

**MOHAWKS OF THE BAY OF QUINTE
CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2024**

MOHAWKS OF THE BAY OF QUINTE
TABLE OF CONTENTS
AS AT MARCH 31, 2024

| | <u>Page</u> |
|--|--------------|
| MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING | 1 |
| INDEPENDENT AUDITOR'S REPORT | 2 - 3 |
| FINANCIAL STATEMENTS | |
| Consolidated Funds Statement of Financial Position | 4 |
| Consolidated Statement of Operations | 5 |
| Consolidated Statement of Changes in Net Assets | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to Consolidated Financial Statements | 8 - 43 |
| BALANCE SHEETS BY FUND | |
| Balance Sheet - Band Operations Fund | Statement 1 |
| Balance Sheet - Housing Fund | Statement 2 |
| Balance Sheet - Turton Penn | Statement 3 |
| Balance Sheet - Capital Fund | Statement 4 |
| Balance Sheet - Funds on Deposit with Indigenous Services Canada | Statement 5 |
| Balance Sheet - OFNLP2008 Fund | Statement 6 |
| STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE BY FUND | |
| Statement of Operations and Changes in Fund Balance - Band Operations Fund | Statement 7 |
| Statement of Operations and Changes in Fund Balance - Housing Fund | Statement 8 |
| Statement of Operations and Changes in Fund Balance - Turton Penn | Statement 9 |
| Statement of Operations and Changes in Fund Balance - Capital Fund | Statement 10 |
| Statement of Operations and Changes in Fund Balance - Funds on | |
| Deposit with Indigenous Services Canada | Statement 11 |
| Statement of Operations and Changes in Fund Balance - OFNLP2008 Fund | Statement 12 |
| Statement of Operations - Band Operations Fund | Statement 13 |

MOHAWKS OF THE BAY OF QUINTE
TABLE OF CONTENTS
AS AT MARCH 31, 2024

| | <u>Page</u> |
|--|--------------|
| STATEMENT OF CASH FLOWS BY FUND | |
| Statement of Cash Flows - Band Operations Fund | Statement 14 |
| Statement of Cash Flows - Housing Fund | Statement 15 |
| Statement of Cash Flows - Turton Penn | Statement 16 |
| Statement of Cash Flows - Capital Fund | Statement 17 |
| Statement of Cash Flows - OFNLP2008 Fund | Statement 18 |
| INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT | |
| SUPPLEMENTARY SCHEDULES | |
| Due from Band Members - Housing Fund - Housing Loans (Principal Only) | Schedule A |
| Due from Band Members - Band Operations Fund - | |
| Other Loans and Receivables (Principal Only) | Schedule B |
| Due from Band Members - Band Operations Fund - | |
| Business Loans (Principal Only) | Schedule C |
| Due from Band Members - Housing Fund - Rental Arrears | Schedule D |
| Due from Band Members - Turton Penn - Housing Loans (Principal Only) | Schedule E |
| Schedule of Salaries, Honoraria, Travel Expenses and Other | |
| Remuneration Paid to Chief and Council | Schedule F |
| Schedules of Salaries and Travel Expenses Paid to Unelected Senior Officials | Schedule G |
| Schedule of Bank of Montreal - Loan Guarantees - Housing Loans/Others | Schedule H |
| Schedule of Bank of Montreal - Loan Guarantees - Business Loans | Schedule I |
| Schedule of Capital Fund and Reserve Transfers - Band Operations | Schedule J |

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2024

The accompanying consolidated financial statements of the Mohawks of the Bay of Quinte and all the information in this annual report are the responsibility of management and have been approved by the Chief and Chief Administrative Officer on behalf of 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 Chartered Professional Accountants Canada. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments (see Measurement Uncertainty Page 10). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Mohawks of the Bay of Quinte maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Mohawks of the Bay of Quinte is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility.

The Band Council reviews the consolidated financial statements and recommends their approval. 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 annual report, the consolidated financial statements and the external auditor's report. Council reports its findings when approving the consolidated financial statements for issuance to the Members. Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by Wilkinson & Company LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Wilkinson & Company LLP has full and free access to the Band Council.

Deanne Maracle

Chief

Angela M. Maracle

A/Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Chief Council and Band Members of the
Mohawks of the Bay of Quinte

Opinion

We have audited the consolidated financial statements of Mohawks of the Bay of Quinte (the Band), which comprise the consolidated statement of financial position as at March 31, 2024 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2024, and its results of operations, its changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada 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.

In preparing these consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BELLEVILLE, Canada

May 26, 2025

Chartered Professional Accountants

Licensed Public Accountants

WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS

Telephone 613-966-5105 • Toll Free 1-888-728-3890 • Fax 613-962-7072
888 Sidney Street, Belleville, Ontario K8N 4Z5 • www.wilkinson.net

MOHAWKS OF THE BAY OF QUINTE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

| | 2024 | 2023 |
|--|--------------------|------------------------|
| | \$ | \$ |
| | | (Restated - Note 2) |
| FINANCIAL ASSETS | | |
| Cash - Note 6 | 95,610,217 | 88,481,798 |
| Marketable securities - Note 7 | 33,415,978 | 32,250,996 |
| Accounts receivable - Note 8 | 32,887,516 | 25,570,903 |
| Due from Belleville Affordable Housing LP - Note 9 | 542,800 | 970,316 |
| Due from Loyalist Solar LP - Note 10 | 49,080 | 38,703 |
| Investment in Loyalist Solar LP - Note 11 | 9,493,332 | 10,013,375 |
| Investment in Ernestown Windpark LP - Note 12 | 4,054,828 | 3,600,000 |
| Investment in Belleville Affordable Housing LP - Note 13 | 2,015,926 | 1,225,458 |
| Funds held in trust with Indigenous Services Canada - Note 14 | 632,217 | 609,171 |
| Property held in trust - Culbertson Tract Settlement - Note 32 | 5,255,820 | 5,255,820 |
| | 183,957,714 | 168,016,540 |
| LIABILITIES | | |
| Community Development Fund Under Administration - Note 31 | 3,906,277 | 3,416,432 |
| Funds held in trust - Culbertson Tract Settlement - Note 32 | 34,412,191 | 32,994,452 |
| Accounts payable and accrued liabilities | 12,483,332 | 14,065,735 |
| Security deposits and prepaids | 217,569 | 194,669 |
| Deferred revenue - Note 16 | 64,452,912 | 49,994,543 |
| Mortgage down payments | 43,441 | 25,661 |
| Loans payable - Capital Fund and Band Operations Fund - Notes 17 & 18 | 9,368,542 | 10,404,710 |
| Loans payable - Yaote LS Solar Inc. - Note 19 | 14,708,433 | 13,849,310 |
| Loans payable - Yaote ET Wind Inc. - Note 20 | 6,303,564 | 5,811,279 |
| | 145,896,261 | 130,756,791 |
| NET ASSETS | 38,061,453 | 37,259,749 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets - Note 21 | 202,620,264 | 149,898,740 |
| Prepaid expenses and inventories | 217,102 | 188,806 |
| | 202,837,366 | 150,087,546 |
| ACCUMULATED SURPLUS - Note 27 | 240,898,819 | 187,347,295 |
| CONTINGENCIES - Note 30 | | |

