

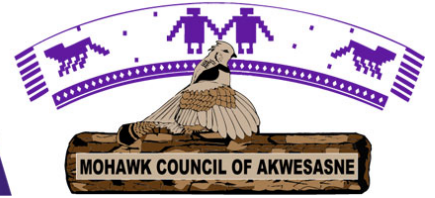
FINANCIAL STATEMENTS
For
MOHAWK COUNCIL OF AKWESASNE
For year ended
MARCH 31, 2016

MOHAWK COUNCIL OF AKWESASNE
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2016

	<u>Page</u>
Management's Responsibility for the Financial Statements	1
Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8-20
Schedule 1 - Report on Moveable Assets Reserve (MAR) (unaudited)	21
Schedule 2 - Report on Health Expenses (unaudited)	22
Schedule 3 - Schedule of Federal Revenue Trust Funds (unaudited)	23
Schedule 4 - Schedule of Government Transfers (unaudited)	24
Schedule 5 - Schedule of Funding Reconciliation INAC (unaudited)	25
Schedule 6 - Schedule of Segment Disclosure 2016 (unaudited)	26
Schedule 7 - Schedule of Segment Disclosure 2015 (unaudited)	27
Schedule 8 - Schedule of Changes in Accumulated Surplus (unaudited)	28

MOHAWK COUNCIL OF AKWESASNE

Tetewaie:na - Honoring the past, facing today's challenges, building a strong future.



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:

Heather Phillips
Acting Executive Director
Mohawk Council of Akwesasne

Abram Benedict
Grand Chief
Mohawk Council of Akwesasne

Dated: September 12, 2016

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, 2016 and the statements of operations, 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, 2016 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.

Other Matters

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

Welch LLP

**Chartered Professional Accountants
Licensed Public Accountants**

**Cornwall, Ontario
September 12, 2016.**

MOHAWK COUNCIL OF AKWESASNE
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Financial Assets		
Cash	\$ 8,082,651	\$ 5,049,664
Due from government and other government organizations (note 3)	6,402,170	12,246,771
Accounts receivable (note 4)	1,045,920	2,479,045
Temporary investments (note 9)	28,657,918	22,811,671
Restricted assets (note 23)		
Temporary investments	-	10,863,250
Ontario Power Generation Settlement receivable (note 21)	6,907,213	9,106,015
Housing and housing construction loans (note 5)	5,729,588	5,836,586
Funds held in trust by INAC	<u>84,544</u>	<u>84,544</u>
Total Financial Assets	<u>56,910,004</u>	<u>68,477,546</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 10)	7,441,420	6,285,780
Employee benefit obligations (note 11)	1,519,949	1,739,189
Due to government and other government organizations (note 12)	2,898,141	2,973,293
Deferred revenue (note 14)	1,824,270	2,168,898
Long-term loans (note 15)	6,561,462	7,362,256
Promissory note / Land Settlement Claim (note 13)	<u>2,732,339</u>	<u>2,732,339</u>
Total Financial Liabilities	<u>22,977,581</u>	<u>23,261,755</u>
Net Financial Assets	<u>33,932,423</u>	<u>45,215,791</u>
Non-Financial Assets		
Tangible capital assets (note 6)	101,531,346	104,209,679
Tangible capital assets under construction (note 7)	7,798,887	6,601,880
Other assets held for sale (note 8)	82,565	82,565
Deferred charges	2,710,716	2,461,164
Prepaid expenses	<u>907,349</u>	<u>462,116</u>
Total non-financial assets	<u>113,030,863</u>	<u>113,817,404</u>
Accumulated surplus (note 20)	<u>\$146,963,286</u>	<u>\$159,033,195</u>

Contingencies and commitments (note 19)

Approved by the Council



Heather Phillips, Acting Executive Director
Mohawk Council of Akwesasne



Abram Benedict, Grand Chief
Mohawk Council of Akwesasne

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2016

	<u>Budget</u> (note 26)	<u>2016</u>	<u>2015</u>
Revenues			
Government transfers	\$ 75,146,525	\$ 73,502,160	\$ 72,978,983
Ontario Lottery and Gaming Corporation	3,807,520	4,044,784	4,049,632
Administration fees and user charges	320,774	877,189	1,015,264
Land leases	570,200	579,331	546,597
Interest	250,000	951,074	1,824,399
Other income	3,924,147	3,237,193	3,218,044
Rental	836,496	729,300	673,021
	<u>84,855,662</u>	<u>83,921,031</u>	<u>84,305,940</u>
Operating expenses (note 24)			
Akwesasne Mohawk Board of Education	14,416,966	14,555,998	13,776,828
Akwesasne Mohawk Police Service	5,738,550	5,448,853	5,261,470
Community and social services	13,907,962	14,007,214	13,454,890
Economic development	1,972,022	1,895,905	1,944,887
Executive services - core services	3,134,465	2,818,433	3,580,975
Executive services - non core services	5,046,728	4,889,550	5,548,059
Integrated resource management	1,874,832	1,476,389	1,113,502
Health	26,443,386	26,356,088	25,033,592
Housing	2,414,561	1,744,912	1,433,801
Justice	1,510,608	1,400,149	1,435,801
Mohawk government	882,929	1,837,688	2,101,146
Technical services	7,928,414	7,289,009	7,419,713
	<u>85,271,423</u>	<u>83,720,188</u>	<u>82,104,664</u>
Annual surplus (deficit) before items noted below	(415,761)	200,843	2,201,276
Expense recoveries from Mohawks of Akwesasne			
Community Settlement Trust (note 23)	<u>-</u>	<u>1,152,505</u>	<u>-</u>
Annual surplus (deficit) before transfer to Trust	(415,761)	1,353,348	2,201,276
Transfer to Mohawks of Akwesasne			
Community Settlement Trust (note 23)	<u>-</u>	<u>(13,423,257)</u>	<u>(33,449,604)</u>
Annual deficit	(415,761)	(12,069,909)	(31,248,328)
Accumulated surplus at beginning of year	<u>159,033,195</u>	<u>159,033,195</u>	<u>190,281,523</u>
Accumulated surplus at end of year (note 20)	<u>\$158,617,434</u>	<u>\$146,963,286</u>	<u>\$159,033,195</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2016

