

**CONSOLIDATED FINANCIAL STATEMENTS**  
**For**  
**MOHAWK COUNCIL OF AKWESASNE**  
**For year ended**  
**MARCH 31, 2018**

MOHAWK COUNCIL OF AKWESASNE  
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MARCH 31, 2018

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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 15, 2018

AKWESASNE-LAND WHERE THE PARTRIDGE DRUMS

ADMINISTRATION OFFICES  
613-575-2250

WWW.AKWESASNE.CA  
BOX 579 CORNWALL, ONTARIO K6H-5T3

MOHAWK GOVERNMENT OFFICES  
613-575-2348

**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, 2018 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and 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 financial position of the **Mohawk Council of Akwesasne** as at March 31, 2018 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 consolidated financial statements are presented as supplementary information only and are unaudited.

*Welch LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Cornwall, Ontario  
October 15, 2018.

**MOHAWK COUNCIL OF AKWESASNE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>Financial Assets</b>		
Cash	\$ 10,486,684	\$ 7,321,516
Due from government and other government organizations (note 3)	10,750,377	6,755,222
Accounts receivable (note 4)	1,508,323	1,032,216
Temporary investments (note 9)	42,777,325	35,672,534
Restricted assets		
Ontario Power Generation Settlement receivable (note 20)	2,482,182	4,808,704
Housing and housing construction loans (note 5)	5,533,138	5,714,724
Funds held in trust by INAC	-	84,544
Investment in government business entities (note 25)	395,381	303,000
Total Financial Assets	<u>73,933,410</u>	<u>61,692,460</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 10)	9,316,785	6,626,513
Employee benefit obligations (note 11)	1,104,874	1,224,496
Due to government and other government organizations (note 12)	2,143,803	2,187,403
Deferred revenue (note 14)	11,118,235	6,297,999
Long-term loans (note 15)	6,466,701	6,603,897
Promissory note / Land Settlement Claim (note 13)	2,927,650	2,827,500
Total Financial Liabilities	<u>33,078,048</u>	<u>25,767,808</u>
<b>Net Financial Assets</b>	<u>40,855,362</u>	<u>35,924,652</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	107,516,071	106,925,914
Tangible capital assets under construction (note 7)	807,570	728,094
Other assets held for sale (note 8)	135,395	60,693
Deferred charges	3,316,553	3,044,256
Prepaid expenses	178,669	454,507
Total non-financial assets	<u>111,954,258</u>	<u>111,213,464</u>
<b>Accumulated surplus</b> (note 19, schedule 8)	<u>\$152,809,620</u>	<u>\$147,138,116</u>
<b>Contingencies and commitments</b> (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, 2018**

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>			
Government transfers	\$ 86,611,872	\$ 85,057,346	\$ 77,520,176
Ontario Lottery and Gaming Corporation	1,639,147	4,505,546	4,537,510
Administration fees and user charges	3,671,597	1,126,765	793,602
Land leases	570,200	598,809	574,548
Interest	450,000	910,596	1,083,293
Other income	6,002,216	3,057,385	3,287,049
Rental	<u>3,718,901</u>	<u>725,919</u>	<u>708,491</u>
	<u>102,663,933</u>	<u>95,982,366</u>	<u>88,504,669</u>
<b>Operating expenses (note 23)</b>			
Akwesasne Mohawk Board of Education	16,379,368	17,786,876	15,298,557
Akwesasne Mohawk Police Service	5,772,885	6,445,605	6,921,735
Community and social services	15,358,439	13,734,649	13,665,437
Economic development	5,744,150	1,530,349	1,367,043
Executive services - core services	6,855,545	3,319,337	3,428,241
Executive services - non core services	571,270	1,380,785	4,167,889
Integrated resource management	1,518,186	1,106,422	1,350,275
Health	29,962,537	27,668,979	27,278,130
Housing	2,163,257	1,953,180	1,529,932
Justice	1,423,212	1,669,810	1,423,314
Mohawk government	3,240,601	4,112,227	2,523,042
Technical services	<u>14,269,270</u>	<u>7,135,024</u>	<u>7,119,244</u>
	<u>103,258,720</u>	<u>87,843,243</u>	<u>86,072,839</u>
<b>Annual surplus before other items noted below</b>	(594,787)	8,139,123	2,431,830
<b>Transfer to Mohawks of Akwesasne Community Settlement Trust (note 22)</b>	-	(2,560,000)	(2,560,000)
<b>Earnings from government business entities</b>	-	<u>92,381</u>	<u>303,000</u>
<b>Annual surplus (deficit)</b>	(594,787)	5,671,504	174,830
<b>Accumulated surplus at beginning of year</b>	<u>147,138,116</u>	<u>147,138,116</u>	<u>146,963,286</u>
<b>Accumulated surplus at end of year</b>	<b><u>\$146,543,329</u></b>	<b><u>\$152,809,620</u></b>	<b><u>\$147,138,116</u></b>

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**YEAR ENDED MARCH 31, 2018**