The accompanying notes form an integral part of these consolidated financial statements

**MOHAWKS OF THE BAY OF QUINTE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024**

| | Budget | 2024 Actual | 2023 Actual |
|---|--------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| (Restated - Note 2) | | | |
| REVENUES | | | |
| Indigenous Services Canada | 58,546,130 | 26,663,486 | 24,116,089 |
| Health and Welfare | 5,641,851 | 3,449,044 | 3,542,108 |
| Other contributions from Federal government | 40,164,255 | 33,765,955 | 14,386,792 |
| Contributions from Province of Ontario | 6,634,578 | 9,799,633 | 6,079,141 |
| Association of Iroquois and Allied Indians | 1,170,937 | 1,580,597 | 1,276,709 |
| Canada Mortgage and Housing Corporation | 3,412,781 | 2,755,730 | 5,199,730 |
| County of Hastings | | | 26,920 |
| Rental income - housing | 1,332,418 | 1,171,633 | 1,123,227 |
| Rental income - Turton Penn | 47,364 | 7,800 | 7,800 |
| Rental income - operations | 423,887 | 378,305 | 435,453 |
| Interest revenue | 1,350,000 | 4,013,950 | 3,909,239 |
| Program user fees/sales/insurance proceeds & other | 19,412,910 | 13,941,515 | 6,886,003 |
| Rental and lease income - Ottawa trust account | | 23,045 | 18,056 |
| Interest revenue on reserve funds | | 136,865 | 88,301 |
| OFNLP2008 Fund - Statement 12 | 5,639,200 | 6,668,898 | 5,096,714 |
| Yaote ET Wind Inc. - Note 28 | | 513,286 | 53,911 |
| Yaote LS Solar Inc. - Note 28 | | 469,216 | 1,069,120 |
| 2821066 Ontario Inc. - Note 28 | | 144,000 | |
| Mohawk Golf Course Limited Partnership - Note 28 | | 1,135,300 | 1,036,384 |
| Belleville Affordable Housing LP - Note 13 | | 790,468 | 1,040,458 |
| | 143,776,311 | 107,408,726 | 75,392,155 |
| EXPENSES | | | |
| Band Operations Fund | 93,705,640 | 37,018,939 | 31,330,876 |
| Housing projects | 5,934,026 | 2,047,080 | 2,300,375 |
| Turton Penn - Statement 9 | 46,207 | 26,583 | 32,584 |
| OFNLP2008 - Statement 12 | 13,734,600 | 6,438,520 | 2,063,485 |
| Amortization of tangible capital assets - Note 21 | 4,603,453 | 5,157,263 | 4,603,453 |
| Yaote ET Wind Inc. - Note 28 | | 492,597 | 283,494 |
| Yaote LS Solar Inc. - Note 28 | | 1,554,193 | 1,532,926 |
| 2821066 Ontario Inc. - Note 28 | | 33,406 | 32,356 |
| Mohawk Golf Course Limited Partnership - less amortization - Note 28 | | 1,088,621 | 841,776 |
| | 118,023,926 | 53,857,202 | 43,021,325 |
| ANNUAL SURPLUS | 25,752,385 | 53,551,524 | 32,370,830 |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | 137,131,414 | 187,347,295 | 154,976,465 |
| ACCUMULATED SURPLUS - END OF YEAR | 162,883,799 | 240,898,819 | 187,347,295 |

The accompanying notes form an integral part of these consolidated financial statements

MOHAWKS OF THE BAY OF QUINTE
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|-------------------|------------------------|
| | Budget | Actual |
| | \$ | \$ |
| | | (Restated - Note 2) |
| ANNUAL SURPLUS | 25,752,385 | 53,551,524 |
| Purchase of tangible capital assets | (38,773,584) | (58,040,032) |
| Amortization of tangible capital assets | 4,603,453 | 5,157,263 |
| Write-down/disposal of tangible capital assets | 161,245 | 4,603,453 |
| | (8,417,746) | 830,000 |
| Increase in prepaid expenses and inventories | | (28,296) |
| | | (85,171) |
| INCREASE IN NET ASSETS | (8,417,746) | 801,704 |
| NET ASSETS - BEGINNING OF YEAR | 37,259,749 | 37,259,749 |
| NET ASSETS - END OF YEAR | 28,842,003 | 38,061,453 |
| | | 37,259,749 |

The accompanying notes form an integral part of these consolidated financial statements



MOHAWKS OF THE BAY OF QUINTE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|---------------------|------------------------|
| | \$ | \$ |
| | | (Restated - Note 2) |
| OPERATING ACTIVITIES | | |
| Annual surplus | 53,551,524 | 32,370,830 |
| Adjustment for items which do not affect cash - | | |
| Income earned on trust funds deposited with Indigenous Services Canada | (23,045) | (18,056) |
| Interest earned on Reserve Funds | (136,865) | (88,301) |
| Transfer to (from) reserves | (116,777) | 10,863 |
| Amortization of tangible capital assets | 5,157,263 | 4,603,453 |
| Investment income from Ernestown Windpark LP | (454,828) | |
| Investment income from Loyalist Solar LP | (429,000) | (1,051,500) |
| Realized loss (gain) on investment | 123,433 | (600,784) |
| Remeasurement gains | (1,090,135) | (129,083) |
| Amortized bond premiums - discounts | | 11,006 |
| Income from Belleville Affordable Housing LP | (790,468) | (1,040,458) |
| Transfer to (from) property held in trust | (1,357,459) | 27,738,632 |
| | 54,433,643 | 61,806,602 |
| Net change in non-cash working capital balances related to operations | 9,294,462 | 12,337,956 |
| CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES | 63,728,105 | 74,144,558 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (58,040,032) | (30,055,315) |
| INVESTING ACTIVITIES | | |
| Purchase of marketable securities | (5,430,507) | (15,359,378) |
| Proceeds on sale of marketable securities | 6,982,228 | 7,046,125 |
| Increase in loans receivable | (787,709) | (413,626) |
| Distributions from Loyalist Solar LP | 949,043 | 1,264,188 |
| Investment in Belleville Affordable Housing LP | | (185,000) |
| CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES | 1,713,055 | (7,647,691) |
| FINANCING ACTIVITIES | | |
| Proceeds from long-term debt | 1,351,408 | 752,011 |
| Repayment of long-term debt | (1,624,117) | (2,135,795) |
| CASH FLOWS USED IN FINANCING ACTIVITIES | (272,709) | (1,383,784) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS FOR YEAR | 7,128,419 | 35,057,768 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 88,481,798 | 53,424,030 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | 95,610,217 | 88,481,798 |
| REPRESENTED BY: | | |
| Cash | 95,610,217 | 88,481,798 |
| SUPPLEMENTAL INFORMATION: | | |
| Interest paid | 1,789,879 | 1,701,818 |

The accompanying notes form an integral part of these consolidated financial statements



MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared for the Mohawks of the Bay of Quinte ("the Band") in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

(a) Reporting Entity

The Mohawks of the Bay of Quinte reporting entity includes the Mohawks of the Bay of Quinte First Nation government and all related entities that are:

- 1) Accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) Owned or controlled by the First Nation.