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Annual deficit	\$ <u>(415,761)</u>	\$ <u>(12,069,909)</u>	\$ <u>(31,248,328)</u>
Acquisition of tangible capital assets	(780,000)	(869,347)	(726,351)
Acquisition of tangible capital assets under construction	(3,000,000)	(1,197,006)	(1,424,731)
Loss on disposal of tangible capital assets	-	10,671	31,677
Amortization of tangible capital assets	3,800,000	3,537,008	3,619,153
Loss on disposal of other assets held for sale	<u>-</u>	<u>-</u>	<u>6,261</u>
	<u>20,000</u>	<u>1,481,326</u>	<u>1,506,009</u>
Acquisition of prepaid expenses	(124,214)	(907,349)	(462,116)
Acquisition of deferred charges	470,863	(249,552)	(3,092)
Use of prepaid expenses	<u>746,234</u>	<u>462,116</u>	<u>810,525</u>
	<u>1,092,883</u>	<u>(694,785)</u>	<u>345,317</u>
Increase (decrease) in net financial assets	697,122	(11,283,368)	(29,397,002)
Net financial assets at beginning of year	<u>45,215,791</u>	<u>45,215,791</u>	<u>74,612,793</u>
Net financial assets at end of year	<u>\$ 45,912,913</u>	<u>\$ 33,932,423</u>	<u>\$ 45,215,791</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Cash provided by (used for):		
Operating activities		
Annual surplus before transfer to Trust	\$ 1,353,348	\$ 2,201,276
Items not affecting cash:		
Amortization	3,537,008	3,619,153
Loss on disposal of other assets held for sale	-	6,261
Loss on disposal of tangible capital assets	10,671	31,677
Net change in non-cash working capital items:		
Due from government and other government organizations	5,844,601	(3,693,213)
Accounts receivable	1,433,125	99,054
Prepaid expenses	(445,233)	348,409
Ontario Power Generation Settlement receivable	2,198,802	1,983,077
Accounts payable and accrued liabilities	1,155,640	(1,514,713)
Employee benefit obligations	(219,240)	18,239
Due to government and other government organizations	(75,152)	815,396
Deferred revenue	<u>(344,628)</u>	<u>488,108</u>
Cash applied to operating transactions	<u>14,448,942</u>	<u>4,402,724</u>
Capital activities		
Purchase of tangible capital assets and under construction	<u>(2,066,353)</u>	<u>(2,151,081)</u>
Cash applied to capital transactions	<u>(2,066,353)</u>	<u>(2,151,081)</u>
Investing activities		
Advances for housing and housing construction loans	(693,395)	(1,122,764)
Housing loans repaid	800,393	811,099
Deferred charges	(249,552)	(3,092)
Redemption of investments	42,209,858	56,958,880
Purchases of investments	<u>(37,192,855)</u>	<u>(27,347,034)</u>
	<u>4,874,449</u>	<u>29,297,089</u>
Financing activities		
Repayments of long-term loans	(800,794)	(779,376)
Transfer to Community Trust	<u>(13,423,257)</u>	<u>(33,449,604)</u>
	<u>(14,224,051)</u>	<u>(34,228,980)</u>
Increase (decrease) in cash	3,032,987	(2,680,248)
Cash at beginning of year	<u>5,049,664</u>	<u>7,729,912</u>
Cash at end of year	<u><u>\$ 8,082,651</u></u>	<u><u>\$ 5,049,664</u></u>
Supplementary cash flow information		
Interest received in year	\$ 915,075	\$ 1,247,476
Interest paid in year	\$ 132,206	\$ 156,377

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

NATURE OF OPERATIONS

The Mohawk Council of Akwesasne (Council) is the body which administers various programs to the Akwesasne community. Activities are funded by Indigenous and Northern Affairs Canada (INAC) (formerly known as Aboriginal Affairs and Northern Development Canada) (AANDC) under a multi-year agreement which will expire March 31, 2020 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.

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, 2016

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 comprised 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*

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. Revenue is recognized in the statement of operations as the stipulation liabilities are settled. 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 INAC on behalf of Council. This interest and lease revenue is paid directly into trust funds administered by INAC on Council's behalf. It is recorded as revenue of Council in the year in which it is paid into the INAC 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, 2016

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 2016 fiscal year amounted to \$2,709,404 (2015 - \$2,612,251).

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, 2016.

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 INAC, 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 note from INAC is payable in full upon settlement of the related land claim and is 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, 2016

2. FINANCIAL INSTRUMENTS (continued)

Financial instruments which potentially subject the Council to concentrations of credit risk consist of cash, due from government and other government organizations, accounts receivable, temporary investments, Ontario Power Generation Settlement receivable, housing and housing construction loans and funds held by INAC. 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.

3. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2016</u>	<u>2015</u>
Indigenous and Northern Affairs Canada	\$ 407,682	\$ 4,041,108
Human Resources Development Canada	179,653	213,371
Health Canada	365,459	161,632
Province of Ontario	1,783,179	695,374
Province of Quebec	741,940	343,718
Other Federal contributions	<u>2,924,257</u>	<u>6,791,568</u>
	<u>\$ 6,402,170</u>	<u>\$ 12,246,771</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following

	<u>2016</u>	<u>2015</u>
Future settlement trust receivable	\$ 3,545	\$ 795,494
Interest receivable from temporary investments	184,170	230,929
Miscellaneous receivables	448,021	433,186
Other Grants and Contributions	452,554	1,055,124
Rental facilities receivables	<u>291,148</u>	<u>296,830</u>
	1,379,438	2,811,563
Less: allowance for doubtful accounts	<u>333,518</u>	<u>332,518</u>
	<u>\$ 1,045,920</u>	<u>\$ 2,479,045</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.

	<u>2016</u>	<u>2015</u>
Principal outstanding	\$ 10,769,870	\$ 11,046,637
Less: allowance for doubtful loans	<u>5,040,282</u>	<u>5,210,051</u>
	<u>\$ 5,729,588</u>	<u>\$ 5,836,586</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

6. TANGIBLE CAPITAL ASSETS

	Land	Building & Major Infrastructure	Computer Hardware	Computer Software	Equipment	Equipment under a Capital Lease	Furniture and Fixtures	Roads	Vehicles	Total 2016	Total 2015
Cost											
Opening Costs	\$ 715,841	\$ 141,913,467	\$ 3,491,511	\$ 604,444	\$ 6,456,671	\$ 504,822	\$ 2,021,354	\$ 5,771,873	\$ 7,230,555	\$ 168,710,538	\$ 168,135,622
Additions	4,593	-	17,364	-	154,385	-	-	-	693,004	869,346	726,351
Transfers from WIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(7,460)	-	-	-	-	-	-	(20,600)	(28,060)	(151,434)
Closing Costs	<u>720,434</u>	<u>141,906,007</u>	<u>3,508,875</u>	<u>604,444</u>	<u>6,611,056</u>	<u>504,822</u>	<u>2,021,354</u>	<u>5,771,873</u>	<u>7,902,959</u>	<u>169,551,824</u>	<u>168,710,539</u>
Accumulated Amortization											
Opening accumulated	-	44,357,445	3,029,263	584,672	5,128,634	459,944	1,337,692	3,772,835	5,830,375	64,500,860	60,994,710
Disposals	-	-	-	-	-	-	-	-	(17,392)	(17,392)	(113,003)
Amortization Expense	-	2,438,713	94,188	9,892	281,046	8,975	68,367	199,960	435,869	3,537,010	3,619,153
Closing Accumulated	<u>-</u>	<u>46,796,158</u>	<u>3,123,451</u>	<u>594,564</u>	<u>5,409,680</u>	<u>468,919</u>	<u>1,406,059</u>	<u>3,972,795</u>	<u>6,248,852</u>	<u>68,020,478</u>	<u>64,500,860</u>
Net Book Value	<u>\$ 720,434</u>	<u>\$ 95,109,849</u>	<u>\$ 385,424</u>	<u>\$ 9,880</u>	<u>\$ 1,201,376</u>	<u>\$ 35,903</u>	<u>\$ 615,295</u>	<u>\$ 1,799,078</u>	<u>\$ 1,654,107</u>	<u>\$ 101,531,346</u>	<u>\$ 104,209,679</u>
Opening Balance	\$ 715,841	\$ 97,556,023	\$ 462,248	\$ 19,772	\$ 1,328,037	\$ 44,878	\$ 683,662	\$ 1,999,038	\$ 1,400,180	\$ 104,209,679	\$ 107,140,912
Closing Balance	<u>720,434</u>	<u>95,109,849</u>	<u>385,424</u>	<u>9,880</u>	<u>1,201,376</u>	<u>35,903</u>	<u>615,295</u>	<u>1,799,078</u>	<u>1,654,107</u>	<u>101,531,346</u>	<u>104,209,679</u>
Increase (Decrease) in Net Book Value	<u>\$ 4,593</u>	<u>\$ (2,446,174)</u>	<u>\$ (76,824)</u>	<u>\$ (9,892)</u>	<u>\$ (126,661)</u>	<u>\$ (8,975)</u>	<u>\$ (68,367)</u>	<u>\$ (199,960)</u>	<u>\$ 253,927</u>	<u>\$ (2,678,333)</u>	<u>\$ (2,931,233)</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

7. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION

	Total Remaining Commitment (unaudited)	2016	2015
Kanonhkwatsheri:io Renovations - Phase I	\$ 2,250,000	\$ 3,487,152	\$ 3,361,479
Road reconstruction	-	85,335	-
Angus Mitchell Memorial Building redesign	-	29,837	-
Kawenoke Water Line Construction Extension	-	3,624,968	3,151,814
Hamilton Island Bridge Design	12,300	13,790	13,790
Snye Administrative Facility Design & Sitework	111,500	<u>557,805</u>	<u>74,797</u>
		<u>\$ 7,798,887</u>	<u>\$ 6,601,880</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.