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
<b>Annual surplus (deficit)</b>	<b>\$ (594,787)</b>	<b>\$ 5,671,504</b>	<b>\$ 174,830</b>
Acquisition of tangible capital assets	(780,000)	(4,088,183)	(2,386,032)
Acquisition of tangible capital assets under construction	(3,000,000)	(194,237)	(58,658)
(Gain) loss on disposal of tangible capital assets	-	(2,689)	16,078
Amortization of tangible capital assets	3,800,000	3,600,973	3,439,107
Asset impairment	-	-	687,602
	<b><u>20,000</u></b>	<b><u>(684,136)</u></b>	<b><u>1,698,097</u></b>
Acquisition of prepaid expenses	(124,214)	(178,669)	(454,507)
Acquisition of deferred charges	470,863	(272,296)	(333,540)
Use of prepaid expenses	746,234	454,507	907,349
Proceeds on disposition of other assets held for sale	-	(60,200)	-
	<b><u>1,092,883</u></b>	<b><u>(56,658)</u></b>	<b><u>119,302</u></b>
<b>Increase in net financial assets</b>	<b>518,096</b>	<b>4,930,710</b>	<b>1,992,229</b>
<b>Net financial assets at beginning of year</b>	<b><u>35,924,652</u></b>	<b><u>35,924,652</u></b>	<b><u>33,932,423</u></b>
<b>Net financial assets at end of year</b>	<b><u>\$ 36,442,748</u></b>	<b><u>\$ 40,855,362</u></b>	<b><u>\$ 35,924,652</u></b>

(See accompanying notes)

**MOHAWK COUNCIL OF AKWESASNE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Annual surplus before transfer to Trust	\$ 8,139,123	\$ 2,431,830
Items not affecting cash:		
Amortization	3,600,973	3,439,113
Unrealized gains on investments	14,936	6,418
Impairment of tangible capital assets	-	687,602
(Gain) loss on disposal of tangible capital assets	(2,689)	16,078
Net change in non-cash working capital items:		
Due from government and other government organizations	(3,995,155)	(353,052)
Accounts receivable	(476,107)	13,704
Prepaid expenses	275,838	452,842
Ontario Power Generation Settlement receivable	2,326,522	(2,098,509)
Accounts payable and accrued liabilities	2,690,272	828,819
Employee benefit obligations	(119,622)	(295,453)
Due to government and other government organizations	(43,600)	(710,738)
Deferred revenue	<u>4,820,236</u>	<u>4,473,729</u>
Cash applied to operating transactions	<u>17,230,727</u>	<u>8,892,383</u>
<b>Capital activities</b>		
Proceeds on disposal of other assets held for sale	60,200	-
Purchase of other assets held for sale	(135,395)	-
Purchase of tangible capital assets and under construction	<u>(4,282,420)</u>	<u>(2,444,690)</u>
Cash applied to capital transactions	<u>(4,357,615)</u>	<u>(2,444,690)</u>
<b>Investing activities</b>		
Advances for housing and housing construction loans	(678,417)	(785,529)
Housing loans repaid	860,003	800,393
Deferred charges	(272,297)	(333,539)
Redemption of investments	26,175,639	41,551,169
Purchases of investments	(33,280,429)	(46,005,786)
Redemption of funds help in trust	<u>84,544</u>	<u>-</u>
Cash applied to investing activities	<u>(7,110,957)</u>	<u>(4,773,292)</u>
<b>Financing activities</b>		
Proceeds from long-term loans	295,148	719,793
Repayments of long-term loans	(432,285)	(595,329)
Proceeds from Promissory Note	100,150	-
Transfer to Community Trust	<u>(2,560,000)</u>	<u>(2,560,000)</u>
Cash applied to financing activites	<u>(2,596,987)</u>	<u>(2,435,536)</u>
<b>Increase (decrease) in cash</b>	3,165,168	(761,135)
<b>Cash at beginning of year</b>	<u>7,321,516</u>	<u>8,082,651</u>
<b>Cash at end of year</b>	<u><b>\$ 10,486,684</b></u>	<u><b>\$ 7,321,516</b></u>
<b>Supplementary cash flow information</b>		
Interest received in year	\$ 677,118	\$ 621,802
Interest paid in year	\$ 112,342	\$ 111,962

(See accompanying notes)

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## MOHAWK COUNCIL OF AKWESASNE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

#### **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 organizations accounted for on a modified equity basis includes:

- Akwesasne Harbour Development Corporation
- Cornwall - Akwesasne Harbour Partnership

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, 2018**

**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, 2018

## 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 2018 fiscal year amounted to \$2,690,974 (2017 - \$2,667,307).

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

j) *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.

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, 2018.

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) *Foreign currency translation*

The financial statements of the Mohawk Council of Akwesasne are translated using temporal method whereby monetary assets and liabilities are translated at year end rates, non-monetary items at historical rates and revenues and expenses at the average rate for the year. Gains and losses from exchange translation are included in the statement of operations.

## 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.

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>2018</u>	<u>2017</u>
Indigenous and Northern Affairs Canada	\$ 3,607,458	\$ 2,115,492
Human Resources Development Canada	165,446	212,679
Health Canada	161,632	601,458
Province of Ontario	3,110,192	3,151,892
Province of Quebec	837,244	233,598
Other Federal contributions	<u>2,868,405</u>	<u>440,103</u>
	<u>\$ 10,750,377</u>	<u>\$ 6,755,222</u>

**MOHAWK COUNCIL OF AKWESASNE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2018**

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following

	<b>2018</b>	<b>2017</b>
Future settlement trust receivable	\$ 3,545	\$ 3,545
Interest receivable from temporary investments	293,378	241,383
Miscellaneous receivables	804,760	579,049
Other Grants and Contributions	444,107	273,698
Rental facilities receivables	<u>296,526</u>	<u>263,275</u>
	1,842,316	1,360,950
Less: allowance for doubtful accounts	<u>333,993</u>	<u>328,734</u>
	<u><u>\$ 1,508,323</u></u>	<u><u>\$ 1,032,216</u></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.