This includes all aspects of the Band's operations including provision of social, educational, administrative and operational services.

The Tyendinaga Mohawk Council manages the affairs of the Mohawks of the Bay of Quinte government located on the Tyendinaga Mohawk Territory.

(b) Internal Accounting

The Band segregates its programs into funds which results in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions for the purposes of its internal accounting. The various funds have been combined for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Band maintains the following funds:

The *Band Operations Fund* which reports the general activities of the Band's Administration.

The *Housing Fund* which reports the social housing assets of the Band together with related activities.

The *Turton Penn* which reports the activities relating specifically to the Turton Penn property.

The *Capital Fund* which reports the tangible capital assets of the Band together with their related financing.

The *Trust Fund* which reports on trust funds owned by the Band and held by third parties.

The *OFNLP2008 Fund* which reports the activities relating specifically to the receipts of funds from the Ontario First Nations (2008) Limited Partnership, the subsequent investment income of these funds and any approved expenditures.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Reporting Entity and Principles of Financial Reporting

All controlled entities are fully consolidated on a line-by-line basis. Interorganizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in the Mohawks of the Bay of Quinte financial statements include:

- Yaote ET Wind Inc.
- Yaote LS Solar Inc.
- 2821066 Ontario Inc.
- 2815751 Ontario Inc.
- 2815756 Ontario Inc.

The above organizations are owned 100% by Mohawks of the Bay of Quinte.

Yaote LS Solar Inc. has over 50% ownership of the Loyalist Solar LP partnership, which is a commercial enterprise that meets the definition of a government business enterprise.

2815751 Ontario Inc. and 2815756 Ontario Inc. have formed the Mohawk Golf Course Limited Partnership, which is a commercial enterprise that meets the definition of a government business enterprise.

2821066 Ontario Inc. holds the land on which the Mohawk Golf Course Limited Partnership operates.

Government business enterprises are included in the consolidated financial statements on a modified equity basis. Under the modified equity basis, only the Band's investment in the government business enterprise and its share of net income of the government business enterprise are recorded in these consolidated financial statements. No adjustments have been made to these figures as a result of the accounting principles of the government business enterprise not conforming with the accounting principles used in the consolidated financial statements.

Yaote ET Wind Inc. has 40% ownership of the Ernestown Windpark LP partnership, which is a commercial enterprise that meets the definition of a business partnership, included in the consolidated financial statements on a modified equity basis as described in Note 1(g).

These consolidated financial statements do not include entities that receive their own funding from Indigenous Services Canada.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Reporting Entity and Principles of Financial Reporting (Cont'd)

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following funds that use accounting principles which lend themselves to consolidation:

- Band Operations Fund
- Housing Fund
- Turton Penn
- Capital Fund
- Trust Fund - Funds on Deposit with Indigenous Services Canada
- OFNLP2008 Fund

All inter-fund receivable and payable balances, along with any transfers and expenditures have been eliminated on consolidation.

(d) Measurement Uncertainty

In preparing the consolidated financial statements for the Mohawks of the Bay of Quinte, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of accounts receivable, inventories and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

(e) Marketable Securities

Marketable securities consist primarily of common and preferred shares, government treasury bills and corporate bonds with varying maturities and rates of interest.

Marketable securities are recorded at fair value on initial recognition. Securities that are quoted in an active market are reported at fair value. All other securities are subsequently recorded at cost unless management has elected to carry the securities at fair value.

Unrealized changes in fair value are recognized in the consolidated statement of operations.

Transaction costs incurred on the acquisition of securities measured at fair value are expensed as incurred. All other securities are adjusted by transaction costs incurred.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations. When the asset is sold, the unrealized gains and losses previously recognized are reversed and recognized in the consolidated statement of operations.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Loans Receivable from Members

All loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They have been classified as accounts receivable.

Loans are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred.

Loans are subsequently measured at amortized cost, using the effective interest rate method, less any impairment losses.

Loans are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans. Accrued interest is reported separately and is accounted for on the accrual basis for all loans.

If there is objective evidence that an impairment loss on member loans carried at amortized cost has incurred, the amount of the loss is measured as the difference between the loans carrying amount and the present value of expected cash flows discounted at the loans original effective interest rate. Short-term balances are not discounted.

The Band assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of impairment loss is recognized in the annual surplus or deficit.

(g) Investments in Business Partnerships

The Band has entered into multiple business partnerships. Business partnerships are included in the consolidated financial statements on a modified equity basis. Under the modified equity basis, only the Band's investment in the business partnership and its share of net income of the business partnership are recorded in these consolidated financial statements. No adjustments have been made to these figures as a result of the accounting principles of the business partnership not conforming with the accounting principles used in the consolidated financial statements.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible Capital Assets

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

| Asset | Useful Life - Years |
|-------------------------------------|---------------------|
| Land improvements | 15 to 40 |
| Buildings and building improvements | 10 to 40 |
| Vehicles | 5 to 15 |
| Machinery and equipment | 5 to 40 |
| Water/wastewater infrastructure | 45 to 75 |
| Streetlights | 30 |
| Roads infrastructure | 15 to 25 |
| Bridges and major culverts | 40 |

Landfill sites are amortized using the units of production method based upon capacity used during the year.

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

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Natural Resources

Natural resources that have not been purchased are not recognized as assets in these consolidated financial statements.

(iv) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Non-Financial Assets (Cont'd)

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(i) Inventories

Inventories are valued at the lower of cost and net realizable value.

When the cost of inventories exceeds the net realizable value, the cost of inventories will be written down to net realizable value. Any such write-downs will be included in the cost of goods sold for the year of the write-down.

If circumstances or events lead to a subsequent increase in the net realizable value of the inventory that was written down, the amount of the write-down will be reversed and will reduce the cost of goods sold for the year of the reversal.

(j) Revenue Recognition

The Band follows the deferral method of accounting for contributions which include donations and government grants.

Revenue is recognized as it becomes receivable under terms of the applicable funding agreements. Funding received under the funding agreements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt.

Government transfers are recognized as revenue 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 the transfer stipulations give rise to a liability and are recognized as revenue as the stipulation liabilities are settled.

