowers are responsible for the repayment of the loans and Council provides a guarantee for the amounts outstanding under the facility. As at March 31, 2014 the Council had guarantees outstanding under this program of \$5,593,139 (2013 - \$5,711,873). These amounts have not been recognized in these financial statements.

The nature of the Mohawk Council of Akwesasne's various activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at March 31, 2014, management believes the Mohawk Council of Akwesasne has valid defences and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Mohawk Council of Akwesasne's financial position.

The Council is committed under various operating lease agreements for office equipment to pay approximately \$22,146 (2013 - \$22,146) annually over the next 5 years.

The Council has committed to pursuing land claims that will require an estimated \$1,000,000 per year in professional fees over the next three to five years.

#### **20. ACCUMULATED SURPLUS**

The Council restricts funds to recognize the investment in property, plant and equipment and housing and housing construction loans, to meet reserve requirements of certain funding arrangements and to reflect internal restrictions placed on the use of certain funds by Council.

#### **21. ONTARIO POWER GENERATION SETTLEMENT**

On October 2, 2008 the Mohawk Council of Akwesasne and the Ontario Power Generation Inc. (OPG) signed a Past Grievance Final Settlement Agreement (Agreement) in respect of any impact, loss or damage to the Reserve Lands and other lands of Traditional Territory and any infringement or impact on the aboriginal title, rights and treaty rights of the Mohawks of Akwesasne, whether proven or asserted.

Upon execution of the Agreement in November 2008, OPG paid \$20,363,520 to Council and agreed to pay beginning in October 2009, ten annual payments of \$2,560,000 on the respective anniversary of the Execution Date of the Agreement. On October 2, 2013, the fifth of the annual payments of \$2,560,000 was received.

The final settlement agreement was recorded as revenue in 2009 with the remaining future payments being recorded as a receivable using a discount rate of 5.5% based on comparable industry indices. As at March 31, 2014 the net present value of the future payments is recorded as a receivable of \$11,089,092 (2013 - \$12,969,452). Accrued interest of \$679,640 was recorded in 2014 and is included in the statement of financial activities within interest income.

#### **22. ECONOMIC DEPENDENCE**

The Council receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada and Health Canada. The nature and extent of this revenue is of such significant that the Council is economically dependent on this source of revenue.

**MOHAWK COUNCIL OF AKWESASNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2014**

**23. SUBSEQUENT EVENT - FUTURE SETTLEMENT TRUST**

During the year the Mohawk Council of Akwesasne classified investments worth \$40,947,308 and an amount receivable from Ontario Power Generation worth \$11,089,092 as restricted assets based on the Council's intention to establish a future settlement trust.

The Council is anticipating to transfer the restricted investments referenced above to a future settlement trust prior to the end of the next fiscal year. The pro-forma information provided below present the statement of financial position and the statement of operations of the Council as if the transfer discussed above had occurred in the Council's March 31, 2014 fiscal year.

The Council had incurred approximately \$2 Million in negotiating and arriving to a settlement for the OPG and Kawenoke-Easterbrook Settlement Claims which form the basis for the amounts that are intended to be transferred to the future settlement trust. The Council had financed these costs through normal operations prior to the settlements in question. Council's recovery of these funds are currently not reflected in these financial statements as the mechanism to recover these funds has not been established.