	<b>2018</b>	<b>2017</b>
Principal outstanding	\$ 10,349,149	\$ 10,573,523
Less: allowance for doubtful loans	<u>4,816,011</u>	<u>4,858,799</u>
	<u><u>\$ 5,533,138</u></u>	<u><u>\$ 5,714,724</u></u>

## MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.  
YEAR ENDED MARCH 31, 2018

## 6. TANGIBLE CAPITAL ASSETS

Cost	Building & Major Infrastructure				Equipment under a Capital Lease				Furniture and Fixtures		Roads		Vehicles		Total 2018		Total 2017	
	Land	Computer Hardware	Computer Software	Equipment														
Opening Costs	\$ 727,454	\$ 149,815,242	\$ 3,508,875	\$ 604,444	\$ 6,738,379	\$ 410,060	\$ 504,822	\$ 2,021,354	\$ 5,771,873	\$ 8,586,394	\$ 178,278,837	607,365	3,504,101	\$169,551,824	2,386,032			
Additions	17,298	2,469,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfers from WIP	-	49,841	-	-	-	-	-	-	-	-	649,003	-	(268,119)	698,844	7,129,449	(122,738)		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	(268,119)	1,088,389	665,730		
Write-downs	-	1,088,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Closing Costs</b>	<b>744,752</b>	<b>151,246,072</b>	<b>3,508,875</b>	<b>604,444</b>	<b>7,148,439</b>	<b>504,822</b>	<b>2,021,354</b>	<b>6,420,876</b>	<b>8,925,640</b>	<b>181,125,274</b>	<b>178,278,837</b>							
<b>Accumulated Amortization</b>																		
Opening accumulated Disposals	-	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	(256,304)	(1,344,693)	68,020,478	(106,662)			
Amortization Expense	-	(1,088,389)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Closing Accumulated</b>	<b>-</b>	<b>2,517,572</b>	<b>61,668</b>	<b>2,473</b>	<b>250,594</b>	<b>5,744</b>	<b>55,377</b>	<b>161,969</b>	<b>545,576</b>	<b>3,600,973</b>	<b>3,439,107</b>							
<b>Net Book Value</b>	<b>\$ 744,752</b>	<b>\$100,643,347</b>	<b>\$ 246,671</b>	<b>\$ 2,462</b>	<b>\$ 1,234,484</b>	<b>\$ 22,978</b>	<b>\$ 498,389</b>	<b>\$ 2,106,147</b>	<b>\$ 2,016,841</b>	<b>\$107,516,071</b>	<b>\$106,925,914</b>							
Opening 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							
Closing Balance	<u>744,752</u>	<u>100,643,347</u>	<u>246,671</u>	<u>2,462</u>	<u>1,234,484</u>	<u>22,978</u>	<u>498,389</u>	<u>2,106,147</u>	<u>2,016,841</u>	<u>107,516,071</u>	<u>106,925,914</u>							
<b>Increase (Decrease) in Net Book Value</b>	<b>\$ 17,298</b>	<b>\$ 1,647</b>	<b>\$ (61,668)</b>	<b>\$ (2,473)</b>	<b>\$ 159,466</b>	<b>\$ (5,744)</b>	<b>\$ (55,377)</b>	<b>\$ 487,034</b>	<b>\$ 49,974</b>	<b>\$ 590,157</b>	<b>\$ 5,394,568</b>							

**MOHAWK COUNCIL OF AKWESASNE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2018**

**7. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION**

	Total Remaining Commitment <u>(unaudited)</u>	<u>2018</u>	<u>2017</u>
ACFS Home 90 Whoville Drive	\$ 250,000	\$ 180,184	\$ -
River Road	1,600,000	5,500	-
Park & Hill Top Road reconstruction	-	-	102,480
Angus Mitchell Memorial Building redesign	N/A	29,837	29,837
Buckshot Road	-	-	12,282
Street Light Upgrading	40,000	4,774	-
Hamilton Island Bridge Design	N/A	13,790	13,790
Snye Administrative Facility Design & Sitework	N/A	<u>573,485</u>	<u>569,705</u>
	<u>\$ 807,570</u>	<u>\$ 728,094</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, these properties were sold during the year. In Fiscal year 2018 Council acquired a property from the BMO housing program. A property is acquired when a mortgage holder forfeits on the mortgage requirements.

	<u>2018</u>	<u>2017</u>
BMO Housing program	\$ 135,395	\$ -
Stanley Island log cabins	<u>-</u>	<u>60,693</u>
	<u>\$ 135,395</u>	<u>\$ 60,693</u>

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

## 9. TEMPORARY INVESTMENTS

<u>Holder</u>	<u>Type</u>	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Bank of Montreal	GIC	October 2018	1.65%	\$ 2,000,000
Bank of Montreal	GIC	October 2018	1.65%	2,000,000
Bank of Montreal	GIC	April 2018	0.85%	5,000,000
Bank of Montreal	GIC	April 2018	0.85%	5,000,000
Bank of Montreal	GIC	July 2018	0.80%	26,778
Bank of Montreal	GIC	October 2018	1.65%	2,000,000
Bank of Montreal	GIC	October 2018	1.65%	2,000,000
Bank of Montreal	GIC	October 2018	1.65%	2,000,000
Bank of Montreal	GIC	June 2020	1.40%	1,541,187
Concentra Bank	GIC	June 2020	1.95%	100,000
Equitable Bank	GIC	June 2020	1.96%	100,000
Home Trust	GIC	June 2020	2.75%	100,000
Home Equity	GIC	June 2020	1.80%	100,000
Laurentian Bank	GIC	June 2020	1.92%	100,000
Peoples Trust	GIC	June 2020	1.95%	100,000
Bank of Montreal	GIC	October 2018	1.65%	2,989,802
Montreal Trust Co.	GIC	June 2019	2.00%	920,000
Montreal Trust Co.	GIC	June 2019	2.18%	1,193,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
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Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Bank of Montreal	GIC	November 2018	1.75%	500,000
Community Funds				
Fund 650-02095-12	Shares			703,927
Fund 650-02094-13	Shares			888,594
BMO High Interest Savings				5,588,733
Cash balances in accounts				862,304
				\$ 42,777,325