Income from investments is recognized as revenue during the period in which it is earned or becomes payable. Program user fees, sales, insurance proceeds and other are recognized in the period in which the fees, sales or insurance proceeds are earned. Rental income is recognized monthly as accommodations are provided to tenants. OFNLP2008 revenue includes income from investments and revenue recognized under the funding agreement.

(k) Reserves

Reserves represent funds appropriated for general and specific purposes and are charged or credited to operations in the year appropriated or drawn down.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Financial Instruments

(i) Measurement of Financial Instruments

The Band initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Band subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of marketable securities measured in accordance with Note 1(e).

Financial assets measured at amortized cost include cash, accounts receivable, due from Belleville Affordable Housing LP and due from Loyalist Solar LP.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loans payable.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in the annual surplus (deficit). When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the annual surplus (deficit), up to the amount previously recognized as impaired.

(m) Cash and Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

(n) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognised or no longer in productive use, the asset retirement costs are expensed. The Band does not have any asset retirement obligations.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. PRIOR PERIOD RESTATEMENT

It was determined that Belleville Affordable Housing LP generated a surplus of \$4,162,250 for the year ended March 31, 2023. Belleville Affordable Housing LP is a Limited Partnership owned 25% by Mohawks of the Bay of Quinte and the investment is accounted for using the modified equity method. The income under the modified equity method was not reflected in the consolidated financial statements, resulting in an understatement of assets of \$1,040,458 and an understatement of revenue of \$1,040,458.

As a result of these prior period understatements, the consolidated financial statements of the fiscal year ending March 31, 2023 have been restated as follows:

| | 2023 | | 2023 | 2023 |
|--|---------------------------|--|------------------|-------------------|
| | As previously Reported | | Revision | Restated |
| | \$ | | \$ | \$ |
| Consolidated Statement of Financial Position | | | | |
| ASSETS | | | | |
| Investment in Belleville Affordable Housing LP | 185,000 | | 1,040,458 | 1,225,458 |
| ACCUMULATED SURPLUS - END OF YEAR | | | | |
| | 186,306,837 | | 1,040,458 | 187,347,295 |
| Consolidated Statement of Operations | | | | |
| REVENUE | | | | |
| Belleville Affordable Housing LP | NIL | | 1,040,458 | 1,040,458 |
| ANNUAL SURPLUS | | | | |
| | 31,330,372 | | 1,040,458 | 32,370,830 |
| Consolidated Statement of Changes in Net Assets | | | | |
| NET ASSETS - END OF YEAR | 36,219,291 | | 1,040,458 | 37,259,749 |

Consolidated Statement of Cash Flows

The prior year restatement resulted in an increase in cash through the change in annual surplus of \$1,040,458 and a decrease in cash through adjustments for items which do not affect cash of \$1,040,458.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

3. CHANGE IN ACCOUNTING POLICY

On April 1, 2023, Public Accounting Standards PS 3400 - Revenue was adopted. The new standard establishes standards for recognition and measurement of revenue from transactions with performance obligations ("exchange transactions") and those without performance obligations ("non-exchange transactions"). The standard was adopted prospectively from the date of adoption.

4. FUTURE ACCOUNTING CHANGES

PS 1202 - Financial Statement Presentation

This Section replaces PS 1201 - Financial Statement Presentation and sets out general and specific requirements for the presentation of information in general purpose financial statements. This Section is effective for fiscal periods beginning on or after April 1, 2026.

5. ECONOMIC DEPENDENCE

The Mohawks of the Bay of Quinte receives a substantial portion of its revenues pursuant to a funding agreement with Indigenous Services Canada (ISC), Ontario First Nations (2008) Limited Partnership (OFNLP2008) and the Province of Ontario and accordingly, its continued operations are economically dependent on these sources of funding. In the current year, ISC provided 25% of funding (2023 - 32.6%), OFNLP2008 provided 6.3% of funding (2023 - 6.4%) and the Province of Ontario provided 9.2% of funding (2023 - 8.3%).

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

6. CASH

Cash is comprised of the following:

| | 2024 | 2023 |
|---|-------------------|-------------|
| | \$ | \$ |
| Externally Restricted: | | |
| CMHC Building Replacement Reserve | 363,164 | 345,859 |
| Internally Restricted: | | |
| Community Development Fund Under Administration | 57,113 | 54,349 |
| Turton Penn/Housing replacement reserve | 699,630 | 665,924 |
| Culbertson Tract Settlement | 29,463,205 | 27,822,967 |
| | 30,219,948 | 28,543,240 |
| Unrestricted: | | |
| Band Operations Fund | 51,467,146 | 52,828,304 |
| Housing Fund | 5,369,597 | 4,567,618 |
| Turton Penn | 48,897 | 45,428 |
| OFNLP2008 Fund | 6,581,805 | 1,246,492 |
| Yaote ET Wind Inc. | 211,058 | 152,913 |
| Yaote LS Solar Inc. | 969,914 | 686,101 |
| Mohawk Golf Course Limited Partnership | 378,688 | 65,843 |
| | 65,027,105 | 59,592,699 |
| Total Cash | 95,610,217 | 88,481,798 |

7. MARKETABLE SECURITIES

The cost and market values of marketable securities as at March 31, 2024 are as follows:

| | 2024 | 2023 | | |
|---|-------------------|-------------------|------------|------------|
| | Cost | Market | Cost | Market |
| | \$ | \$ | \$ | \$ |
| Equities | 6,399,807 | 8,631,057 | 6,185,012 | 7,477,673 |
| Bonds | 19,271,582 | 17,634,921 | 18,786,901 | 17,623,323 |
| Guaranteed investment certificates (GICs) | 7,150,000 | 7,150,000 | 7,150,000 | 7,150,000 |
| | 32,821,389 | 33,415,978 | 32,121,913 | 32,250,996 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

| | 2024 | 2023 |
|---|-------------------|------------|
| | \$ | \$ |
| Due from Members: | | |
| Housing loans | 22,893,097 | 22,025,255 |
| Housing loans - Turton Penn | 374,049 | 450,223 |
| Accrued interest - Housing loans | 358,019 | 335,274 |
| Rental arrears | 28,597 | 45,313 |
| Other loans and receivables | 498,178 | 481,950 |
| Other loans and receivables - Turton Penn | 65,621 | 239 |
| Business loans | 5,881 | 5,881 |
| | 24,223,442 | 23,344,135 |
| Less: Allowance for doubtful accounts | 1,072,407 | 1,072,407 |
| | 23,151,035 | 22,271,728 |
| Due from Others: | | |
| Government of Canada | 7,439,344 | 2,135,933 |
| Provincial government | 583,076 | 447,258 |
| Accrued interest receivable | 542,204 | 634,325 |
| Other accounts receivable - net of other payables | 1,168,485 | 80,246 |
| Other accounts receivable - Mohawk Golf Course LP | 3,372 | 1,413 |
| | 9,736,481 | 3,299,175 |
| Total Accounts Receivable | 32,887,516 | 25,570,903 |

Housing loans due from members are mortgages secured by the properties mortgaged. Housing loans have various repayment dates and are repaid at various amounts depending on the mortgage. Mortgages issued are repaid over 25 years and bear interest at 6%.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

9. DUE FROM BELLEVILLE AFFORDABLE HOUSING LP

Due from Belleville Affordable Housing LP consists of unsecured, non-interest bearing advances with no fixed terms of repayment.

