

CONSOLIDATED FINANCIAL STATEMENTS
For
MOHAWK COUNCIL OF AKWESASNE
For year ended
MARCH 31, 2017

MOHAWK COUNCIL OF AKWESASNE
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MARCH 31, 2017

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MOHAWK COUNCIL OF AKWESASNE

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



Management's Responsibility for the Consolidated Financial Statements

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

The consolidated 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 consolidated 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:

Jordan Wapass
Executive Director
Mohawk Council of Akwesasne

Abram Benedict
Grand Chief
Mohawk Council of Akwesasne

Dated: October 30, 2017

AKWESASNE-LAND WHERE THE PARTRIDGE DRUMS

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INDEPENDENT AUDITOR'S REPORT

To:

MOHAWK COUNCIL OF AKWESASNE

We have audited the accompanying consolidated financial statements of **Mohawk Council of Akwesasne**, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated 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 Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Mohawk Council of Akwesasne** as at March 31, 2017 and the results of its consolidated 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 consolidated financial statements are presented as supplementary information only and are unaudited.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Cornwall, Ontario
October 30, 2017.

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Financial Assets		
Cash	\$ 7,321,516	\$ 8,082,651
Due from government and other government organizations (note 3)	6,755,222	6,402,170
Accounts receivable (note 4)	1,032,216	1,045,920
Temporary investments (note 6)	35,672,534	28,657,918
Restricted assets (note 22)		
Ontario Power Generation Settlement receivable (note 20)	4,808,704	6,907,213
Housing and housing construction loans (note 5)	5,714,724	5,729,588
Funds held in trust by INAC	84,544	84,544
Investment in government business entity (note 26)	303,000	-
Total Financial Assets	<u>61,692,460</u>	<u>56,910,004</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 10)	6,626,513	7,441,420
Employee benefit obligations (note 11)	1,224,496	1,519,949
Due to government and other government organizations (note 12)	2,187,403	2,898,141
Deferred revenue (note 14)	6,297,999	1,824,270
Long-term loans (note 15)	6,603,897	6,561,462
Promissory note / Land Settlement Claim (note 13)	2,827,500	2,732,339
Total Financial Liabilities	<u>25,767,808</u>	<u>22,977,581</u>
Net Financial Assets	<u>35,924,652</u>	<u>33,932,423</u>
Non-Financial Assets		
Tangible capital assets (note 7)	106,925,914	101,531,346
Tangible capital assets under construction (note 8)	728,094	7,798,887
Other assets held for sale (note 9)	60,693	82,565
Deferred charges	3,044,256	2,710,716
Prepaid expenses	454,507	907,349
Total non-financial assets	<u>111,213,464</u>	<u>113,030,863</u>
Accumulated surplus (note 19, Schedule 8)	<u>\$147,138,116</u>	<u>\$146,963,286</u>
Contingencies and commitments (note 18)		