## MOHAWK COUNCIL OF AKWESASNE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.  
YEAR ENDED MARCH 31, 2018

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 4,454,038	\$ 3,281,191
Accrued salaries and employee benefits payable	259,544	640,444
Other accrued liabilities	<u>4,603,203</u>	<u>2,704,878</u>
Total accounts payable	<u>\$ 9,316,785</u>	<u>\$ 6,626,513</u>

## 11. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2018</u>	<u>2017</u>
Vacation pay obligation	<u>\$ 1,104,874</u>	<u>\$ 1,224,496</u>

## 12. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2018</u>	<u>2017</u>
INAC repayables	\$ 467,455	\$ 820,287
Ontario repayables	1,489,747	1,137,834
Health Canada repayables	57,119	113,014
Other federal repayables	122,814	116,268
Quebec repayables	6,668	-
	<u>\$ 2,143,803</u>	<u>\$ 2,187,403</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>2018</u>	<u>2017</u>
Due on settlement of land claim	<u>\$ 2,927,650</u>	<u>\$ 2,827,500</u>

The promissory note is interest free until maturity or unless Council is in default under the agreement. As of March 31, 2018 INAC has approved a promissory note advance of \$2,927,650 (2017 - \$2,827,500) of which Council has expended \$3,291,552 (2017 - \$3,019,254) for purposes of the intended use.

## 14. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Indigenous and Northern Affairs Canada	\$ 7,852,623	\$ 3,870,210
Health Canada	1,795,766	863,071
Province of Ontario	619,715	249,952
Other Federal Government Departments	552,904	588,049
Other	<u>297,227</u>	<u>726,717</u>
	<u>\$ 11,118,235</u>	<u>\$ 6,297,999</u>

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

## 15. LONG-TERM LOANS

	<u>2018</u>	<u>2017</u>
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Family Violence Centre - Net Book Value \$292,058).	-	25,054
1.52% mortgage, due February 2018, payable in equal monthly installments of \$2,294 including principal and interest (Adolescent Treatment Centre - Net Book Value \$255,827).	-	25,029
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 \$447,427).	311,845	351,629
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 \$821,292).	586,867	631,242
1.52% mortgage, due December 2022, payable in equal monthly installments of \$5,245 including principal and interest (CMHC Section 95 Project 02/03 - Net Book Value \$763,989).	557,055	610,631
1.43% mortgage, due April 2022, payable in equal monthly installments of \$3,591 including principal and interest (CMHC Section 95 Project 04/05 - Net Book Value \$1,029,940).	546,574	581,527
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 \$1,722,134).	889,320	936,684
1.97% mortgage, due December 2022, payable in equal monthly installments of \$4,573 including principal and interest. 9 Units (CMHC Section 95 Project 05/06 - Net Book Value \$971,996).	695,659	737,508
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 \$2,303,182).	1,070,230	1,125,739
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 \$452,791).	382,842	401,613
2.05% mortgage, due November 2022, payable in equal monthly installments of \$2,263 including principal and interest. 4 Units (CMHC Section 95 Project Hawthorne - Net Book Value \$587,133).	438,860	457,388
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 \$4,888,255).	-	60
Sub-total	<u>\$ 5,479,252</u>	<u>\$ 5,884,104</u>

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

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

Sub-total previous page	\$ 5,479,252	\$ 5,884,104
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 \$645,383).	489,791	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 \$639,152).	<u>497,658</u>	<u>317,350</u>
	<u>\$ 6,466,701</u>	<u>\$ 6,603,897</u>

Interest expense for the year on long-term debt is \$110,920 (2017 - \$111,962)

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:

2019	\$ 394,388
2020	401,356
2021	407,870
2022	414,789
2023	421,832
2024 and beyond	4,426,466

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 \$50,174 (2017 - \$22,514).

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>2018</u>	<u>2017</u>
Akwesasne Community Settlement Fund	<u>\$ 61,129</u>	<u>\$ 60,703</u>

**17. INTERNAL CHARGES**

Added to tangible capital assets and deferred charges during the year are certain administrative and salary amounts totaling \$168,377 (2017 - \$122,727).

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

#### **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, 2018 the Council had guarantees outstanding under this program of \$5,141,834 (2017 - \$5,242,993). 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, 2018, 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 (2017 - \$22,146) annually over the next 3 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 (see Schedule 8).

#### **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 2, 2017, the ninth 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, 2018 the net present value of the future payments is recorded as a receivable of \$2,560,000 (2017 - \$5,120,000). Accreted interest of \$233,478 (2017: \$461,491) was recorded in 2018 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 financial statements.

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

**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 a 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 \$2,560,000 to the Trust during the fiscal year representing the OPG funds received during the fiscal year. Those funds, as well as any accrued 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 20).