	<u>2014</u>	<u>2014</u>
	Actual	Pro-forma
<b>Financial Assets</b>		
Cash	\$ 7,729,912	\$ 7,729,912
Due from government and other government organizations (note 3)	8,553,558	8,553,558
Accounts receivable (note 4)	2,578,099	2,578,099
Temporary investments (note 9)	22,339,459	22,339,459
Housing and housing construction loans (note 5)	5,524,921	5,524,921
Restricted assets - future settlement trust (note 23)	40,947,308	40,947,308
Temporary Investments (note 10)	11,089,092	11,089,092
Ontario Power Generation settlement receivable (note 21)	84,544	84,544
<b>Total Financial Assets</b>	<b><u>98,846,893</u></b>	<b><u>57,899,585</u></b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	7,800,493	7,800,493
Employee benefit obligations (note 12)	1,720,950	1,720,950
Due to government and other government organizations (note 13)	2,157,897	2,157,897
Deferred revenue (note 15)	1,680,790	1,680,790
Due to future settlement trust	11,089,092	11,089,092
Long-term loans (note 16)	8,141,631	8,141,631
Promissory notes / Land Settlement Claims (note 14)	2,732,339	2,732,339
<b>Total Financial Liabilities</b>	<b><u>24,234,100</u></b>	<b><u>35,323,192</u></b>
<b>Net Financial Assets</b>	<b><u>74,612,793</u></b>	<b><u>22,576,393</u></b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	107,140,912	107,140,912
Tangible capital assets under construction (note 7)	5,177,149	5,177,149
Other assets held for sale (note 8)	82,072	82,072
Deferred charges	2,458,072	2,458,072
Prepaid expenses	810,525	810,525
<b>Total non-financial assets</b>	<b><u>115,668,730</u></b>	<b><u>115,668,730</u></b>
<b>Accumulated surplus (note 20)</b>	<b><u>\$ 190,281,523</u></b>	<b><u>\$ 138,245,123</u></b>

**MOHAWK COUNCIL OF AKWESASNE**  
**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

**23. SUBSEQUENT EVENT - FUTURE SETTLEMENT TRUST (continued)**

	<u>Budget</u> (Unaudited)	<u>2014</u> Actual	<u>2014</u> Pro-forma
<b>Revenues</b>			
Contributions	\$ 66,963,562	\$ 69,697,736	\$ 69,697,736
Ontario Lottery and Gaming Corporation	4,000,000	3,944,136	3,944,136
Administration fees and user charges	2,772,186	1,095,408	1,095,408
Land leases	481,000	530,622	530,622
Interest	350,000	2,208,617	2,208,617
Other income	5,183,172	3,757,378	3,757,378
Rental	4,100,836	947,483	947,483
	<u>83,850,756</u>	<u>82,181,380</u>	<u>82,181,380</u>
<b>Operating expenses (note 24)</b>			
Akwesasne Mohawk Board of Education	13,980,768	14,366,580	14,366,580
Akwesasne Mohawk Police Service	4,986,152	5,392,768	5,392,768
Community and social services	12,073,646	13,145,383	13,145,383
Executive services	15,681,635	13,346,410	13,346,410
Health	25,022,542	24,847,361	24,847,361
Housing	3,359,734	1,588,696	1,588,696
Justice	1,622,370	1,366,920	1,366,920
Mohawk government	779,392	1,564,395	1,564,395
Technical services	7,680,635	7,308,479	7,308,479
	<u>85,186,874</u>	<u>82,926,992</u>	<u>82,926,992</u>
<b>Annual (deficit) surplus before transfer</b>	(1,336,118)	(745,612)	(745,612)
<b>Less transfer</b>			
<b>Future settlement trust</b>			(52,036,400)
<b>Annual (deficit) surplus</b>	<u>(1,336,118)</u>	<u>(745,612)</u>	<u>(52,782,012)</u>
<b>Accumulated surplus at beginning of year</b>	<u>191,027,135</u>	<u>191,027,135</u>	<u>191,027,135</u>
<b>Accumulated surplus at end of year</b>	<b><u>\$ 189,691,017</u></b>	<b><u>\$ 190,281,523</u></b>	<b><u>\$ 138,245,123</u></b>

**MOHAWK COUNCIL OF AKWESASNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2014**

**24. OPERATING EXPENSES**

	<u>2014</u>	<u>2013</u>
Salaries, benefits and honoraria	\$ 43,351,369	\$ 42,376,387
Travel and training	1,511,211	1,693,186
Program supplies	6,448,114	7,687,409
Equipment repairs/lease and small equipment purchases	1,795,986	1,525,112
Professional fees	4,825,476	4,871,038
Non-Insured Health Benefits	7,334,248	7,108,337
Office	767,029	661,571
Facility costs	2,688,971	2,853,270
Student tuition and allowances	5,572,089	6,082,003
Community support	4,886,784	4,249,942
Minor capital	3,745,715	4,247,556
	<hr/> <u>\$ 82,926,992</u>	<hr/> <u>\$ 83,355,816</u>

**25. COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

**26. BUDGETED FIGURES**

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Mohawk Council of Akwesasne.

## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 1 - REPORT ON MOVEABLE ASSET RESERVE (MAR) (unaudited)

YEAR ENDED MARCH 31, 2014

## Health Transfer Services Agreement

	<u>MAR</u>	<u>Restricted For Health Programs</u>	<u>Total</u>
Balance at beginning of year			
Add: Amount provided in Agreement for MAR	\$ 417,717	\$ 1,448,632	\$ 1,866,349
Add: Additional amount for MAR	18,791	100,000	18,791 100,000
Add: Revenues generated	-	-	-
Less: Reserve applied to health operations	-	-	-
	<u>\$ 436,508</u>	<u>\$ 1,548,632</u>	<u>\$ 1,985,140</u>

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## MOHAWK COUNCIL OF AKWESASNE

## SCHEDE 2 - REPORT ON HEALTH EXPENSES (unaudited)

YEAR ENDED MARCH 31, 2014

## Health Funding Contribution Agreement

	2014	2013
<b>Funds available</b>		
Funds deferred in previous year - Block Funding	\$ 508,910	\$ 500,000
Funds from Health Services Funding Agreement - Block Funding	5,281,707	5,260,324
Funds deferred to future years - Block Funding	(623,876)	(508,910)
Funds deferred in previous year - Set Funding		
Funds from Health Services Funding Agreement - Set Funding	1,883,035	1,819,103
Funds repayable to Health Canada - Set Funding	(21,392)	(51,517)
Funds allocated to MAR	(18,791)	(18,791)
Funds allocated to additional MAR	(100,000)	(100,000)
	<u>6,909,593</u>	<u>6,900,209</u>
<b>Expenses - Health Agreement - Block Funding Programs</b>		
HCD - Aboriginal Headstart	523,117	458,397
HCD - Canada Prenatal Nutrition	76,530	111,297
HCD - Maternal Child Health	155,656	221,394
CD - Fetal Alcohol Spectrum Disorder	108,057	43,551
Wholistic Health Program - BF/NNADAP/BHC	858,278	871,497
Aboriginal Diabetes Initiatives	315,377	294,036
Community Health Promotions (CHN/CHR)	959,190	797,389
Health Administration	955,375	915,094
Environment	68,701	68,701
	<u>4,020,281</u>	<u>3,781,356</u>
<b>Expenses - Health Agreement - Set Funding Programs</b>		
HIV/Aids Program	8,163	7,771
Communicable Disease Emergencies	2,000	2,000
Aboriginal Youth Suicide Prevention Strategy	54,863	25,596
Home and Community Care Program	1,727,416	1,668,744
Drinking Water Safety Program	7,440	11,700
Health Service Accreditation	88,299	63,980
	<u>1,888,181</u>	<u>1,779,791</u>
	<u>1,001,131</u>	<u>1,339,062</u>
<b>Surplus</b>		
<b>Expenditures - other health related</b>		
Tsionkwanonhsote - Chronic Care facility	704,109	576,783
Lakhsiohtha - Long-Term Care facility	122,077	385,631
Ambulance	108,760	420,865
Lakhsiohtha - Minor Capital	1,078	
Non-insured Health Benefits	87,079	89
AHWS Healthy Babies & Children	99,171	471
MOHLTC Community Support Fund	50,000	50,000
Financial Analyst	8,159	(48)
Health Projects	1,179,355	1,443,237
	<u>(178,224)</u>	<u>(104,175)</u>
<b>Deficit</b>		
<b>Funds from other sources (for information only)</b>		
Ministry of Community & Social Services	63,455	63,475
Ministry of Community and Youth Services	75,000	-
Independent First Nation & AHWS	19,184	9,199
Miscellaneous earned income	21,969	25,785
	<u>\$ 1,384</u>	<u>\$ (5,716)</u>
<b>Closing Balance</b>		

## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 3 - SCHEDULE OF FEDERAL REVENUE TRUST FUNDS (unaudited)