10. DUE FROM LOYALIST SOLAR LP

Yaote LS Solar Inc. is a wholly-owned subsidiary of the Band which has an investment in Loyalist Solar LP's solar power project. The assets of the subsidiaries have been consolidated for financial statement purposes and the receivable from Loyalist Solar LP is an unsecured, non-interest bearing advance without fixed terms of repayment.

Based on the contract between the parties, after payment of indebtedness, Loyalist Solar LP shall pay a quarterly amount to Yaote LS Solar Inc. from its profits in priority to other distributions to Limited Partners in the form of Participation Payments, which are estimated at \$200,000 annually. During the March 31, 2024 year-end, the Participation Payments totalled \$253,974 (2023 - \$259,087), with \$49,080 (2023 - \$38,703) of this received subsequent to year-end. The Participation Payments are recognized as a reduction of Investment in Loyalist Solar LP.

11. INVESTMENT IN LOYALIST SOLAR LP

Loyalist Solar LP is a Limited Partnership, owned 50% by Yaote LS Solar Inc., formed to design, develop, construct, finance and operate a solar-powered electricity-generating facility in Ontario. Yaote LS Solar Inc. is a wholly-owned subsidiary of Mohawks of the Bay of Quinte. As at March 31, 2024, the carrying value of this investment, accounted for using the modified equity method, was \$9,493,332 (2023 - \$10,013,375). Loyalist Solar LP has a December 31 year-end and the financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

During the year, Mohawks of the Bay of Quinte, through Yaote LS Solar Inc. (bare trustee corporation), received partnership distributions totalling \$949,043 (2023 - \$1,264,188) from its investment in Loyalist Solar LP, with \$253,974 (2023 - \$259,087) received in cash and \$695,069 (2023 - \$1,005,101) applied to the outstanding loan payable to BluEarth Renewables Partnership, further described in Note 19 to these consolidated financial statements.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

11. INVESTMENT IN LOYALIST SOLAR LP (Cont'd)

The following table presents condensed financial information for this government business enterprise:

| | December 31, 2023 \$ (000's) | December 31, 2022 \$ (000's) |
|-------------------------------|--|------------------------------------|
| ASSETS | | |
| Cash | 185 | 785 |
| Accounts receivable | 560 | 886 |
| Property, plant and equipment | 145,685 | 148,967 |
| Other assets | 2,511 | 2,666 |
| | 148,941 | 153,304 |
| LIABILITIES | | |
| Accounts payable | 6,396 | 6,748 |
| Long-term debt | 107,912 | 113,974 |
| Other liabilities | 11,908 | 9,325 |
| | 126,216 | 130,047 |
| EQUITY | | |
| | 22,725 | 23,257 |
| | 148,941 | 153,304 |
| Revenue | 14,385 | 15,690 |
| Expenses | 13,527 | 13,587 |
| NET INCOME | 858 | 2,103 |

Mohawks of the Bay of Quinte's investment in Loyalist Solar LP is determined as follows:

| | 2024 \$ | 2023 \$ |
|-----------------------|-------------------|-------------------|
| Opening balance | 10,013,375 | 10,226,063 |
| Partner distributions | (949,043) | (1,264,188) |
| Share of earnings | 429,000 | 1,051,500 |
| | 9,493,332 | 10,013,375 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

12. INVESTMENT IN ERNESTOWN WINDPARK LP

Ernestown Windpark LP is a Limited Partnership owned 40% by Yaote ET Wind Inc. Yaote ET Wind Inc. is a wholly-owned subsidiary of Mohawks of the Bay of Quinte. At year-end, the carrying value of this investment, accounted for using the modified equity method, was \$4,054,828 (2023 - \$3,600,000). Ernestown Windpark LP has a December 31st year-end (previously September 30th) and the financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

During the year, Mohawks of the Bay of Quinte, through Yaote ET Wind Inc. (bare trustee corporation), received partnership distributions totalling \$50,000 (2023 - \$50,000) in cash from its investment in Ernestown Windpark LP.

The following table presents condensed financial information for this business partnership:

| | December 31, 2023 \$ (000's) | September 30, 2022 \$ (000's) |
|-------------------------------|------------------------------------|-------------------------------------|
| ASSETS | | |
| Cash | 90 | 150 |
| Restricted cash | | 1,132 |
| Accounts receivable | 682 | 170 |
| Property, plant and equipment | 20,454 | 21,954 |
| Other assets | 1,002 | 143 |
| | 22,228 | 23,549 |
| LIABILITIES | | |
| Accounts payable | 129 | 129 |
| Loan from related party | 434 | 2,126 |
| Long-term debt | 11,872 | 13,289 |
| Other liabilities | 543 | |
| | 12,978 | 15,544 |
| EQUITY | | |
| | 9,250 | 8,005 |
| | 22,228 | 23,549 |
| Revenue | 4,237 | 3,261 |
| Expenses | 2,887 | 3,013 |
| | NET INCOME | 1,350 |
| | | 248 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

12. INVESTMENT IN ERNESTOWN WINDPARK LP (Cont'd)

Mohawks of the Bay of Quinte's investment in Ernestown Windpark LP is determined as follows:

| | 2024 | 2023 |
|-----------------------|------------------|-----------|
| | \$ | \$ |
| Opening balance | 3,600,000 | 3,600,000 |
| Partner distributions | (50,000) | (50,000) |
| Share of earnings | 504,828 | 50,000 |
| | 4,054,828 | 3,600,000 |

13. INVESTMENT IN BELLEVILLE AFFORDABLE HOUSING LP

Belleville Affordable Housing LP is a Limited Partnership owned 25% by Mohawks of the Bay of Quinte. The carrying value of this investment, accounted for using the modified equity method, is \$2,015,926 (2023 - \$1,225,458). Belleville Affordable Housing LP has a March 31st year-end and the financial statements are prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS").