**23. OPERATING EXPENSES**

	<u>2018</u>	<u>2017</u>
Salaries, benefits and honoraria	\$ 43,898,907	\$ 43,742,443
Travel and training	1,180,199	1,279,489
Program supplies	9,419,578	7,576,181
Equipment repairs/lease and small equipment purchases	1,978,411	2,016,802
Professional fees	3,611,874	4,078,288
Non-Insured Health Benefits	9,435,930	9,541,367
Office	1,005,142	1,174,545
Facility costs	3,406,601	2,812,682
Student tuition and allowances	5,685,785	5,408,628
Community support	4,531,604	4,799,233
Minor capital	<u>3,689,212</u>	<u>3,643,181</u>
	<u>\$ 87,843,243</u>	<u>\$ 86,072,839</u>

**MOHAWK COUNCIL OF AKWESASNE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2018**

**24. BUDGETED FIGURES**

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

**25. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES**

**Akwesasne Harbour Development Corporation**

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 ("CHDC")

	<b>Investment Cost Beginning of Year</b>	<b>Loans / Advances</b>	<b>Share of Earnings</b>	<b>Cash Distributions</b>	<b>Total Investment</b>
AHDC	\$ <u>303,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>303,000</u>

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

	<b>2018</b>	<b>2017</b>
Financial Assets	\$ -	\$ -
Financial Liabilities	<u>-</u>	<u>-</u>
Net Financial Assets	<u>-</u>	<u>-</u>
Non-Financial Assets		
Tangible Capital Assets	<u>303,000</u>	<u>303,000</u>
Accumulated Surplus	<u>\$ -</u>	<u>\$ -</u>
 Total revenue	\$ 1,000	\$ 303,000
Total expenditure	<u>1,000</u>	<u>-</u>
Comprehensive Income	<u>\$ -</u>	<u>\$ 303,000</u>

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

## 26. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES (continued)

**Cornwall-Akwesasne Harbour Partnership**

The Mohawk Council of Akwesasne has a 50% partnership interest in the Cornwall-Akwesasne Harbour Partnership. The purpose of this partnership is to operate and eventually develop and remediate the port lands in question in partnership with the City of Cornwall.

Transport Canada, as part of the transfer, has entered into a contribution agreement with the port operator to provide a sum of \$5.3M to use towards eligible expenditures during the terms of the funding agreement which will terminate in 2026.

	Investment Cost Beginning of Year	Loans / Advances	Share of Earnings	Cash Distributions	Total Investment
Partnership Interest	\$ -	-	92,381	-	\$ 92,381

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

	<u>2018</u>	<u>2017</u>
Financial Assets		
Cash	\$ 92,381	\$ -
Restricted cash	<u>2,649,483</u>	<u>2,663,228</u>
	2,741,864	2,663,228
Financial Liabilities		
Deferred revenue	<u>2,649,483</u>	<u>2,663,228</u>
Net Financial Assets	92,381	-
Non-Financial Assets	-	-
Accumulated Surplus	<u>\$ 92,381</u>	<u>\$ -</u>
 Total revenue	 \$ 106,127	 \$ -
Total expenditure	<u>13,746</u>	<u>-</u>
Comprehensive Income	<u>\$ 92,381</u>	<u>\$ -</u>

## Total Investment in Government Business Entities

	<u>2018</u>	<u>2017</u>
AHDC Harbour Partnership	\$ 303,000	\$ 303,000
	<u>92,381</u>	<u>-</u>
	<u>\$ 395,381</u>	<u>\$ 303,000</u>

## MOHAWK COUNCIL OF AKWESASNE

**SCHEDULE 1 - CONSOLIDATED REPORT ON MOVEABLE ASSET RESERVE (MAR) (unaudited)**  
**YEAR ENDED MARCH 31, 2018**

**Health Transfer Services Agreement**

	<u>MAR</u>	<u>Restricted For Health Programs</u>	<u>Total</u>
Balance at beginning of year	\$ 496,864	\$ 1,809,398	\$ 2,306,262
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	-	(18,360)	(18,360)
	<u>\$ 515,655</u>	<u>\$ 1,891,038</u>	<u>\$ 2,406,693</u>

## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)

YEAR ENDED MARCH 31, 2018

## Health Funding Contribution Agreement

	<u>2018</u>	<u>2017</u>
<b>Funds available</b>		
Funds deferred in previous year - Block Funding	\$ 863,071	\$ 413,096
Funds from Health Services Funding Agreement - Block Funding	18,710,992	14,259,124
Funds deferred to future years - Block Funding	(1,759,644)	(863,071)
Funds from Health Services Funding Agreement - Set Funding	1,141,512	2,405,637
Funds repayable to Health Canada - Set Funding	-	(62,497)
Funds allocated to MAR	(18,791)	(18,791)
Funds allocated to additional MAR	(81,640)	(96,960)
Funds due from Health Canada as of March 31,2018	-	439,826
 Funds from MAR ANIHB Reserve applied	 -	 324,163
	 <u>18,855,500</u>	 <u>16,800,527</u>
 <b>Expenses - Health Agreement - Block Funding Programs</b>		
Aboriginal Headstart	507,177	507,177
Canada Prenatal Nutrition	81,247	78,211
Maternal Child Health	126,597	95,710
Fetal Alcohol Spectrum Disorder	77,042	16,982
Mental Health Brighter Futures	302,886	181,349
Building Healthy Communities-Crisis Management	483,410	342,295
NNADAP	245,291	246,694
National Aboriginal Youth Suicide Prevention Strategy	58,186	42,642
Aboriginal Diabetes Initiatives	231,764	315,656
Community Health Promotions (CHN/CHR)	414,883	456,598
Environmental Health Officer	208,924	204,568
Health Administration	746,542	581,643
Home and Community Care	815,284	-
Capital Facilities-Operations and Maintenance	-	132,774
NIHB deficit from 2016-2017 fiscal year	935,160	-
Medical Transportation ANIHB	1,006,552	1,011,052
Pharmacy ANIHB	3,774,447	3,975,576
Medical Supplies and Equipment ANIHB	439,167	443,556
Vision Care ANIHB	364,417	407,075
Dental Care ANIHB	<u>4,385,871</u>	<u>4,192,126</u>
	<u>15,204,847</u>	<u>13,231,684</u>
 <b>Expenses - Health Agreement - Set Funding Programs</b>		
HIV/Aids	7,770	8,716
Communicable Disease Emergencies	-	2,000
Copay ANIHB	555,374	369,057
Capital Investment-Headstart playground	-	123,000
Home and Community Care Program	911,227	1,822,451
Healthy Child Development Training	17,327	-
Drinking Water Safety Program	9,999	10,000
Health Service Accreditation	68,129	67,789
Health Consultation & Liaison	281,499	250,975
Jordan's Principle	197,288	-
Data Collection	<u>52,689</u>	<u>36,591</u>
	<u>2,101,302</u>	<u>2,690,579</u>
 <b>Surplus</b>	 <u>1,549,351</u>	 <u>878,264</u>