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, 2016 the carrying value recorded for both the Stanley Island Cabins and the property acquired from the BMO housing program are \$82,565 (2015 - \$82,565). Two cabins remain and none were sold during the year. No impairment write down was considered necessary or recorded for 2016.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

9. TEMPORARY INVESTMENTS

<u>Holder</u>	<u>Type</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Bank of Montreal	GIC	October 2016	1.50%	\$ 3,054,000
Bank of Montreal	GIC	October 2016	1.60%	1,277,860
BMO Trust	GIC	October 2016	1.60%	1,277,860
National Bank	GIC	April 2016	0.80%	3,500,000
Montreal Trust Co.	GIC	June 2016	3.00%	1,270,000
Canadian Western Bank	GIC	October 2017	2.15%	1,600,000
Montreal Trust Co.	GIC	June 2017	2.15%	2,096,000
Montreal Trust Co.	GIC	June 2019	2.00%	920,000
Montreal Trust Co.	GIC	June 2019	2.18%	1,193,000
Canadian Western Bank	GIC	June 2016	1.55%	253,000
Altamira High Interest Savings				206,452
Municipality of Petite Riviere	Fixed income fund	May 2016	3.05%	195,218
Town of Levis	Fixed income fund	December 2016	2.70%	198,276
Town of Kativik	Fixed income fund	May 2017	2.50%	219,314
Community Funds				
Fund 650-02095-12	Shares			522,673
Fund 650-02095-12	Shares			155,996
Fund 650-02094-13	Shares			526,225
BMO High Interest Savings				10,150,801
Cash balances in accounts				<u>41,243</u>
				<u>\$ 28,657,918</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 3,684,610	\$ 3,170,034
Accrued salaries and employee benefits payable	373,162	388,190
Other accrued liabilities	<u>3,383,648</u>	<u>2,727,556</u>
Total accounts payable	<u>\$ 7,441,420</u>	<u>\$ 6,285,780</u>

11. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2016</u>	<u>2015</u>
Vacation pay obligation	<u>\$ 1,519,949</u>	<u>\$ 1,739,189</u>

12. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2016</u>	<u>2015</u>
INAC repayables	\$ 826,297	\$ 550,089
Ontario repayables	1,159,940	1,233,252
Health Canada repayables	374,680	1,075,464
Other federal repayables	292,813	114,488
St Regis Mohawk Tribe repayables	<u>244,411</u>	<u>-</u>
	<u>\$ 2,898,141</u>	<u>\$ 2,973,293</u>

13. PROMISSORY NOTE / LAND CLAIM SETTLEMENT

The Council has entered into a loan funding agreement with Indigenous and Northern Affairs 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.

	<u>2016</u>	<u>2015</u>
Due on settlement of land claim	<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, 2016 INAC has approved a promissory note advance of \$2,732,339 (2015 - \$2,732,339) of which Council has expended \$2,685,715 (2015 - \$2,436,664) for purposes of the intended use.

14. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Indigenous and Northern Affairs Canada	\$ 574,933	\$ 1,122,005
Health Canada	413,096	622,279
Province of Ontario	268,407	221,645
Province of Quebec	31,306	74,431
Other	<u>536,528</u>	<u>128,538</u>
	<u>\$ 1,824,270</u>	<u>\$ 2,168,898</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

15. LONG-TERM LOANS

	<u>2016</u>	<u>2015</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 \$622,896).	\$ 33,207	\$ 111,982
1.65% mortgage, due September 2016, payable in equal monthly installments of \$10,086 including principal and interest (Kawenoke Riverview Apartments - Net Book Value \$896,363).	60,230	179,214
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Family Violence Centre - Net Book Value \$307,228).	51,954	78,474
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Adolescent Treatment Centre - Net Book Value \$269,115).	51,954	78,474
1.30% mortgage, due December 2020, payable in equal monthly installments of \$3,677 including principal and interest (CMHC Section 95 Project 97/98 - Net Book Value \$470,667).	390,900	428,106
1.39% mortgage, due June 2020, payable in equal monthly installments of \$4,404 including principal and interest (CMHC Section 95 Project 03/04 - Net Book Value \$863,950).	675,719	717,718
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 \$803,670).	662,464	713,500
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 \$1,083,435).	615,379	648,672
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 \$1,811,580).	982,954	1,028,156
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 \$1,022,481).	779,070	820,000
1.98% mortgage, due May 2019, payable in equal monthly installments of \$6,443 including principal and interest. 19 Units (CMHC Section 95 Project 06/07 - Net Book Value \$2,422,808).	1,180,161	1,233,515
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 \$476,309).	419,494	435,007
1.61% mortgage, due November 2017, payable in equal monthly installments of \$2,170 including principal and interest. 4 Units (CMHC Section 95 Project Hawthorne - Net Book Value \$617,629).	475,895	494,107
Prime plus 1% loan, due March 2017, payable in equal monthly principal installments of \$8,333 plus interest (Tsiionkwanonhso:te Nursing Home - Net Book Value \$5,142,149).	100,056	200,052
Loans - Caisse Populaire Desjardins de Kahnawake - 5.4 - 6.4%, due February 2017, payable in semi-annual installments of \$61,730 including principal and interest	<u>82,025</u>	<u>195,279</u>
	<u>\$ 6,561,462</u>	<u>\$ 7,362,256</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

16. LONG-TERM LOANS (continued)

Interest expense for the year on long-term debt is \$132,206 (2015 - \$156,376)

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:

2017	\$ 675,289
2018	401,555
2019	357,583
2020	363,840
2020	370,213
2021 and beyond	4,392,982

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

The mortgage loans are guaranteed by INAC 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, totalled \$7,878 (2015 - \$24,280).

Council has entered into a Tri-Partite agreement with The Secretariat aux Affaires Autochtones-Quebec (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>2016</u>	<u>2015</u>
Akwesasne Settlement Fund	\$ <u>60,300</u>	\$ <u>59,911</u>

18. INTERNAL CHARGES

Added to tangible capital assets and deferred charges during the year are certain administrative and salary amounts totaling \$32,200 (2015 - \$15,651).

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

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, 2016 the Council had guarantees outstanding under this program of \$5,529,996 (2015 - \$5,511,632). 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, 2016, 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 (2015 - \$22,146) annually over the next 4 years.