YEAR ENDED MARCH 31, 2014

**Schedule of Federal Revenue Trust Funds****Revenue from land leases**

Paid to Aboriginal Affairs and Northern Development Canada

\$	530,622
<u><u>\$</u></u>	<u><u>530,622</u></u>

The revenue received has been applied to Council programs and services as follows:

Executive Services	\$ 70,000
Conservation/Compliance	95,000
Roads	80,000
Information Management	90,000
Emergency Measures	60,000
Environment	90,000
Office of Vital Statistics	45,622
Total revenue applied to programs	<u><u>\$ 530,622</u></u>

Note: In addition to the rental revenues received, interest in the amount of \$96,146 was received in fiscal year ended March 31, 2014. This interest income has been applied to global Council operations and is not disclosed separately on the Statement of Financial Activities.

## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 4 - SCHEDULE OF FUNDING CONTRIBUTIONS (unaudited)

YEAR ENDED MARCH 31, 2014

## Schedule of Funding Contributions

	<u>2014</u>	<u>2013</u>
Aboriginal Affairs and Northern Development Canada	\$ 34,153,969	\$ 39,057,669
Human Resources Development Canada	278,191	345,634
Canadian Mortgage and Housing Corporation	526,318	617,055
Health Canada	16,017,692	15,226,477
Canada Border Services Agency	26,575	784,716
Emergency Preparedness Canada	2,957,781	2,837,960
Other Federal	<u>219,963</u>	<u>194,711</u>
	54,180,489	59,064,222
Province of Ontario	13,296,351	12,906,704
Province of Quebec	1,987,976	2,366,676
Other contributions	<u>232,920</u>	<u>250,327</u>
	<u><u>\$ 69,697,736</u></u>	<u><u>\$ 74,587,929</u></u>

## MOHAWK COUNCIL OF AKWESASNE

**SCHEDULE 5 - SCHEDULE OF FUNDING RECONCILIATION AANDC (unaudited)**  
**YEAR ENDED MARCH 31, 2014**

**Schedule of Funding Reconciliation AANDC**

	<u>2014</u>	<u>2013</u>
AANDC Revenue per Financial Statements	\$ 34,153,969	\$ 39,077,186
Less: prior year deferred revenue	(514,952)	(1,161,817)
Less: prior year repayable revenue	(1,063,955)	(339,697)
Add: current year deferred revenue	626,295	514,952
Add: current year repayable revenue	<u>468,509</u>	<u>1,063,955</u>
Adjusted AANDC funding received	33,669,866	39,154,579
AANDC revenue per funding confirmation	<u>34,041,674</u>	<u>39,371,352</u>
Difference	<u><u>\$ (371,808)</u></u>	<u><u>\$ (216,773)</u></u>

## Explanation of differences:

Recovery of repayables	\$ (367,183)	\$ (121,646)
Underspent targets (never set up as repayable)	(4,625)	6,300
Targets - net of prior year repayables and receivables	<u><u>\$ (371,808)</u></u>	<u><u>\$ (216,773)</u></u>

## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 7 - SCHEDULE OF SEGMENT DISCLOSURE (unaudited)