## MOHAWK COUNCIL OF AKWESASNE

**SCHEDULE 2 - CONSOLIDATED REPORT ON HEALTH EXPENSES (unaudited)**  
**YEAR ENDED MARCH 31, 2018**

	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Expenditures - other health related</b>		
Tsionkwanonhso:te - Chronic Care facility	683,792	758,101
Iakhisohtha - Long-Term Care facility	99,875	204,887
Ambulance	567,679	641,076
Healthy Babies Healthy Children	3,768	-
Healthy Living	4,755	-
Child Nutrition Program	7,872	-
MOHLTC Health Access Center	16,515	7,563
MOHLTC Community Support Fund	3,448	6,894
Diabetes MOHLTC	9,206	-
Financial Analyst	150,000	150,000
Environmental Health	68,700	68,700
Health Projects	-	6,818
Health Facility Renovations	<u>18,360</u>	<u>3,040</u>
	<u><u>1,633,970</u></u>	<u><u>1,847,079</u></u>
<b>Deficit</b>		
Ministry of Community and Youth Services	(84,619)	(968,815)
Miscellaneous earned income	<u>74,278</u>	<u>-</u>
	<u><u>3,514</u></u>	<u><u>-</u></u>
<b>Total Expenses</b>	<b><u>18,862,327</u></b>	<b><u>17,769,342</u></b>
<b>Closing Balance</b>	<b><u>\$ (6,827)</u></b>	<b><u>\$ (968,815)</u></b>

## MOHAWK COUNCIL OF AKWESASNE

**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF FEDERAL REVENUE TRUST FUNDS (unaudited)****YEAR ENDED MARCH 31, 2018****Schedule of Federal Revenue Trust Funds****Revenue from land leases**

Paid to Indigenous and Northern Affairs Canada	\$ <u>598,809</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	100,000
Information Management	100,000
Emergency Measures	50,000
Environment	100,000
Office of Vital Statistics	<u>68,809</u>
Total revenue applied to programs	\$ <u>598,809</u>

Note: In addition to the rental revenues received, interest in the amount of \$45,905 was received in fiscal year ended March 31, 2018. 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 - CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS (unaudited)

YEAR ENDED MARCH 31, 2018

## Schedule of Government Transfers

	<u>2018</u>	<u>2017</u>
Indigineous and Northern Affairs Canada	\$ 39,362,061	\$ 36,381,516
Human Resources Development Canada	434,344	476,916
Canadian Mortgage and Housing Corporation	397,899	345,710
Health Canada	18,955,932	16,916,278
Canada Border Services Agency	-	10,000
Emergency Preparedness Canada	3,895,730	3,683,830
Other Federal	<u>1,308,945</u>	<u>179,217</u>
	64,354,911	57,993,467
Province of Ontario	16,640,253	17,114,745
Province of Quebec	1,806,770	1,390,524
Other contributions	<u>2,347,794</u>	<u>1,021,440</u>
	<u>\$ 85,149,728</u>	<u>\$ 77,520,176</u>

## MOHAWK COUNCIL OF AKWESASNE

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

YEAR ENDED MARCH 31, 2018

## Schedule of Funding Reconciliation INAC

	<u>2018</u>	<u>2017</u>
INAC Revenue per Financial Statements	\$ 39,362,061	\$ 36,381,516
Less: prior year deferred revenue	(3,870,204)	(574,933)
Less: prior year repayable revenue	(820,287)	(826,297)
Add: current year deferred revenue	7,852,623	3,870,204
Add: current year repayable revenue	<u>467,455</u>	<u>820,287</u>
Adjusted INAC funding received	42,991,648	39,670,777
INAC revenue per funding confirmation	<u>43,369,475</u>	<u>39,677,210</u>
Difference	<u>\$ (377,827)</u>	<u>\$ (6,433)</u>

## Explanation of differences:

Write off of old repayables	\$ (377,827)	\$ (6,433)
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## MOHAWK COUNCIL OF AKWESASNE