Approved by the Council

Jordan Wapass, Executive Director
Mohawk Council of Akwesasne

Abram Benedict, Grand Chief
Mohawk Council of Akwesasne

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
Revenues			
Government transfers	\$ 75,206,725	\$ 77,520,176	\$ 73,502,160
Ontario Lottery and Gaming Corporation	3,807,520	4,537,510	4,044,784
Administration fees and user charges	320,774	793,602	877,189
Land leases	570,200	574,548	579,331
Interest	250,000	1,083,293	951,074
Other income	4,433,547	3,287,049	3,237,193
Rental	<u>836,496</u>	<u>708,491</u>	<u>729,300</u>
	<u>86,218,864</u>	<u>88,504,669</u>	<u>83,921,031</u>
Operating expenses (note 23)			
Akwesasne Mohawk Board of Education	14,427,077	15,298,557	14,555,998
Akwesasne Mohawk Police Service	5,772,884	6,921,735	5,448,853
Community and social services	14,207,754	13,665,437	14,007,214
Economic development	1,723,161	1,367,043	1,895,905
Executive services - core services	2,888,570	3,428,241	2,818,433
Executive services - non core services	4,145,463	4,167,889	4,889,550
Integrated resource management	1,889,090	1,350,275	1,476,389
Health	26,369,690	27,278,130	26,356,088
Housing	2,220,037	1,529,932	1,744,912
Justice	1,466,602	1,423,314	1,400,149
Mohawk government	1,785,536	2,523,042	1,837,688
Technical services	<u>10,000,501</u>	<u>7,119,244</u>	<u>7,289,009</u>
	<u>86,896,365</u>	<u>86,072,839</u>	<u>83,720,188</u>
Annual surplus before other items noted below	(677,501)	2,431,830	200,843
Expense recoveries from Mohawks of Akwesasne			
Community Settlement Trust (note 22)	-	-	1,152,505
Transfer to Mohawks of Akwesasne			
Community Settlement Trust (note 22)	-	(2,560,000)	(13,423,257)
Earnings from government business entity (note 26)	<u>-</u>	<u>303,000</u>	<u>-</u>
Annual surplus (deficit)	(677,501)	174,830	(12,069,909)
Accumulated surplus at beginning of year	<u>146,963,286</u>	<u>146,963,286</u>	<u>159,033,195</u>
Accumulated surplus at end of year (note 19)	<u>\$146,285,785</u>	<u>\$147,138,116</u>	<u>\$146,963,286</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
Annual surplus (deficit)	<u>\$ (677,501)</u>	<u>\$ 174,830</u>	<u>\$ (12,069,909)</u>
Acquisition of tangible capital assets	(780,000)	(2,386,032)	(869,347)
Acquisition of tangible capital assets under construction	(3,000,000)	(58,658)	(1,197,006)
Loss on disposal of tangible capital assets	-	16,078	10,671
Amortization of tangible capital assets	3,800,000	3,439,107	3,537,008
Asset impairment	-	687,602	-
	<u>20,000</u>	<u>1,698,097</u>	<u>1,481,326</u>
Acquisition of prepaid expenses	(124,214)	(454,507)	(907,349)
Acquisition of deferred charges	470,863	(333,540)	(249,552)
Use of prepaid expenses	<u>746,234</u>	<u>907,349</u>	<u>462,116</u>
	<u>1,092,883</u>	<u>119,302</u>	<u>(694,785)</u>
Increase (decrease) in net financial assets	435,382	1,992,229	(11,283,368)
Net financial assets at beginning of year	<u>33,932,423</u>	<u>33,932,423</u>	<u>45,215,791</u>
Net financial assets at end of year	<u>\$ 34,367,805</u>	<u>\$ 35,924,652</u>	<u>\$ 33,932,423</u>

(See accompanying notes)

MOHAWK COUNCIL OF AKWESASNE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Cash provided by (used for):		
Operating activities		
Annual surplus before transfer to Trust	\$ 2,431,830	\$ 1,353,348
Items not affecting cash:		
Amortization	3,439,113	3,537,008
Unrealized gains on investments	6,418	-
Impairment of tangible capital assets	687,602	-
Loss on disposal of tangible capital assets	16,078	10,671
Net change in non-cash working capital items:		
Due from government and other government organizations	(353,052)	5,844,601
Accounts receivable	13,704	1,433,125
Prepaid expenses	452,842	(445,233)
Ontario Power Generation Settlement receivable	(2,098,509)	2,198,802
Accounts payable and accrued liabilities	828,819	1,155,640
Employee benefit obligations	(295,453)	(219,240)
Due to government and other government organizations	(710,738)	(75,152)
Deferred revenue	<u>4,473,729</u>	<u>(344,628)</u>
Cash applied to operating transactions	<u>8,892,383</u>	<u>14,448,942</u>
Capital activities		
Purchase of tangible capital assets and under construction	<u>(2,444,690)</u>	<u>(2,066,353)</u>
Cash applied to capital transactions	<u>(2,444,690)</u>	<u>(2,066,353)</u>
Investing activities		
Advances for housing and housing construction loans	(785,529)	(693,395)
Housing loans repaid	800,393	800,393
Deferred charges	(333,539)	(249,552)
Redemption of investments	41,551,169	42,209,858
Purchases of investments	<u>(46,005,786)</u>	<u>(37,192,855)</u>
Cash applied to investing activities	<u>(4,773,292)</u>	<u>4,874,449</u>
Financing activities		
Proceeds from long-term loans	719,793	-
Repayments of long-term loans	(595,329)	(800,794)
Transfer to Community Trust	<u>(2,560,000)</u>	<u>(13,423,257)</u>
Cash applied to financing activities	<u>(2,435,536)</u>	<u>(14,224,051)</u>
Increase (decrease) in cash	(761,135)	3,032,987
Cash at beginning of year	<u>8,082,651</u>	<u>5,049,664</u>
Cash at end of year	<u>\$ 7,321,516</u>	<u>\$ 8,082,651</u>
Supplementary cash flow information		
Interest received in year	\$ 621,802	\$ 915,075
Interest paid in year	\$ 111,962	\$ 132,206

(See accompanying notes)

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MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

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 consolidated 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 consolidated financial statements include the following significant accounting policies:

a) **Reporting entity**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

The organization has consolidated the assets, liabilities, revenues and expenses of the following entity:

- Akweks:kowa Corp.