YEAR ENDED MARCH 31, 2014

	Akwasasne Mohawk Board of Education 2014	Akwasasne Mohawk Police 2014	Department of Community & Social Services 2014	Mohawk Government 2014	Health 2014	Housing 2014	Justice 2014	Department of Technical Services 2014	Executive Services 2014	Consolidated Totals 2014
<b>Revenues</b>										
Federal Government	\$ 13,378,926	\$ 2,957,781	\$ 8,222,139	\$ -	\$ 16,788,649	\$ 465,954	\$ 113,004	\$ 5,015,592	\$ 7,343,425	\$ 54,285,470
Provincial Government	164,905	2,165,108	3,981,418	1,114,512	6,959,388	150,000	401,706	105,156	3,875,228	18,917,421
Other Revenues	<u>294,805</u>	<u>15,357</u>	<u>708,735</u>	<u>707,405</u>	<u>1,969,123</u>	<u>787,026</u>	<u>129,053</u>	<u>3,531,853</u>	<u>6,729,470</u>	<u>14,872,827</u>
<b>Sub-total</b> Inter-Segment Eliminations	<u>13,838,636</u>	<u>5,138,246</u>	<u>12,912,292</u>	<u>1,821,917</u>	<u>25,717,160</u>	<u>1,402,980</u>	<u>643,763</u>	<u>8,652,601</u>	<u>17,948,123</u>	<u>88,075,718</u>
<b>Total Revenues</b>	<u><u>13,838,636</u></u>	<u><u>5,138,246</u></u>	<u><u>12,912,292</u></u>	<u><u>1,821,917</u></u>	<u><u>25,717,160</u></u>	<u><u>1,402,980</u></u>	<u><u>643,763</u></u>	<u><u>5,367,966</u></u>	<u><u>15,338,420</u></u>	<u><u>82,181,380</u></u>
<b>Expenses</b>										
Salaries & Benefits	6,946,016	4,257,484	5,448,497	81,376	11,754,332	993,151	987,404	3,699,020	8,954,233	43,121,513
Operating Costs	6,805,040	615,785	6,570,376	1,308,686	11,311,881	99,995	246,192	3,683,182	5,310,394	35,951,531
Rent	206,197	161,700	648,121	47,000	922,380	56,280	63,000	138,138	966,233	3,209,049
Amortization Expenses	149,732	197,711	102,854	12,086	238,718	349,566	7,793	2,342,269	240,267	3,640,996
Other Expenses	<u>259,595</u>	<u>160,088</u>	<u>375,535</u>	<u>115,247</u>	<u>620,050</u>	<u>89,704</u>	<u>62,531</u>	<u>730,505</u>	<u>484,986</u>	<u>2,898,241</u>
<b>Sub-total</b>	<u>14,366,580</u>	<u>5,392,768</u>	<u>13,145,383</u>	<u>1,564,395</u>	<u>24,847,361</u>	<u>1,588,696</u>	<u>1,366,920</u>	<u>10,593,114</u>	<u>15,956,113</u>	<u>88,821,330</u>
Inter-Segment Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,284,635)</u>	<u>(2,609,703)</u>	<u>(5,894,338)</u>
<b>Total Expenses</b>	<u><u>14,366,580</u></u>	<u><u>5,392,768</u></u>	<u><u>13,145,383</u></u>	<u><u>1,564,395</u></u>	<u><u>24,847,361</u></u>	<u><u>1,588,696</u></u>	<u><u>1,366,920</u></u>	<u><u>7,308,479</u></u>	<u><u>13,346,410</u></u>	<u><u>82,926,992</u></u>
<b>Annual Surplus/(Deficit)</b>	<u><u>\$ (527,944)</u></u>	<u><u>\$ (254,522)</u></u>	<u><u>\$ (233,091)</u></u>	<u><u>\$ 257,522</u></u>	<u><u>\$ 869,799</u></u>	<u><u>\$ (185,716)</u></u>	<u><u>\$ (723,157)</u></u>	<u><u>\$ (1,940,513)</u></u>	<u><u>\$ 1,992,010</u></u>	<u><u>\$ (745,612)</u></u>

**MOHAWK COUNCIL OF AKWESASNE**  
**SCHEDULE 7 - SCHEDULE OF SEGMENT DISCLOSURE (unaudited)**  
**YEAR ENDED MARCH 31, 2014**