The Council has committed to pursuing land claims that will require an estimated \$600,000 per year in professional fees over the next two 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, 2015, the seventh 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, 2016 the net present value of the future payments is recorded as a receivable of \$7,680,000 (2015 - \$10,240,000). Accreted interest of \$361,198 (2015: \$576,923) was recorded in 2016 and is included in the statement of operations within interest income.

These temporary investments have been committed to the Mohawks of Akwesasne Community Settlement Trust. It is Council's intention to transfer these funds to the Trust as they are received on an annual basis, however, MCA has no obligation to do so and has not accrued any such obligation in these financial statements.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

22. ECONOMIC DEPENDENCE

The Council receives a major portion of its revenue from Indigenous and Northern Affairs Canada (formerly 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.

23. MOHAWKS OF AKWESASNE COMMUNITY SETTLEMENT TRUST

During the previous year, the Council created the Mohawks of Akwesasne Community Settlement Trust. The purpose of the Trust was to receive the settlement funds of the OPG and Kawenoke-Easterbrook Settlement Claims and invest those funds on behalf of the community. Those re-invested funds are to be used for community based projects within certain parameters established by the Trust.

The Trust was established on June 17, 2014 and is administered by an independent Board of Trustees. The Mohawk Council of Akwesasne, or its successor body or entity, acting on behalf of the Mohawks of Akwesasne, is the named beneficiary of the Trust.

The Council transferred \$13,423,257 to the Trust during the fiscal year representing the balance of the invested settlement funds held by MCA. The remaining OPG settlement funds are intended to be received by the Trust over the next three years. Those funds, as well as any accreted interest, are intended to be transferred to the Trust as they are received by Council, however, MCA has no obligation to do so and has not accrued such obligation in these financial statements (see Note 21).

The Council had incurred approximately \$2 Million in expenditures while negotiating and arriving to a settlement for the OPG and Kawenoke-Easterbrook Settlement Claims which form the basis for the amounts used to establish the Trust. The Council had financed these costs through normal operations prior to the settlements in question. Council has recovered \$1,947,999 during the fiscal year from the Trust with \$799,763 being applied against accounts receivable from the Trust with the balance recorded in the statement of operations.

24. OPERATING EXPENSES

	<u>2016</u>	<u>2015</u>
Salaries, benefits and honoraria	\$ 42,240,232	\$ 41,659,160
Travel and training	1,535,713	1,685,088
Program supplies	6,786,791	6,823,193
Equipment repairs/lease and small equipment purchases	1,897,560	1,823,562
Professional fees	4,739,079	4,469,078
Non-Insured Health Benefits	8,571,245	7,739,458
Office	1,028,352	886,110
Facility costs	2,766,537	2,818,671
Student tuition and allowances	5,292,317	5,031,100
Community support	5,190,424	5,389,166
Minor capital	<u>3,671,938</u>	<u>3,780,078</u>
	<u>\$ 83,720,188</u>	<u>\$ 82,104,664</u>

MOHAWK COUNCIL OF AKWESASNE
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2016

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. Internal administration fees and charges have been eliminated.

27. SUBSEQUENT EVENT- PORT DIVESTITURE

Subsequent to the end of the year, the Mohawk Council of Akwesasne and the Corporation of the City of Cornwall entered into a co-ownership agreement with respect to the port lands owned by Transport Canada.

The Mohawk Council of Akwesasne and the Corporation of the City of Cornwall have each incorporated entities in order to hold their co-ownership interests in the port facility i.e. the Akwesasne Harbour Development Corporation ("AHDC") and the Cornwall Harbour Development Corporation ("CHDC") respectively.

As part of the transfer of ownership, the AHDC and CHDC must operate the port for a minimum period of 2 years and assume responsibility for all operating leases that are currently in place with existing tenants.

Transport Canada, as part of the transfer has entered into a contribution agreement with the AHDC and CHDC, as co-owners. This contribution agreement provides the co-owners with a sum of \$5.3M to use towards eligible expenditure during the term of the lease which will terminate in June 2026.

The AHDC's proportionate share of operations and assets will be consolidated within the MCA's 2017 financial statements.

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 1 - REPORT ON MOVEABLE ASSET RESERVE (MAR) (unaudited)
YEAR ENDED MARCH 31, 2016

Health Transfer Services Agreement

	<u>MAR</u>	<u>Restricted For Health Programs</u>	<u>Total</u>
Balance at beginning of year	\$ 455,299	\$ 1,647,098	\$ 2,102,397
Add: Amount provided in Agreement for MAR	22,774	-	22,774
Add: Additional amount for MAR	-	100,000	100,000
Less: Reserve applied to health operations	<u>-</u>	<u>(34,660)</u>	<u>(34,660)</u>
	<u><u>\$ 478,073</u></u>	<u><u>\$ 1,712,438</u></u>	<u><u>\$ 2,190,511</u></u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 2 - REPORT ON HEALTH EXPENSES (unaudited)