Under the modified equity method of accounting, only the Mohawk Council of Akwesasne's investment in a government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for the accounting policies of the organization that are different from those of MCA.

The organization accounted for on a modified equity basis includes:

- Akwesasne Harbour Development Corporation

b) ***Basis of accounting***

These consolidated 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.

c) ***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.

MOHAWK COUNCIL OF AKWESASNE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) *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 consolidated statement of financial activities.

e) *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.

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.

f) *Net financial assets*

The Mohawk Council of Akwesasne's consolidated 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.

g) *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.

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) *Revenue recognition* (continued)

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.

h) *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.

i) *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 2017 fiscal year amounted to \$2,667,307 (2016 - \$2,709,404).

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

j) *Use of estimates*

The preparation of consolidated 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 consolidated 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 liabilities and estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

k) *Temporary investments*

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

l) *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, 2017.

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

2. FINANCIAL INSTRUMENTS

Financial instruments recognized in the consolidated 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.

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

	2017	2016
Indigenous and Northern Affairs Canada	\$ 2,115,492	\$ 407,682
Human Resources Development Canada	212,679	179,653
Health Canada	601,458	365,459
Province of Ontario	3,151,892	1,783,179
Province of Quebec	233,598	741,940
Other Federal contributions	440,103	2,924,257
	<u>\$ 6,755,222</u>	<u>\$ 6,402,170</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2017	2016
Future settlement trust receivable	\$ 3,545	\$ 3,545
Interest receivable from temporary investments	241,383	184,170
Miscellaneous receivables	579,049	448,021
Other Grants and Contributions	273,698	452,554
Rental facilities receivables	263,275	291,148
	<u>1,360,950</u>	<u>1,379,438</u>
Less: allowance for doubtful accounts	328,734	333,518
	<u>\$ 1,032,216</u>	<u>\$ 1,045,920</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

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>2017</u>	<u>2016</u>
Principal outstanding	\$ 10,573,523	\$ 10,769,870
Less: allowance for doubtful loans	<u>4,858,799</u>	<u>5,040,282</u>
	<u>\$ 5,714,724</u>	<u>\$ 5,729,588</u>

6. TEMPORARY INVESTMENTS

<u>Holder</u>	<u>Type</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Bank of Montreal	GIC	November 2017	1.40%	\$ 1,000,000
Bank of Montreal	GIC	October 2017	1.40%	3,000,000
Bank of Montreal	GIC	April 2017	0.95%	4,000,000
Bank of Montreal	GIC	October 2017	1.40%	3,000,000
Bank of Montreal	GIC	July 2017	1.20%	3,000,000
Bank of Montreal	GIC	February 2018	0.85%	48,551
Bank of Montreal	GIC	April 2017	1.410%	5,000,000
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
Altamira High Interest Savings				208,008
Home Trust High Interest				419,103
Town of Kativik	Fixed income fund	May 2017	2.50%	219,314
Community Funds				
Fund 650-02094-13	Shares			731,887
Fund 650-02094-13	Shares			755,420
BMO High Interest Savings				8,481,562
Cash balances in accounts				119
				<u>\$ 35,672,534</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