The following table presents condensed financial information for this business partnership:

| | March 31, 2024 | March 31, 2023 |
|-----------------------------------|-------------------|------------------------|
| | \$ (000's) | \$ (000's) |
| ASSETS | | (Restated - Note 2) |
| Cash | 527 | 626 |
| Government remittances receivable | 1,148 | 136 |
| Tangible capital assets | 13,139 | 5,756 |
| | 14,814 | 6,518 |
| LIABILITIES | | |
| Accounts payable | 368 | 613 |
| Due to related parties | 566 | |
| Long-term debt | 5,816 | 1,002 |
| | 6,750 | 1,615 |
| ACCUMULATED SURPLUS | 8,064 | 4,903 |
| | 14,814 | 6,518 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

13. INVESTMENT IN BELLEVILLE AFFORDABLE HOUSING LP (Cont'd)

| | March 31, 2024 \$ (000's) | March 31, 2023 \$ (000's) (Restated - Note 2) |
|-----------------------|---|---|
| Revenue | 3,183 | 4,162 |
| Expenses | 21 | |
| ANNUAL SURPLUS | 3,162 | 4,162 |

Mohawks of the Bay of Quinte's investment in Belleville Affordable Housing LP is determined as follows:

| | 2024 \$ | 2023 \$ (Restated - Note 2) |
|-------------------------------|-------------------|--------------------------------------|
| Opening balance | 1,225,458 | |
| Purchase of partnership units | | 10,000 |
| Partner contributions | | 175,000 |
| Share of earnings | 790,468 | 1,040,458 |
| | 2,015,926 | 1,225,458 |

14. FUNDS HELD IN TRUST WITH INDIGENOUS SERVICES CANADA

Trust Fund accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Amounts held are reflected in Statement 5 of these consolidated financial statements.

15. CREDIT FACILITIES

The Band has a demand loan revolving credit facility whereby it can borrow up to \$1,500,000 from the Bank of Montreal. Advances exceeding \$25,000 require a specific Mohawk Council Resolution. This credit facility is reduced by the issuance of any letters of credit. At year-end, the facility was utilized and bank indebtedness was \$727,816. Subsequent to the year-end, the bank indebtedness was repaid in full.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

16. DEFERRED REVENUE

Deferred revenue consists of portions of the following grants from Indigenous Services Canada and others for which the related expenditures were not yet made as at March 31, 2024.

| | 2023 | Funding Received | Revenue Recognized | |
|---|------------|---------------------|-----------------------|------------|
| | | | 2024 | 2024 |
| | \$ | \$ | \$ | \$ |
| Indigenous Services Canada | | | | |
| Solar Design | 33,206 | | | 33,206 |
| Post-Secondary | 377,449 | 3,308,874 | 3,686,323 | |
| Child Welfare - Band Rep | 866,145 | 819,460 | 114,799 | 1,570,806 |
| New Paths | 180,412 | | 32,748 | 147,664 |
| Ohahase Instructional | 869,477 | 905,191 | 610,850 | 1,163,818 |
| Child Welfare | 2,536,809 | | | 2,536,809 |
| CWJI Program - Ongoing Funds | 6,540,617 | 6,769,812 | 808,799 | 12,501,630 |
| CWJI Program - One-time Funds | 10,073,883 | | 1,866,374 | 8,207,509 |
| Construction - Solar and Long-Term Care | 622,657 | 141,080 | 141,080 | 622,657 |
| Ohahase | 170,539 | | 20,539 | 150,000 |
| Roads and Bridges | 6,613,679 | 4,720,534 | 993,163 | 10,341,050 |
| New Paths | 1,212,653 | 688,921 | (15,915) | 1,917,489 |
| Lands Estates and Research | 227,506 | 216,903 | 171,302 | 273,107 |
| Ohahase Renovations | 132,441 | | 132,441 | |
| Capital Programs | 90,292 | 331,238 | 421,530 | |
| COVID-19 Funding | 712,560 | | 712,560 | |
| COVID-19 Safe Restart/Reopening Funding | 149,133 | | 149,133 | |
| School Formula Financial Assistance | 62,154 | | 10,084 | 52,070 |
| Band Support Funding | 30,099 | 871,992 | 902,091 | |
| Fire Truck Purchase/Equipment | 1,316,250 | 18,000 | 1,316,250 | 18,000 |
| In-Home and Community Care | 243,676 | 164,264 | 390,081 | 17,859 |
| Watermain Extension | 2,524,569 | 409,157 | 2,933,726 | |
| School Transportation | 174,168 | 977,656 | 1,151,824 | |
| Water Truck Purchase | 330,443 | | 330,443 | |
| Instructional Services | 225,065 | 1,431,953 | 1,657,018 | |
| CWJI Funding | 955,791 | | | 955,791 |
| Immediate Needs Funding | 952,686 | | 952,686 | |
| Emergency Management Fund | 159,543 | 46,297 | 205,840 | |
| Income Assistance Funding | 178,825 | 206,913 | 312,141 | 73,597 |
| CSA Emergency Accommodation Units | 145,291 | | 145,291 | |
| Landfill Truck | | 1,021,954 | | 1,021,954 |
| ICIP Funding | | 624,769 | 618,870 | 5,899 |
| Other | 169,708 | 1,435,232 | 1,120,847 | 484,093 |
| | 38,877,726 | 25,110,200 | 21,892,918 | 42,095,008 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

16. DEFERRED REVENUE (Cont'd)

| | 2023 | Funding Received 2024 | Revenue Recognized 2024 | 2024 |
|--|-------------------|-----------------------------|-------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Others | | | | |
| AIAI - Tobacco Strategy | 46,666 | | 46,666 | |
| AIAI - Child Welfare | 178,088 | | 3,783 | 174,305 |
| AIAI - Mental Health | 33,531 | | | 33,531 |
| AIAI - Shelter | 100,561 | 520,239 | 620,800 | |
| AIAI - Community Allocation | 34,015 | 54,288 | | 88,303 |
| AIAI - Other | 68,389 | 111,437 | 140,733 | 39,093 |
| Aboriginal Labour Force | | | | |
| Development Circle | 668,141 | | 108,450 | 559,691 |
| County of Lennox & Addington | 36,444 | 281,753 | 287,501 | 30,696 |
| Child Welfare/other projects | 7,969 | | | 7,969 |
| Ministry of Transportation | 50,624 | | 10,402 | 40,222 |
| Youth Fundraising | 3,624 | 16,600 | 2,519 | 17,705 |
| Financial Management Board | 25,000 | | | 25,000 |
| LHINS Strategy | 30,001 | | | 30,001 |
| Health Canada | 7,378,486 | 3,928,028 | 2,952,916 | 8,353,598 |
| Ministry of Children, Community and Social Services | 21,374 | 87,500 | 108,874 | |
| CMHC Rapid Housing | 806,175 | | 564,877 | 241,298 |
| CMHC Emergency Repairs | 420,000 | | 251,389 | 168,611 |
| Roads budget | 42,790 | | 42,790 | |
| Long-Term Care | | 10,618,000 | | 10,618,000 |
| Long-Term Care - Donations | 106,770 | 427,913 | 100,000 | 434,683 |
| Long-Term Care - Interest Revenue | | 467,531 | | 467,531 |
| Women's Shelter Canada | 165,500 | | 165,500 | |
| Firehall Donation | 744,996 | | | 744,996 |
| Other miscellaneous | 147,673 | 494,029 | 359,031 | 282,671 |
| | 11,116,817 | 17,007,318 | 5,766,231 | 22,357,904 |
| Total deferred revenue | 49,994,543 | 42,117,518 | 27,659,149 | 64,452,912 |