YEAR ENDED MARCH 31, 2016

Health Funding Contribution Agreement

	<u>2016</u>	<u>2015</u>
Funds available		
Funds deferred in previous year - Block Funding	\$ 622,279	\$ 623,876
Funds from Health Services Funding Agreement - Block Funding	14,101,697	5,484,670
Funds deferred to future years - Block Funding	(413,096)	(622,279)
Funds from Health Services Funding Agreement - Set Funding	2,155,715	1,905,433
Funds repayable to Health Canada - Set Funding	-	(213,122)
Funds allocated to MAR	(22,794)	(18,791)
Funds allocated to additional MAR	(100,000)	(98,466)
Funds due from Health Canada as of March 31, 2016	203,827	-
Funds from MAR ANIHB Reserve applied	<u>487,662</u>	<u>-</u>
	<u>17,035,290</u>	<u>7,061,321</u>
Expenses - Health Agreement - Block Funding Programs		
Aboriginal Headstart	507,177	540,017
Canada Prenatal Nutrition	43,144	97,590
Maternal Child Health	60,955	99,028
Fetal Alcohol Spectrum Disorder	81,397	105,892
Mental Health Brighter Futures	197,754	187,827
Building Healthy Communities-Crisis Management	372,273	357,307
NNADAP	167,550	202,399
National Aboriginal Youth Suicide Prevention Strategy	40,667	-
Aboriginal Diabetes Initiatives	319,528	300,445
Community Health Promotions (CHN/CHR)	684,588	772,161
Environmental Health Officer	178,692	139,406
Health Administration	1,112,796	896,025
Capital Facilities-Operations and Maintenance	127,618	127,618
Medical Transportation ANIHB	1,019,221	-
Pharmacy ANIHB	3,498,695	-
Medical Supplies and Equipment ANIHB	560,510	-
Vision Care ANIHB	367,600	-
Dental Care ANIHB	<u>3,838,125</u>	<u>-</u>
	<u>13,178,290</u>	<u>3,825,715</u>
Expenses - Health Agreement - Set Funding Programs		
HIV/Aids	7,793	7,770
Communicable Disease Emergencies	-	2,030
Copay ANIHB	369,412	-
National Aboriginal Youth Suicide Prevention Strategy	-	60,688
Home and Community Care Program	1,779,539	1,554,986
Drinking Water Safety Program	7,500	7,500
Health Service Accreditation	<u>87,908</u>	<u>59,530</u>
	<u>2,252,152</u>	<u>1,692,504</u>
Surplus	<u>1,604,848</u>	<u>1,543,102</u>
Expenditures - other health related		
Tsionkwanonhso:te - Chronic Care facility	868,491	705,806
Iakhiso:tha - Long-Term Care facility	181,183	199,592
Ambulance	339,993	228,290
AHWS Healthy Babies & Children	7,210	-
MOHLTC Community Support Fund	4,257	15,329
Diabetes MOHLTC	4,162	-
Financial Analyst	150,000	150,000
Environmental Health	68,701	68,701
Health Projects	7,015	3,833
Health Facility Parking Lot	-	<u>170,598</u>
	<u>1,631,012</u>	<u>1,542,149</u>
Deficit	(26,164)	953
Funds from other sources (for information only)		
Miscellaneous earned income	-	<u>19,013</u>
Total Expenses	<u>\$ 17,061,454</u>	<u>\$ 7,060,368</u>
Closing Balance	<u>\$ (26,164)</u>	<u>\$ (18,060)</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 3 - SCHEDULE OF FEDERAL REVENUE TRUST FUNDS (unaudited)
YEAR ENDED MARCH 31, 2016

Schedule of Federal Revenue Trust Funds

Revenue from land leases

Paid to Indigenous and Northern Affairs Canada	\$ <u>579,331</u>
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The revenue received has been applied to Council programs and services as follows:

Executive Services	\$ 80,000
Conservation/Compliance	100,000
Roads	90,000
Information Management	100,000
Emergency Measures	50,000
Environment	90,000
Office of Vital Statistics	<u>69,331</u>
Total revenue applied to programs	\$ <u>579,331</u>

Note: In addition to the rental revenues received, interest in the amount of \$51,614 was received in fiscal year ended March 31, 2016. 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 GOVERNMENT TRANSFERS (unaudited)
YEAR ENDED MARCH 31, 2016

Schedule of Government Transfers

	<u>2016</u>	<u>2015</u>
Indigenous and Northern Affairs Canada	\$ 35,120,846	\$ 36,473,164
Human Resources Development Canada	387,267	469,188
Canadian Mortgage and Housing Corporation	413,839	401,565
Health Canada	17,158,084	16,259,204
Canada Border Services Agency	13,000	10,000
Emergency Preparedness Canada	3,316,300	3,085,520
Other Federal	<u>330,571</u>	<u>372,802</u>
	56,739,907	57,071,443
Province of Ontario	14,853,583	13,789,999
Province of Quebec	1,760,680	1,924,096
Other contributions	<u>147,990</u>	<u>193,445</u>
	<u>\$ 73,502,160</u>	<u>\$ 72,978,983</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 5 - SCHEDULE OF FUNDING RECONCILIATION INAC (unaudited)
YEAR ENDED MARCH 31, 2016

Schedule of Funding Reconciliation INAC

	<u>2016</u>	<u>2015</u>
INAC Revenue per Financial Statements	\$ 35,120,846	\$ 36,473,164
Less: prior year deferred revenue	(1,122,005)	(626,295)
Less: prior year repayable revenue	(550,089)	(468,509)
Add: current year deferred revenue	574,933	1,122,005
Add: current year repayable revenue	<u>826,297</u>	<u>550,089</u>
Adjusted INAC funding received	34,849,982	37,050,454
INAC revenue per funding confirmation	<u>34,965,775</u>	<u>35,840,950</u>
Difference	<u>\$ (115,793)</u>	<u>\$ 1,209,504</u>

Explanation of differences:

Waterline receivable	\$ -	\$ 1,300,431
Write off of old repayables	(72,965)	(133,755)
Kashechewan reimbursement	<u>(42,828)</u>	<u>42,828</u>
	<u>\$ (115,793)</u>	<u>\$ 1,209,504</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 6 - SCHEDULE OF SEGMENT DISCLOSURE 2016 (unaudited)
YEAR ENDED MARCH 31, 2016