7. TANGIBLE CAPITAL ASSETS

	Land	Building & Major Infrastructure	Computer Hardware	Computer Software	Equipment	Equipment under a Capital Lease	Furniture and Fixtures	Roads	Vehicles	Total 2017	Total 2016
Cost											
Opening Costs	\$ 720,434	\$ 141,906,007	\$ 3,508,875	\$ 604,444	\$ 6,611,056	\$ 504,822	\$ 2,021,354	\$ 5,771,873	\$ 7,902,959	\$ 169,551,824	\$ 168,710,538
Additions	7,020	1,451,835	-	-	127,323	-	-	-	799,854	2,386,032	869,346
Transfers from WIP	-	7,129,449	-	-	-	-	-	-	-	7,129,449	-
Disposals	-	(6,319)	-	-	-	-	-	-	(116,419)	(122,738)	(28,060)
Write-downs	-	665,730	-	-	-	-	-	-	-	665,730	-
Closing Costs	727,454	149,815,242	3,508,875	604,444	6,738,379	504,822	2,021,354	5,771,873	8,586,394	178,278,837	169,551,824
Accumulated Amortization											
Opening accumulated	-	46,796,158	3,123,451	594,564	5,409,680	468,919	1,406,059	3,972,795	6,248,852	68,020,478	64,500,860
Disposals	-	-	-	-	-	-	-	-	(106,662)	(106,662)	(17,392)
Amortization Expense	-	2,377,384	77,085	4,945	253,681	7,181	61,529	179,965	477,337	3,439,107	3,537,010
Closing Accumulated	-	49,173,542	3,200,536	599,509	5,663,361	476,100	1,467,588	4,152,760	6,619,527	71,352,923	68,020,478
Net Book Value	\$ 727,454	\$ 100,641,700	\$ 308,339	\$ 4,935	\$ 1,075,018	\$ 28,722	\$ 553,766	\$ 1,619,113	\$ 1,966,867	\$ 106,925,914	\$ 101,531,346
Opening Balance	\$ 720,434	\$ 95,109,849	\$ 385,424	\$ 9,880	\$ 1,201,376	\$ 35,903	\$ 615,295	\$ 1,799,078	\$ 1,654,107	\$ 101,531,346	\$ 104,209,679
Closing Balance	727,454	100,641,700	308,339	4,935	1,075,018	28,722	553,766	1,619,113	1,966,867	106,925,914	101,531,346
Increase (Decrease) in Net Book Value	\$ 7,020	\$ 5,531,851	\$ (77,085)	\$ (4,945)	\$ (126,358)	\$ (7,181)	\$ (61,529)	\$ (179,965)	\$ 312,760	\$ 5,394,568	\$ (2,678,333)

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

8. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION

	Total Remaining Commitment <u>(unaudited)</u>	<u>2017</u>	<u>2016</u>
Kanonhkwatsheri:io Renovations - Phase I	\$ -	\$ -	\$ 3,487,152
Park & Hill Top Road reconstruction	-	102,480	85,335
Angus Mitchell Memorial Building redesign	-	29,837	29,837
Buckshot Road	-	12,282	-
Kawenoke Water Line Construction Extension	-	-	3,624,968
Hamilton Island Bridge Design	12,300	13,790	13,790
Snye Administrative Facility Design & Sitework	111,500	<u>569,705</u>	<u>557,805</u>
		<u>\$ 728,094</u>	<u>\$ 7,798,887</u>

9. 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, 2017 the carrying value recorded for both the Stanley Island Cabins and the property acquired from the BMO housing program are \$60,693 (2016 - \$82,565). Two cabins remain and none were sold during the year.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
Trade payables	\$ 3,281,191	\$ 3,684,610
Accrued salaries and employee benefits payable	640,444	373,162
Other accrued liabilities	<u>2,704,878</u>	<u>3,383,648</u>
Total accounts payable	<u>\$ 6,626,513</u>	<u>\$ 7,441,420</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

11. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2017</u>	<u>2016</u>
Vacation pay obligation	<u>\$ 1,224,496</u>	<u>\$ 1,519,949</u>

12. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2017</u>	<u>2016</u>
INAC repayables	\$ 820,287	\$ 826,297
Ontario repayables	1,137,834	1,159,940
Health Canada repayables	113,014	374,680
Other federal repayables	116,268	292,813
St Regis Mohawk Tribe repayables	-	244,411
	<u>\$ 2,187,403</u>	<u>\$ 2,898,141</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>2017</u>	<u>2016</u>
Due on settlement of land claim	<u>\$ 2,827,500</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, 2017 INAC has approved a promissory note advance of \$2,827,500 (2016 - \$2,732,339) of which Council has expended \$3,019,254 (2016 - \$2,685,715) for purposes of the intended use.

14. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada	\$ 3,870,210	\$ 574,933
Health Canada	863,071	413,096
Province of Ontario	249,952	268,407
Province of Quebec	-	31,306
Other Federal Government Departments	588,049	450,133
Other	<u>726,717</u>	<u>86,395</u>
	<u>\$ 6,297,999</u>	<u>\$ 1,824,270</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

15. LONG-TERM LOANS

	<u>2017</u>	<u>2016</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 \$607,324).	\$ -	\$ 33,207
1.65% mortgage, due September 2016, payable in equal monthly installments of \$10,086 including principal and interest (Kawenoke Riverview Apartments - Net Book Value \$873,954).	-	60,230
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Family Violence Centre - Net Book Value \$299,547).	25,054	51,954
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Adolescent Treatment Centre - Net Book Value \$262,387).	25,029	51,954
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 \$458,900).	351,629	390,900
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 \$842,351).	631,242	675,719
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 \$783,578).	610,631	662,464
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).	581,527	615,379
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 \$1,766,291).	936,684	982,954
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 \$996,919).	737,508	779,070
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 \$2,362,238).	1,125,739	1,180,161
1.14% mortgage, due June 2021, payable in equal monthly installments of \$1,937 including principal and interest. 4 Units (CMHC Section 95 Project Oak Court - Net Book Value \$464,401).	401,613	419,494
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 \$602,188).	<u>457,388</u>	<u>475,895</u>
Sub-total	<u>\$ 5,884,044</u>	<u>\$ 6,379,381</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