## SCHEDULE 6 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2018 (unaudited)

YEAR ENDED MARCH 31, 2018

	Akwasasne Mohawk Board of Education <b>2018</b>	Akwasasne Mohawk Police <b>2018</b>	Department of Community & Social Services <b>2018</b>	Mohawk Government <b>2018</b>	Health <b>2018</b>	Housing <b>2018</b>	Justice <b>2018</b>	Department of Technical Services <b>2018</b>	Executive Services - Core <b>2018</b>	Executive Services - Non Core <b>2018</b>	Integrated Resource Management <b>2018</b>	Economic Development <b>2018</b>	Consolidated Totals <b>2018</b>
<b>Revenues</b>													
Federal Government	\$ 15,809,529	\$ 3,923,670	\$ 9,386,449	\$ 826,813	\$ 19,769,638	\$ 2,117,093	\$ 282,825	\$ 5,107,165	\$ 5,266,725	\$ 901,806	\$ 399,756	\$ 965,439	\$ 64,756,908
Provincial Government	1,626,980	2,632,250	4,827,967	1,065,373	7,601,523	150,000	577,873	417,062	3,221,118	264,539	545,516	56,095	22,986,296
Other Revenues	<u>662,642</u>	<u>46126</u>	<u>795,680</u>	<u>2,015,284</u>	<u>1,515,111</u>	<u>863,384</u>	<u>118,808</u>	<u>3,978,186</u>	<u>4,306,985</u>	<u>70,088</u>	<u>387,320</u>	<u>351,53</u>	<u>15,112,964</u>
<b>Sub-total</b>	<b>18,099,151</b>	<b>6,602,046</b>	<b>15,010,096</b>	<b>3,907,467</b>	<b>28,886,272</b>	<b>3,132,477</b>	<b>979,506</b>	<b>9,502,413</b>	<b>12,794,828</b>	<b>1,236,433</b>	<b>1,332,792</b>	<b>1,372,687</b>	<b>102,856,168</b>
Inter-Segment Eliminations	-	-	-	-	-	-	-	(3,645,420)	(3,228,382)	-	-	-	(6,873,802)
<b>Total Revenues</b>	<b>18,099,151</b>	<b>6,602,046</b>	<b>15,010,096</b>	<b>3,907,467</b>	<b>28,886,272</b>	<b>3,132,477</b>	<b>979,506</b>	<b>5,856,993</b>	<b>9,566,446</b>	<b>1,236,333</b>	<b>1,332,792</b>	<b>1,372,687</b>	<b>95,982,366</b>
<b>Expenses</b>													
Salaries & Benefits	8,739,880	4,664,461	5,826,254	889,291	11,855,321	606,063	1,001,858	3,648,161	4,134,924	1,233,338	642,158	559,091	43,801,085
Operating Costs	8,065,438	1,224,722	6,716,559	3,005,361	13,968,561	883,649	477,828	3,791,177	1,890,834	76,142	300,146	346,823	40,747,240
Rent	400,030	218,520	710,612	109,175	1,031,507	28,623	68,489	129,918	183,500	37,506	53,839	519,185	3,490,904
Amortization Expenses	160,066	155,237	93,551	4,888	184,883	326,181	3,286	2,530,250	142,651	-	-	-	3,600,973
Other Expenses	<u>401,462</u>	<u>182,665</u>	<u>387,672</u>	<u>103,512</u>	<u>648,707</u>	<u>108,664</u>	<u>118,389</u>	<u>680,938</u>	<u>195,811</u>	<u>33,498</u>	<u>110,279</u>	<u>105,249</u>	<u>3,076,843</u>
<b>Sub-total</b>	<b>17,786,876</b>	<b>6,445,605</b>	<b>13,734,649</b>	<b>4,112,227</b>	<b>27,668,979</b>	<b>1,953,180</b>	<b>1,669,810</b>	<b>10,780,444</b>	<b>6,547,719</b>	<b>1,380,785</b>	<b>1,106,422</b>	<b>1,530,349</b>	<b>94,717,045</b>
Inter-Segment Eliminations	-	-	-	-	-	-	-	(3,645,420)	(3,228,382)	-	-	-	(6,873,802)
<b>Total Expenses</b>	<b>17,786,876</b>	<b>6,445,605</b>	<b>13,734,649</b>	<b>4,112,227</b>	<b>27,668,979</b>	<b>1,953,180</b>	<b>1,669,810</b>	<b>7,135,024</b>	<b>3,319,337</b>	<b>1,380,785</b>	<b>1,106,422</b>	<b>1,530,349</b>	<b>87,843,243</b>
<b>Annual Surplus/(Deficit) before Transfer</b>	<b>\$ 312,275</b>	<b>\$ 156,441</b>	<b>\$ 1,275,447</b>	<b>\$ (204,760)</b>	<b>\$ 1,217,293</b>	<b>\$ 1,179,297</b>	<b>\$ (690,304)</b>	<b>\$ (1,278,031)</b>	<b>\$ 6,247,109</b>	<b>\$ (144,352)</b>	<b>\$ 226,370</b>	<b>\$ (157,662)</b>	<b>\$ 8,139,123</b>

Welch LLP

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**MOHAWK COUNCIL OF AKWESASNE**  
**SCHEDULE 7 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 2017 (unaudited)**  
**YEAR ENDED MARCH 31, 2018**