	Akwesasne Mohawk Board of Education 2016	Akwesasne Mohawk Police 2016	Department of Community & Social Services 2016	Mohawk Government 2016	Health 2016	Housing 2016	Justice 2016	Department of Technical Services 2016	Executive Services - Core 2016	Executive Services - Non Core 2016	Integrated Resource Management 2016	Economic Development 2016	Consolidated Totals 2016
Revenues													
Federal Government	\$ 14,004,197	\$ 3,316,300	\$ 8,501,512	\$ 41,000	\$ 17,405,430	\$ 394,096	\$ 103,715	\$ 4,775,015	\$ 4,824,093	\$ 1,572,129	\$ 411,827	\$ 790,579	\$ 56,139,893
Provincial Government	47,103	2,054,088	4,303,089	1,147,469	6,915,307	-	464,518	91,658	2,120,594	1,099,036	246,613	540,040	19,029,515
Other Revenues	<u>208,573</u>	<u>27,714</u>	<u>843,848</u>	<u>-</u>	<u>2,226,859</u>	<u>939,956</u>	<u>152,760</u>	<u>3,689,533</u>	<u>4,806,264</u>	<u>1,770,295</u>	<u>367,398</u>	<u>658,237</u>	<u>15,691,437</u>
Sub-total	14,259,873	5,398,102	13,648,449	1,188,469	26,547,596	1,334,052	720,993	8,556,206	11,750,951	4,441,460	1,025,838	1,988,856	90,860,845
Inter-Segment Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,451,722)</u>	<u>(3,488,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,939,814)</u>
Total Revenues	<u>14,259,873</u>	<u>5,398,102</u>	<u>13,648,449</u>	<u>1,188,469</u>	<u>26,547,596</u>	<u>1,334,052</u>	<u>720,993</u>	<u>5,104,484</u>	<u>8,262,859</u>	<u>4,441,460</u>	<u>1,025,838</u>	<u>1,988,856</u>	<u>83,921,031</u>
Expenses													
Salaries & Benefits	6,941,505	4,178,815	5,874,469	56,751	11,582,918	645,975	1,020,646	3,775,492	4,109,170	2,787,078	995,730	499,252	42,467,802
Operating Costs	6,936,698	763,369	6,970,910	1,644,101	12,925,098	556,868	229,041	3,731,080	1,639,706	1,628,351	372,140	798,323	38,195,685
Rent	206,197	189,408	666,378	47,000	975,451	52,500	63,000	173,625	167,287	303,695	51,347	511,575	3,407,463
Amortization Expenses	149,662	150,622	106,518	7,622	203,166	325,563	5,024	2,444,300	144,531	-	-	-	3,537,008
Other Expenses	<u>321,936</u>	<u>166,639</u>	<u>388,939</u>	<u>82,214</u>	<u>669,455</u>	<u>164,006</u>	<u>82,438</u>	<u>616,233</u>	<u>245,832</u>	<u>170,426</u>	<u>57,172</u>	<u>86,755</u>	<u>3,052,044</u>
Sub-total	14,555,998	5,448,853	14,007,214	1,837,688	26,356,088	1,744,912	1,400,149	10,740,731	6,306,525	4,889,550	1,476,389	1,895,905	90,660,002
Inter-Segment Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,451,722)</u>	<u>(3,488,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,939,814)</u>
Total Expenses	<u>14,555,998</u>	<u>5,448,853</u>	<u>14,007,214</u>	<u>1,837,688</u>	<u>26,356,088</u>	<u>1,744,912</u>	<u>1,400,149</u>	<u>7,289,009</u>	<u>2,818,433</u>	<u>4,889,550</u>	<u>1,476,389</u>	<u>1,895,905</u>	<u>83,720,188</u>
Annual Surplus/(Deficit) before Transfer	<u>\$ (296,125)</u>	<u>\$ (50,751)</u>	<u>\$ (358,765)</u>	<u>\$ (649,219)</u>	<u>\$ 191,508</u>	<u>\$ (410,860)</u>	<u>\$ (679,156)</u>	<u>\$ (2,184,525)</u>	<u>\$ 5,444,426</u>	<u>\$ (448,090)</u>	<u>\$ (450,551)</u>	<u>\$ 92,951</u>	<u>\$ 200,843</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 7 - SCHEDULE OF SEGMENT DISCLOSURE 2015 (unaudited)
YEAR ENDED MARCH 31, 2016