15. LONG-TERM LOANS (continued)

Sub-total previous page	\$ 5,884,044	\$ 6,379,381
Prime plus 1% loan, due March 2017, payable in equal monthly principal installments of \$8,333 plus interest (Tsionkwanonhso:te Nursing Home - Net Book Value \$5,013,595).	60	100,056
1.35% mortgage, due June 2022, payable in equal monthly installments of \$1,980 including principal and interest. 4 Units (CMHC Section 95 Project Whoville Quad 1 - Net Book Value \$661,931).	402,443	-
1.35% mortgage, due June 2022, payable in equal monthly installments of \$1,834 including principal and interest. 4 Units (CMHC Section 95 Project Whoville Quad 2 - Net Book Value \$655,541).	317,350	-
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>-</u>	<u>82,025</u>
	\$ <u>6,603,897</u>	\$ <u>6,561,462</u>

Interest expense for the year on long-term debt is \$111,962 (2016 - \$132,206)

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:

2018	401,581
2019	357,583
2020	363,841
2021	370,213
2022	376,703
2023 and beyond	4,733,976

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, totaled \$22,514 (2016 - \$7,878).

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.

16. 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>2017</u>	<u>2016</u>
Akwesasne Settlement Fund	\$ <u>60,703</u>	\$ <u>60,300</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

17. INTERNAL CHARGES

Added to tangible capital assets and deferred charges during the year are certain administrative and salary amounts totaling \$122,727 (2016 - \$32,200).

18. 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, 2017 the Council had guarantees outstanding under this program of \$5,242,993 (2016 - \$5,529,996). 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, 2017, 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 (2016 - \$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.

19. 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.

20. 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 6, 2016, the eighth of the annual payment 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, 2017 the net present value of the future payments is recorded as a receivable of \$5,120,000 (2016 - \$7,680,000). Accreted interest of \$461,491 (2016: \$361,198) was recorded in 2017 and is included in the statement of financial activities 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 statements.

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

21. 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.

22. MOHAWKS OF AKWESASNE COMMUNITY SETTLEMENT TRUST

During the 2015 fiscal 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 \$2,560,000 (2016: \$13,423,257) to the Trust during the year. The remaining OPG settlement funds will be received by the Trust over the next 2 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 consolidated financial statements (see Note 20).

23. OPERATING EXPENSES

	<u>2017</u>	<u>2016</u>
Salaries, benefits and honoraria	\$ 43,742,443	\$ 42,240,232
Travel and training	1,279,489	1,535,713
Program supplies	7,576,181	6,786,791
Equipment repairs/lease and small equipment purchases	2,016,802	1,897,560
Professional fees	4,078,288	4,739,079
Non-Insured Health Benefits	9,541,367	8,571,245
Office	1,174,545	1,028,352
Facility costs	2,812,682	2,766,537
Student tuition and allowances	5,408,628	5,292,317
Community support	4,799,233	5,190,424
Minor capital	<u>3,643,181</u>	<u>3,671,938</u>
	<u>\$ 86,072,839</u>	<u>\$ 83,720,188</u>

MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2017

24. COMPARATIVE FIGURES

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

25. 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.

26. INVESTMENT IN GOVERNMENT BUSINESS ENTITY

The Mohawk Council of Akwesasne has an investment in a wholly owned corporation, the Akwesasne Harbour Development Corporation ("AHDC"). This company in turn holds a 50% co-ownership interest in the Cornwall port facilities with the Cornwall Harbour Development Corporation.

	Investment Cost Beginning of Year	Loans / Advances	Share of Earnings	Cash Distributors	Total Investment
AHDC	\$ 0	0	303,000	0	\$ 303,000

Summary information for this corporation, accounted for using the modified equity method for the respective year-end, is as follows:

Financial Assets	
Restricted cash	\$ 2,663,228
Financial Liabilities	
Deferred revenue	<u>2,663,228</u>
Net Financial Assets	0
Non-Financial Assets	<u>303,000</u>
Accumulated surplus	<u>\$ 303,000</u>
Total revenue	\$ 303,000
Total expenditures	<u>-</u>
Comprehensive Income	<u>\$ 303,000</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 1 - CONSOLIDATED REPORT ON MOVEABLE ASSET RESERVE (MAR) (unaudited)
YEAR ENDED MARCH 31, 2017