	Akwesasne Mohawk Board of Education 2013	Akwesasne Mohawk Police 2013	Department of Community & Social Services 2013	Mohawk Government 2013	Health 2013	Housing 2013	Justice 2013	Department of Technical Services 2013	Executive Services 2013	Consolidated Totals 2013
<b>Revenues</b>										
Federal Government	\$ 11,556,188	\$ 2,837,960	\$ 7,039,075	\$ 5,041,070	\$ 15,809,422	\$ 503,322	\$ 164,725	\$ 5,318,513	\$ 11,364,326	\$ 59,634,601
Provincial Government	-	2,011,810	3,631,208	953,910	6,503,102	-	364,609	666,600	1,856,548	15,987,787
Other Revenues	175,937	94,140	628,717	1,398,111	1,591,959	718,618	59,029	3,596,947	8,350,493	16,613,951
<b>Sub-total Inter-Segment Eliminations</b>	<b>11,732,125</b>	<b>4,943,910</b>	<b>11,299,000</b>	<b>7,393,091</b>	<b>23,904,483</b>	<b>1,221,940</b>	<b>588,363</b>	<b>9,582,060</b>	<b>21,571,367</b>	<b>92,236,339</b>
<b>Total Revenues</b>	<b>11,732,125</b>	<b>4,943,910</b>	<b>11,299,000</b>	<b>7,393,091</b>	<b>23,904,483</b>	<b>1,221,940</b>	<b>588,363</b>	<b>6,260,693</b>	<b>18,879,060</b>	<b>86,222,665</b>
<b>Expenses</b>										
Salaries & Benefits	7,188,127	3,817,007	5,012,695	501,683	10,844,956	955,678	978,460	3,791,334	9,066,964	42,156,904
Operating Costs	7,278,453	690,771	5,711,358	2,203,250	11,070,105	371,096	223,064	3,814,235	6,001,877	37,364,209
Rent	196,378	165,700	661,178	39,000	963,737	52,500	63,000	131,500	978,340	3,251,333
Amortization Expenses	168,584	211,701	131,656	14,737	265,695	341,474	8,295	2,379,340	263,647	3,785,129
Other Expenses	263,495	146,367	394,741	157,226	556,999	107,205	59,993	643,803	482,086	2,811,915
<b>Sub-total</b>	<b>15,095,037</b>	<b>5,031,546</b>	<b>11,911,628</b>	<b>2,915,896</b>	<b>23,701,492</b>	<b>1,827,953</b>	<b>1,332,812</b>	<b>10,760,212</b>	<b>16,792,914</b>	<b>89,369,490</b>
<b>Inter-Segment Eliminations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,321,367)</b>	<b>(2,692,307)</b>	<b>(6,013,674)</b>
<b>Total Expenses</b>	<b>15,095,037</b>	<b>5,031,546</b>	<b>11,911,628</b>	<b>2,915,896</b>	<b>23,701,492</b>	<b>1,827,953</b>	<b>1,332,812</b>	<b>7,438,845</b>	<b>14,100,607</b>	<b>83,355,816</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ (3,362,912)</b>	<b>\$ (87,636)</b>	<b>\$ (612,628)</b>	<b>\$ 4,477,195</b>	<b>\$ 202,991</b>	<b>\$ (606,013)</b>	<b>\$ (744,449)</b>	<b>\$ (1,178,152)</b>	<b>\$ 4,778,453</b>	<b>\$ 2,866,849</b>

**MOHAWK COUNCIL OF AKWESASNE**  
**SCHEDULE 8 - STATEMENT OF CHANGES IN ACCUMULATED SURPLUS (unaudited)**  
**YEAR ENDED MARCH 31, 2014**

	Investment in property, plant and equipment	Investment in housing and housing construction loans	Internally restricted			Unrestricted accumulated operating deficit	2014	2013
			AANDC	OLG	Other			
Balance at beginning of year	\$ 104,646,988	\$ 5,222,520	\$ 4,780,234	\$ 21,244,191	\$ 60,650,325	\$ (5,517,123)	\$ 191,027,135	\$ 188,160,286
Net revenues over expenses for the year	3,730,993	625,666	71,024	948,583	2,484,370	(8,606,248)	(745,612)	2,866,849
Inter-fund transfer to (from) unrestricted	(3,819,551)	(322,133)	(2,462,540)	(2,302,356)	(1,591,539)	10,498,119	—	—
Change in net asset for the year	(88,558)	303,533	(2,391,516)	(1,353,773)	892,825	1,891,871	(745,612)	2,866,849
Balance at end of year	<u>\$ 104,558,430</u>	<u>\$ 5,526,053</u>	<u>\$ 2,388,718</u>	<u>\$ 19,890,418</u>	<u>\$ 61,543,150</u>	<u>\$ (3,625,252)</u>	<u>\$ 190,281,523</u>	<u>\$ 191,027,135</u>

(See accompanying notes)