	Akwesasne Mohawk Board of Education <u>2015</u>	Akwesasne Mohawk Police <u>2015</u>	Department of Community & Social Services <u>2015</u>	Mohawk Government <u>2015</u>	Health <u>2015</u>	Housing <u>2015</u>	Justice <u>2015</u>	Department of Technical Services <u>2015</u>	Executive Services - Core <u>2015</u>	Executive Services - Non Core <u>2015</u>	Integrated Resource Management <u>2015</u>	Economic Development <u>2015</u>	Consolidated Totals <u>2015</u>
Revenues													
Federal Government	\$ 13,280,866	\$ 3,085,520	\$ 8,079,943	\$ 52,828	\$ 16,960,268	\$ 1,138,358	\$ 148,547	\$ 6,967,688	\$ 5,481,044	\$ 2,016,805	\$ 267,428	\$ 720,759	\$ 58,200,054
Provincial Government	347,996	2,032,792	4,011,654	2,180,325	6,920,207	150,000	434,479	104,385	541,655	1,623,881	308,593	911,806	19,567,773
Other Revenues	<u>178,998</u>	<u>20,818</u>	<u>844,734</u>	<u>15,668</u>	<u>1,682,969</u>	<u>880,979</u>	<u>113,259</u>	<u>3,573,753</u>	<u>4,251,708</u>	<u>548,909</u>	<u>220,653</u>	<u>503,604</u>	<u>12,836,052</u>
Sub-total	13,807,860	5,139,130	12,936,331	2,248,821	25,563,444	2,169,337	696,285	10,645,826	10,274,407	4,189,595	796,674	2,136,169	90,603,879
Inter-Segment Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,402,620)</u>	<u>(2,895,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,297,939)</u>
Total Revenues	<u>13,807,860</u>	<u>5,139,130</u>	<u>12,936,331</u>	<u>2,248,821</u>	<u>25,563,444</u>	<u>2,169,337</u>	<u>696,285</u>	<u>7,243,206</u>	<u>7,379,088</u>	<u>4,189,595</u>	<u>796,674</u>	<u>2,136,169</u>	<u>84,305,940</u>
Expenses													
Salaries & Benefits	6,791,540	4,009,341	5,067,296	107,861	11,462,776	902,456	1,023,503	3,774,538	4,147,159	3,304,813	789,097	414,373	41,794,753
Operating Costs	6,356,876	741,653	7,196,597	1,867,128	11,725,263	52,462	267,236	3,822,876	1,897,274	1,536,006	224,538	1,018,298	36,706,207
Rent	206,197	185,400	705,335	39,500	954,335	52,500	63,000	131,500	166,980	312,883	43,835	460,384	3,321,849
Amortization Expenses	128,769	172,709	87,715	9,613	206,477	336,980	6,250	2,472,249	-	198,391	-	-	3,619,153
Other Expenses	<u>293,446</u>	<u>152,367</u>	<u>397,947</u>	<u>77,044</u>	<u>684,741</u>	<u>89,403</u>	<u>75,812</u>	<u>621,170</u>	<u>264,881</u>	<u>195,966</u>	<u>56,032</u>	<u>51,832</u>	<u>2,960,641</u>
Sub-total	13,776,828	5,261,470	13,454,890	2,101,146	25,033,592	1,433,801	1,435,801	10,822,333	6,476,294	5,548,059	1,113,502	1,944,887	88,402,603
Inter-Segment Eliminations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,402,620)</u>	<u>(2,895,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,297,939)</u>
Total Expenses	<u>13,776,828</u>	<u>5,261,470</u>	<u>13,454,890</u>	<u>2,101,146</u>	<u>25,033,592</u>	<u>1,433,801</u>	<u>1,435,801</u>	<u>7,419,713</u>	<u>3,580,975</u>	<u>5,548,059</u>	<u>1,113,502</u>	<u>1,944,887</u>	<u>82,104,664</u>
Annual Surplus/(Deficit) before Transfer	<u>\$ 31,032</u>	<u>\$ (122,340)</u>	<u>\$ (518,559)</u>	<u>\$ 147,675</u>	<u>\$ 529,852</u>	<u>\$ 735,536</u>	<u>\$ (739,516)</u>	<u>\$ (176,507)</u>	<u>\$ 3,798,113</u>	<u>\$ (1,358,464)</u>	<u>\$ (316,828)</u>	<u>\$ 191,282</u>	<u>\$ 2,201,276</u>

MOHAWK COUNCIL OF AKWESASNE
SCHEDULE 8 - STATEMENT OF CHANGES IN ACCUMULATED SURPLUS (unaudited)
YEAR ENDED MARCH 31, 2016

	Investment in property, plant and equipment	Investment in housing and housing construction loans	Internally restricted				Unrestricted accumulated operating deficit	2016	2015
			INAC	Casino Rama (OLG)	Community Trust	Other			
Balance at beginning of year	\$ <u>103,694,529</u>	\$ <u>5,836,584</u>	\$ <u>1,291,534</u>	\$ <u>19,723,022</u>	\$ <u>19,969,265</u>	\$ <u>10,945,260</u>	\$ <u>(2,427,005)</u>	\$ <u>159,033,195</u>	\$ <u>190,281,523</u>
Annual surplus (deficit) before transfers - allocated	2,789,122	103,821	460,228	76,096	361,198	1,006,218	(4,595,840)	200,843	2,201,276
Expense recoveries from Mohawks of Akwasasne Community Settlement Trust	-	-	-	-	-	-	1,152,505	1,152,505	-
Transfer to Mohawks of Akwasasne Community Settlement Trust	-	-	-	-	(13,423,257)	-	-	(13,423,257)	(33,449,604)
Inter-fund transfer to (from) unrestricted	<u>(3,555,606)</u>	<u>(210,820)</u>	<u>-</u>	<u>(97,824)</u>	<u>-</u>	<u>(1,461,697)</u>	<u>5,325,947</u>	<u>-</u>	<u>-</u>
Net change in accumulated surplus for the year	<u>(766,484)</u>	<u>(106,999)</u>	<u>460,228</u>	<u>(21,728)</u>	<u>(13,062,059)</u>	<u>(455,479)</u>	<u>1,882,612</u>	<u>(12,069,909)</u>	<u>(31,248,328)</u>
Balance at end of year	\$ <u><u>102,928,045</u></u>	\$ <u><u>5,729,585</u></u>	\$ <u><u>1,751,762</u></u>	\$ <u><u>19,701,294</u></u>	\$ <u><u>6,907,206</u></u>	\$ <u><u>10,489,781</u></u>	\$ <u><u>(544,393)</u></u>	\$ <u><u>146,963,286</u></u>	\$ <u><u>159,033,195</u></u>

(See accompanying notes)