Health Transfer Services Agreement

	<u>MAR</u>	<u>Restricted For Health Programs</u>	<u>Total</u>
Balance at beginning of year	\$ 478,073	\$ 1,712,438	\$ 2,190,511
Add: Amount provided in Agreement for MAR	18,791	-	18,791
Add: Additional amount for MAR	-	100,000	100,000
Less: Reserve applied to health operations	-	(3,040)	(3,040)
	<u>\$ 496,864</u>	<u>\$ 1,809,398</u>	<u>\$ 2,306,262</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)

YEAR ENDED MARCH 31, 2017

Health Funding Contribution Agreement

	<u>2017</u>	<u>2016</u>
Funds available		
Funds deferred in previous year - Block Funding	\$ 413,096	\$ 622,279
Funds from Health Services Funding Agreement - Block Funding	14,259,124	14,101,697
Funds deferred to future years - Block Funding	(863,071)	(413,096)
Funds from Health Services Funding Agreement - Set Funding	2,405,637	2,155,715
Funds repayable to Health Canada - Set Funding	(62,497)	-
Funds allocated to MAR	(18,791)	(22,794)
Funds allocated to additional MAR	(96,960)	(100,000)
Funds due from Health Canada as of March 31,2017	439,826	203,827
 Funds from MAR ANIHB Reserve applied	 324,163	 487,662
	<u>16,800,527</u>	<u>17,035,290</u>
 Expenses - Health Agreement - Block Funding Programs		
Aboriginal Headstart	507,177	507,177
Canada Prenatal Nutrition	78,211	43,144
Maternal Child Health	95,710	60,955
Fetal Alcohol Spectrum Disorder	16,982	81,397
Mental Health Brighter Futures	181,349	197,754
Building Healthy Communities-Crisis Management	342,295	372,273
NNADAP	246,694	167,550
National Aboriginal Youth Suicide Prevention Strategy	42,642	40,667
Aboriginal Diabetes Initiatives	315,656	319,528
Community Health Promotions (CHN/CHR)	456,598	684,588
Environmental Health Officer	204,568	178,692
Health Administration	581,643	1,112,796
Capital Facilities-Operations and Maintenance	132,774	127,618
Medical Transportation ANIHB	1,011,052	1,019,221
Pharmacy ANIHB	3,975,576	3,498,695
Medical Supplies and Equipment ANIHB	443,556	560,510
Vision Care ANIHB	407,075	367,600
Dental Care ANIHB	4,192,126	3,838,125
	<u>13,231,684</u>	<u>13,178,290</u>
 Expenses - Health Agreement - Set Funding Programs		
HIV/Aids	8,716	7,793
Communicable Disease Emergencies	2,000	-
Copay ANIHB	369,057	369,412
Capital Investments-Headstart playground	123,000	-
Home and Community Care Program	1,822,451	1,779,539
Drinking Water Safety Program	10,000	7,500
Health Service Accreditation	67,789	87,908
Health Consultation & Liaison	250,975	-
Jordans Principle	-	-
Data Collection	36,591	-
	<u>2,690,579</u>	<u>2,252,152</u>
 Surplus	 878,264	 1,604,848

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)

YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Expenditures - other health related		
Tsionkwanonsote -Chronic Care facility	758,101	868,491
Iakhisohtha - Long-Term Care facility	204,887	181,183
Ambulance	641,076	339,993
MOHLTC Health Access Center	7,563	-
AHWS Healthy Babies & Children	-	7,210
MOHLTC Community Support Fund	6,894	4,257
Diabetes MOHLTC	-	4,162
Financial Analyst	150,000	150,000
Environmental Health	68,700	68,701
Health Projects	6,818	7,015
Health Facility Renovations	3,040	-
	<u>1,847,079</u>	<u>1,631,012</u>
Deficit	(968,815)	(26,164)
Total Expenses	<u>17,769,342</u>	<u>17,061,454</u>
Closing Balance	<u>\$ (968,815)</u>	<u>\$ (26,164)</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 3 - CONSOLIDATED SCHEDULE OF FEDERAL REVENUE TRUST FUNDS (unaudited)**YEAR ENDED MARCH 31, 2017****Schedule of Federal Revenue Trust Funds****Revenue from land leases**

Paid to Indigenous and Northern Affairs Canada	\$ <u>574,548</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 - IRM	50,000
Environment - IRM	90,000
Office of Vital Statistics	<u>64,548</u>
Total revenue applied to programs	\$ <u>574,548</u>

Note: In addition to the rental revenues received, interest in the amount of \$28,509 was received in fiscal year ended March 31, 2017. This interest income has been applied to global Council operations and is not disclosed separately on the Consolidated Statement of Financial Activities.