REPRESENTED BY:

| | | |
|----------------------|------------|------------|
| Housing Fund | 806,176 | 241,299 |
| Band Operations Fund | 49,188,367 | 64,211,613 |
| | 49,994,543 | 64,452,912 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE - CAPITAL FUND

Loans payable within the Capital Fund consist as follows:

| | 2024 | 2023 |
|---|------------------|-------------|
| | \$ | \$ |
| Capital Fund - CMHC Projects | | |
| Mortgage payable, Canada Mortgage and Housing Corporation - 2.70%, due October, 2023 repayable over 25 years with blended monthly instalments of \$4,209, secured by a guarantee agreement from Indigenous Services Canada. This loan was repaid in full during the year. | 29,191 | |
| Mortgage payable, Canada Mortgage and Housing Corporation - 0.75%, due December, 2024, repayable over 25 years with blended monthly instalments of \$5,541, secured by a guarantee agreement from Indigenous Services Canada. | 49,722 | 115,576 |
| Mortgage payable, Canada Mortgage and Housing Corporation - 0.98%, due January, 2026, repayable over 25 years with blended monthly instalments of \$2,299, secured by a guarantee agreement from Indigenous Services Canada. | 50,123 | 77,085 |
| Mortgage payable, Canada Mortgage and Housing Corporation - 0.76% due December, 2025, repayable over 25 years with blended monthly instalments of \$4,434, secured by a guarantee agreement from Indigenous Services Canada. | 320,452 | 371,013 |
| Mortgage payable, Canada Mortgage and Housing Corporation - 0.96%, due March, 2026, repayable over 25 years with blended monthly instalments of \$4,776, secured by a guarantee agreement from Indigenous Services Canada. | 598,162 | 649,464 |
| Mortgage payable, Canada Mortgage and Housing Corporation - 4.18%, due December, 2028, repayable over 25 years with blended monthly instalments of \$13,268, secured by a guarantee agreement from Indigenous Services Canada. | 1,711,232 | 1,797,033 |
| | 2,729,691 | 3,039,362 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE - CAPITAL FUND (Cont'd)

| | 2024 | 2023 |
|---|------------------|-----------|
| | \$ | \$ |
| Balance carried forward | 2,729,691 | 3,039,362 |
| Capital Fund - CMHC Projects (Cont'd) | | |
| Mortgage payable, Canada Mortgage and Housing Corporation - 1.67%, due July, 2024, repayable over 25 years with blended monthly instalments of \$4,403, secured by a guarantee agreement from Indigenous Services Canada. | 910,968 | 948,271 |
| Mortgage payable, Canada Mortgage and Housing Corporation - 3.58%, due January, 2029, repayable over 20 years with blended monthly instalments of \$5,526, secured by a guarantee agreement from Indigenous Services Canada. | 942,715 | 701,856 |
| Capital Fund - Administration Building Loan | | |
| Fixed-rate term loan agreement with the Bank of Montreal, bearing interest at 1.68%, due November, 2024, repayable over 4 years with blended monthly instalments of principal and interest totalling \$43,137, secured by an assignment of insurance. | 292,211 | 800,261 |
| Capital Fund - Firehall Loan | | |
| Fixed-rate term loan agreement with the Bank of Montreal, bearing interest at 3.04%, due November, 2028, repayable over 7 years with blended monthly instalments of principal and interest totalling \$39,607, secured by an assignment of insurance. | 2,020,607 | 2,425,041 |
| | 6,896,192 | 7,914,791 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE - CAPITAL FUND (Cont'd)

Principal repayments on these loans over the next five years are as follows:

| | \$ |
|--|------------------------------|
| 2025 | 1,046,359 |
| 2026 | 1,429,128 |
| 2027 | 606,870 |
| 2028 | 626,911 |
| 2029 | 2,444,490 |
| Thereafter | 742,434 |
| | <hr/> 6,896,192 <hr/> |
| | 2024 |
| | \$ |
| Interest expense for the year on Note 17 loans payable | 183,701 |
| | <hr/> 172,927 <hr/> |

18. LOANS PAYABLE - BAND OPERATIONS FUND

Loans payable within the Band Operations Fund consist as follows:

| | 2024 | 2023 |
|--|------------------------------|------------------------------|
| | \$ | \$ |
| Bank Operations Fund - Mohawk Golf Course LP | | |
| Fixed-rate term loan agreement with the Bank of Montreal, bearing interest at 2.15%, due March, 2026, repayable over 5 years with blended monthly instalments of principal and interest totalling \$6,156. | 1,051,161 | 1,101,775 |
| Fixed-rate term loan agreement with the Bank of Montreal, bearing interest at 2.28%, due June, 2026, repayable over 5 years with blended monthly instalments of principal and interest totalling \$7,270. | 1,242,766 | 1,301,276 |
| Band Operations Fund - Indigenous Services Canada | | |
| Turton Penn - Lease Loss of Use Loan | 178,423 | 86,868 |
| | <hr/> 2,472,350 <hr/> | <hr/> 2,489,919 <hr/> |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

18. LOANS PAYABLE - BAND OPERATIONS FUND (Cont'd)

Turton Penn Lease Loss of Use Loan

During the year, the Tyendinaga Mohawk Council signed a loan with Indigenous Services Canada with respect to its specific claim regarding the Turton Penn Lease Loss of Use Settlement. As at March 31, 2024, total funds advanced under this loan agreement amounted to \$178,423 (2023 - \$86,868). The non-interest bearing loans are payable at the earliest of March 31, 2025 or a settlement date.

Mohawk Golf Course Limited Partnership

Principal repayments on this loan over the next three years are as follows:

| | \$ | | |
|--|------------------|---------------|------|
| 2025 | 111,433 | | |
| 2026 | 1,060,397 | | |
| 2027 | <u>1,122,097</u> | | |
| | <u>2,293,927</u> | | |
| | | 2024 | 2023 |
| | | \$ | \$ |
| Interest expense for the year on Note 18 loans payable | <u>51,985</u> | <u>54,625</u> | |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

19. LOANS PAYABLE - YAOTE LS SOLAR INC.

Loans payable by Yaote LS Solar Inc. consist as follows:

| | 2024 | 2023 |
|---------------------------------|-------------------|------------|
| | \$ | \$ |
| BluEarth Renewables Partnership | 14,708,433 | 13,849,310 |

BluEarth Renewables Partnership Loan

Fixed-rate term loan agreement with BluEarth Renewables Partnership, bearing interest at 11%, due April, 2039, repayable through distributions from the Loyalist Solar LP government business enterprise referred to in Note 11 (no set payments), secured by the partnership units owned by Yaote LS Solar Inc. in Loyalist Solar LP. Under the agreement, any outstanding portion remaining after 20 years will be forgiven. The current portion of the loan payable is variable based on the distribution payments to be applied to the loan. As repayment terms are not fixed, scheduled payments have not been disclosed.