	Akwasasne Mohawk Board of Education <b>2017</b>	Akwasasne Mohawk Police <b>2017</b>	Department of Community & Social Services <b>2017</b>	Mohawk Government <b>2017</b>	Health <b>2017</b>	Housing <b>2017</b>	Justice <b>2017</b>	Department of Technical Services <b>2017</b>	Executive Services - Core <b>2017</b>	Executive Services - Non Core <b>2017</b>	Integrated Resource Management <b>2017</b>	Economic Development <b>2017</b>	Consolidated Totals <b>2017</b>
<b>Revenues</b>													
Federal Government	\$ 15,069,269	\$ 3,759,403	\$ 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	\$ 57,992,480
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	<b>343,777</b>	<b>13,698</b>	<b>1,058,036</b>	<b>1,477,740</b>	<b>938,000</b>	<b>149,437</b>	<b>3,828,415</b>	<b>4,507,234</b>	<b>898,370</b>	<b>354,502</b>	<b>504,142</b>	<b>-</b>	<b>14,850,931</b>
<b>Sub-total</b> Inter-Segment Eliminations	<b>15,484,746</b>	<b>6,810,602</b>	<b>14,186,081</b>	<b>1,982,906</b>	<b>26,615,086</b>	<b>1,267,467</b>	<b>1,009,322</b>	<b>8,385,156</b>	<b>12,684,259</b>	<b>4,802,041</b>	<b>949,613</b>	<b>1,478,816</b>	<b>95,656,095</b>
<b>Total Revenues</b>	<b>15,484,746</b>	<b>6,810,602</b>	<b>14,186,081</b>	<b>1,982,906</b>	<b>26,615,086</b>	<b>1,267,467</b>	<b>1,009,322</b>	<b>4,756,892</b>	<b>9,211,670</b>	<b>4,802,041</b>	<b>949,613</b>	<b>1,478,816</b>	<b>88,555,242</b>
 <b>Expenses</b>													
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	43,805,182
Operating Costs	7,382,752	900,864	6,590,803	1,902,256	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	<b>323,032</b>	<b>376,188</b>	<b>399,503</b>	<b>63,134</b>	<b>802,382</b>	<b>79,445</b>	<b>64,076</b>	<b>677,907</b>	<b>439,561</b>	<b>321,264</b>	<b>67,657</b>	<b>74,001</b>	<b>3,694,151</b>
<b>Sub-total</b> Inter-Segment Eliminations	<b>15,298,557</b>	<b>6,921,735</b>	<b>13,665,437</b>	<b>2,523,042</b>	<b>27,278,130</b>	<b>1,529,932</b>	<b>1,423,314</b>	<b>10,747,508</b>	<b>6,900,830</b>	<b>4,167,889</b>	<b>1,350,275</b>	<b>1,367,043</b>	<b>93,173,692</b>
<b>Total Expenses</b>	<b>15,298,557</b>	<b>6,921,735</b>	<b>13,665,437</b>	<b>2,523,042</b>	<b>27,278,130</b>	<b>1,529,932</b>	<b>1,423,314</b>	<b>13,628,264</b>	<b>(3,472,589)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,100,853)</b>
 <b>Annual Surplus/(Deficit)</b> before Other Item	<b>\$ 186,189</b>	<b>\$ (111,133)</b>	<b>\$ 520,644</b>	<b>\$ (540,136)</b>	<b>\$ (663,044)</b>	<b>\$ (262,465)</b>	<b>\$ (413,992)</b>	<b>\$ (2,362,352)</b>	<b>\$ 5,783,429</b>	<b>\$ 634,152</b>	<b>\$ (400,662)</b>	<b>\$ 111,773</b>	<b>\$ 2,482,403</b>
													<b>Welch LLP</b>

**MOHAWK COUNCIL OF AKWESASNE**  
**SCHEDULE 8 - CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED SURPLUS (unaudited)**  
**YEAR ENDED MARCH 31, 2018**

	Investment in property, plant and equipment	Investment in housing and housing construction loans	Internally restricted			Unrestricted accumulated operating surplus	<b>2018</b>	<b>2017</b>
			INAC	Casino Rama (OLG)	Community Trust			
<b>Balance at beginning of year</b>	<b>\$ 101,052,166</b>	<b>\$ 5,714,723</b>	<b>\$ 2,567,064</b>	<b>\$ 20,711,055</b>	<b>\$ 4,808,697</b>	<b>\$ 11,783,445</b>	<b>\$ 500,960</b>	<b>\$ 147,138,116</b>
<b>Annual surplus (deficit) before transfers - allocated</b>	<b>4,481,428</b>	<b>668,206</b>	<b>2,403,218</b>	<b>3,495,303</b>	<b>-</b>	<b>1,149,657</b>	<b>(4,058,689)</b>	<b>8,139,123</b>
<b>Investment in Government Business Entity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,381</b>	<b>303,000</b>
<b>Transfer to Mohawks of Akwesasne Community Settlement Trust</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,560,000)</b>	<b>-</b>	<b>-</b>	<b>(2,560,000)</b>
<b>Inter-fund transfer to (from) unrestricted</b>	<b>(3,676,505)</b>	<b>(829,768)</b>	<b>14,307</b>	<b>(5,908)</b>	<b>233,478</b>	<b>(297,279)</b>	<b>4,561,675</b>	<b>-</b>
<b>Net change in accumulated surplus for the year</b>	<b>804,923</b>	<b>(161,562)</b>	<b>2,417,555</b>	<b>3,489,395</b>	<b>(2,326,522)</b>	<b>852,378</b>	<b>595,367</b>	<b>5,671,504</b>
<b>Balance at end of year</b>	<b>\$ 101,857,089</b>	<b>\$ 5,553,161</b>	<b>\$ 4,984,559</b>	<b>\$ 24,200,450</b>	<b>\$ 2,482,175</b>	<b>\$ 12,635,823</b>	<b>\$ 1,096,327</b>	<b>\$ 152,809,620</b>
								<b>\$ 147,138,116</b>