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 4 - CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS (unaudited)

YEAR ENDED MARCH 31, 2017

Schedule of Government Transfers

	<u>2017</u>	<u>2016</u>
Indigineous and Northern Affairs Canada	\$ 36,381,516	\$ 35,120,846
Human Resources Development Canada	476,916	387,267
Canadian Mortgage and Housing Corporation	345,710	413,839
Health Canada	16,916,278	17,158,084
Canada Border Services Agency	10,000	13,000
Emergency Preparedness Canada	3,683,830	3,316,300
Other Federal	<u>179,217</u>	<u>330,571</u>
	57,993,467	56,739,907
Province of Ontario	17,114,745	14,853,583
Province of Quebec	1,390,524	1,760,680
Other contributions	<u>1,021,440</u>	<u>147,990</u>
	<u>\$ 77,520,176</u>	<u>\$ 73,502,160</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 5 - CONSOLIDATED SCHEDULE OF FUNDING RECONCILIATION INAC (unaudited)

YEAR ENDED MARCH 31, 2017

Schedule of Funding Reconciliation INAC

	<u>2017</u>	<u>2016</u>
INAC Revenue per Consolidated Financial Statements	\$ 36,381,516	\$ 35,120,846
Less: prior year deferred revenue	(574,933)	(1,122,005)
Less: prior year repayable revenue	(826,297)	(550,089)
Add: current year deferred revenue	3,870,204	574,933
Add: current year repayable revenue	<u>820,287</u>	<u>826,297</u>
Adjusted INAC funding received	39,670,777	34,849,982
INAC revenue per funding confirmation	<u>39,677,210</u>	<u>34,965,775</u>
Difference	<u>\$ (6,433)</u>	<u>\$ (115,793)</u>

Explanation of differences:

Write off of old repayables	\$ (6,433)	\$ (72,965)
Kashechewan reimbursement	<u>-</u>	<u>(42,828)</u>
	<u>\$ (6,433)</u>	<u>\$ (115,793)</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 6 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2017 (unaudited)

YEAR ENDED MARCH 31, 2017

	Akwesasne Mohawk Board of Education 2017	Akwesasne Mohawk Police 2017	Department of Community & Social Services 2017	Mohawk Government 2017	Health 2017	Housing 2017	Justice 2017	Department of Technical Services 2017	Executive Services - Core 2017	Executive Services - Non Core 2017	Intergrated Resource Management 2017	Economic Development 2017	Consolidated Totals 2017
Revenues													
Federal Government	\$ 15,069,269	\$ 3,708,830	\$ 8,913,968	\$ 91,106	\$ 17,699,179	\$ 329,467	\$ 199,885	\$ 4,392,757	\$ 4,815,653	\$ 1,895,243	\$ 81,510	\$ 745,040	\$ 57,941,907
Provincial Government	71,700	3,037,501	4,494,532	833,765	7,438,167	-	660,000	163,984	3,361,372	2,008,428	513,601	229,634	22,812,684
Other Revenues	<u>343,777</u>	<u>13,698</u>	<u>777,581</u>	<u>1,058,035</u>	<u>1,477,740</u>	<u>938,000</u>	<u>149,437</u>	<u>3,828,415</u>	<u>4,507,234</u>	<u>898,370</u>	<u>354,502</u>	<u>504,142</u>	<u>14,850,931</u>
Sub-total Inter-Segment Eliminations	<u>15,484,746</u>	<u>6,760,029</u>	<u>14,186,081</u>	<u>1,982,906</u>	<u>26,615,086</u>	<u>1,267,467</u>	<u>1,009,322</u>	<u>8,385,156</u>	<u>12,684,259</u>	<u>4,802,041</u>	<u>949,613</u>	<u>1,478,816</u>	<u>95,605,522</u>
Total Revenues	<u><u>15,484,746</u></u>	<u><u>6,760,029</u></u>	<u><u>14,186,081</u></u>	<u><u>1,982,906</u></u>	<u><u>26,615,086</u></u>	<u><u>1,267,467</u></u>	<u><u>1,009,322</u></u>	<u><u>4,756,892</u></u>	<u><u>9,211,670</u></u>	<u><u>4,802,041</u></u>	<u><u>949,613</u></u>	<u><u>1,478,816</u></u>	<u><u>88,504,669</u></u>
Expenses													
Salaries & Benefits	7,271,518	5,276,452	5,825,969	483,619	11,635,018	615,814	1,006,345	3,674,299	4,228,818	2,348,376	917,868	521,086	43,805,183
Operating Costs	7,382,752	900,864	6,590,803	1,902,255	13,646,843	490,930	290,810	3,846,888	1,876,900	1,120,530	307,124	249,771	38,606,472
Rent	166,948	224,196	745,908	61,950	999,486	28,623	58,035	168,918	217,180	377,719	57,626	522,185	3,628,773
Amortization Expenses	154,306	144,035	103,254	6,084	194,401	315,120	4,047	2,379,496	138,370	-	-	-	3,439,113
Other Expenses	<u>323,032</u>	<u>376,188</u>	<u>399,503</u>	<u>69,134</u>	<u>802,382</u>	<u>79,445</u>	<u>64,076</u>	<u>677,907</u>	<u>439,561</u>	<u>321,264</u>	<u>67,657</u>	<u>74,001</u>	<u>3,694,151</u>
Sub-total	<u>15,298,557</u>	<u>6,921,735</u>	<u>13,665,437</u>	<u>2,523,042</u>	<u>27,278,130</u>	<u>1,529,932</u>	<u>1,423,314</u>	<u>10,747,508</u>	<u>6,900,830</u>	<u>4,167,889</u>	<u>1,350,275</u>	<u>1,367,043</u>	<u>93,173,692</u>
Inter-Segment Eliminations	-	-	-	-	-	-	-	<u>(3,628,264)</u>	<u>(3,472,589)</u>	-	-	-	<u>(7,100,853)</u>
Total Expenses	<u>15,298,557</u>	<u>6,921,735</u>	<u>13,665,437</u>	<u>2,523,042</u>	<u>27,278,130</u>	<u>1,529,932</u>	<u>1,423,314</u>	<u>7,119,244</u>	<u>3,428,241</u>	<u>4,167,889</u>	<u>1,350,275</u>	<u>1,367,043</u>	<u>86,072,839</u>
Annual Surplus/(Deficit) before Other Item	\$ <u>186,189</u>	\$ <u>(161,706)</u>	\$ <u>520,644</u>	\$ <u>(540,136)</u>	\$ <u>(663,044)</u>	\$ <u>(262,465)</u>	\$ <u>(413,992)</u>	\$ <u>(2,362,352)</u>	\$ <u>5,783,429</u>	\$ <u>634,152</u>	\$ <u>(400,662)</u>	\$ <u>111,773</u>	\$ <u>2,431,830</u>

MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 7 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2016 (unaudited)

YEAR ENDED MARCH 31, 2017

	Akwasasne Mohawk Board of Education 2016	Akwasasne 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	Intergrated 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 Inter-Segment Eliminations	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
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	10,740,730	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 Other Item	<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>

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MOHAWK COUNCIL OF AKWESASNE

SCHEDULE 8 - CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED SURPLUS (unaudited)
YEAR ENDED MARCH 31, 2017

	Investment in property, plant and equipment	Investment in housing and housing construction loans	INAC	Internally restricted			Unrestricted accumulated operating deficit	2017	2016
				Casino Rama (OLG)	Community Trust	Other			
Balance at beginning of year	\$ 102,928,045	\$ 5,729,585	\$ 1,751,762	\$ 19,701,295	\$ 6,907,206	\$ 10,489,781	\$ (544,395)	\$ 146,963,286	\$ 159,033,195
Annual surplus (deficit) before transfers - allocated	1,558,683	390,512	1,415,886	1,145,824	461,491	1,883,941	(4,424,507)	2,431,830	200,843
Expenses recoveries from Mohawks of Akwesasne Settlement Trust	-	-	-	-	-	-	-	-	1,152,505
Investment in Government Business Entity	-	-	-	-	-	-	303,000	303,000	-
Transfer to Mohawks of Akwesasne Community Settlement Trust	-	-	-	-	(2,560,000)	-	-	(2,560,000)	(13,423,257)
Inter-fund transfer to (from) unrestricted	(3,434,562)	(405,374)	(600,584)	(136,064)	-	(590,277)	5,166,861	-	-
Net change in accumulated surplus for the year	(1,875,879)	(14,862)	815,302	1,009,760	(2,098,509)	1,293,664	1,045,354	174,830	(12,069,909)
Balance at end of year	\$ 101,052,166	\$ 5,714,723	\$ 2,567,064	\$ 20,711,055	\$ 4,808,697	\$ 11,783,445	\$ 500,959	\$ 147,138,116	\$ 146,963,286