| | 2024 | 2023 |
|--|------------------|-----------|
| | \$ | \$ |
| Interest expense for the year on Note 19 loans payable | 1,554,193 | 1,474,266 |

20. LOANS PAYABLE - YAOTE ET WIND INC.

Loans payable by Yaote ET Wind Inc. consist as follows:

| | 2024 | 2023 |
|-----------------------|------------------|-----------|
| | \$ | \$ |
| Ernestown Holdings LP | 6,303,564 | 5,811,279 |

Ernestown Holdings LP Loan

Fixed-rate term loan agreement with Ernestown Holdings LP, bearing interest at 9%, due upon decommissioning of the project, repayable through distributions from the Ernestown Windpark LP business partnership referred to in Note 12 (no set payments). The current portion of the loan payable is variable based on the distribution payments to be applied to the loan. As repayment terms are not fixed, scheduled payments have not been disclosed.

| | 2024 | 2023 |
|--|----------------|---------|
| | \$ | \$ |
| Interest expense for the year on Note 20 loans payable | 492,285 | 282,845 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

21. TANGIBLE CAPITAL ASSETS

| Cost | Balance at March 31, 2023 | Additions 2024 | Disposals/ Transfers 2024 | Balance at March 31, 2024 |
|--|---------------------------------|---------------------------------|--|---------------------------------|
| | \$ | \$ | \$ | \$ |
| Land | 2,907,547 | 250,000 | | 3,157,547 |
| Land improvements | 6,366,995 | 102,296 | | 6,469,291 |
| Buildings and building improvements | 45,086,166 | 8,158,046 | 140,457 | 53,103,755 |
| Vehicles | 5,578,126 | 2,578,962 | 384,695 | 7,772,393 |
| Machinery and equipment | 9,568,251 | 824,284 | 100,000 | 10,292,535 |
| Water/wastewater infrastructure | 52,965,116 | 21,938,459 | | 74,903,575 |
| Roads infrastructure | 36,171,302 | 3,456,932 | | 39,628,234 |
| Bridges and major culverts | 3,088,285 | | | 3,088,285 |
| Streetlights | 237,762 | | | 237,762 |
| Assets under construction | 55,185,984 | 53,374,068 | 32,643,015 | 75,917,037 |
| Total | 217,155,534 | 90,683,047 | 33,268,167 | 274,570,414 |

| Accumulated Amortization | Balance at March 31, 2023 | Disposals 2024 | Amortization Expense 2024 | Balance at March 31, 2024 |
|--|---------------------------------|---------------------------------|--|---------------------------------|
| | \$ | \$ | \$ | \$ |
| Land improvements | 3,040,932 | | 183,791 | 3,224,723 |
| Buildings and building improvements | 16,225,691 | 7,023 | 1,550,724 | 17,769,392 |
| Vehicles | 4,052,448 | 380,572 | 549,339 | 4,221,215 |
| Machinery and equipment | 5,241,152 | 76,312 | 591,933 | 5,756,773 |
| Water/wastewater infrastructure | 6,904,423 | | 1,150,814 | 8,055,237 |
| Roads infrastructure | 29,081,078 | | 1,070,983 | 30,152,061 |
| Bridges and major culverts | 2,494,510 | | 56,739 | 2,551,249 |
| Streetlights | 216,560 | | 2,940 | 219,500 |
| Total | 67,256,794 | 463,907 | 5,157,263 | 71,950,150 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

21. TANGIBLE CAPITAL ASSETS (Cont'd)

| | Net Book Value March 31, 2024 | Net Book Value March 31, 2023 |
|-------------------------------------|--|--|
| | \$ | \$ |
| Land | 3,157,547 | 2,907,547 |
| Land improvements | 3,244,568 | 3,326,063 |
| Buildings and building improvements | 35,334,363 | 28,860,475 |
| Vehicles | 3,551,178 | 1,525,678 |
| Machinery and equipment | 4,535,762 | 4,327,099 |
| Water/wastewater infrastructure | 66,848,338 | 46,060,693 |
| Roads infrastructure | 9,476,173 | 7,090,224 |
| Bridges and major culverts | 537,036 | 593,775 |
| Streetlights | 18,262 | 21,202 |
| Assets under construction | 75,917,037 | 55,185,984 |
| Total | 202,620,264 | 149,898,740 |

(a) Assets Under Construction

Assets under construction having a value of \$75,917,037 (2023 - \$55,185,984) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

(c) Works of Art and Historical Treasures

The Band manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Band sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

22. RESERVE FOR BUS REPLACEMENT

The changes in the reserve for bus replacement during the year are as follows:

| | 2024 | 2023 |
|--|------------------|-----------|
| | \$ | \$ |
| Balance - Beginning of year | 179,392 | 190,255 |
| Add: | | |
| Transfer from School Busing - amortization charges | 116,777 | 109,037 |
| | 296,169 | 299,292 |
| Less: | | |
| Transfer to School Busing - acquisition of buses | (119,900) | (119,900) |
| Balance - End of year | 296,169 | 179,392 |

23. RESERVE FOR CMHC BUILDING REPLACEMENT

In accordance with an agreement with Canada Mortgage and Housing Corporation (CMHC) relating to the construction of rental housing projects, the Band is required to establish a building replacement reserve in an annual amount of \$95,585 (2023 - \$102,000). This reserve is comprised of the following:

| | 2024 | 2023 |
|-----------------------------|------------------|----------|
| | \$ | \$ |
| Balance - Beginning of year | 943,772 | 817,116 |
| Add: | | |
| Allocation for year | 95,585 | 102,000 |
| Interest | 51,154 | 37,479 |
| | 1,090,511 | 956,595 |
| Less: | | |
| Other | (129,453) | (12,823) |
| Balance - End of year | 961,058 | 943,772 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

24. RESERVE FOR CMHC OPERATING SURPLUS

| | 2024 | 2023 |
|-----------------------------|------------------|-----------|
| | \$ | \$ |
| Balance - Beginning of year | 1,066,945 | 1,128,735 |
| Add: | | |
| Interest | 51,655 | 42,504 |
| | 1,118,600 | 1,171,239 |
| Less: | | |
| Due to Housing | (27,753) | (104,294) |
| | 1,090,847 | 1,066,945 |

25. RESERVE FOR TURTON PENN AND HOUSING REPLACEMENT

| | 2024 | 2023 |
|-----------------------------|----------------|---------|
| | \$ | \$ |
| Balance - Beginning of year | 689,314 | 609,473 |
| Add: | | |
| Interest | 36,008 | 21,141 |
| Allocation for year | 67,100 | 58,700 |
| | 792,422 | 689,314 |

26. RESERVE FOR DISCRETIONARY FUND

| | 2024 | 2023 |
|-----------------------------|---------------|--------|
| | \$ | \$ |
| Balance - Beginning of year | 50,126 | 50,126 |
| No change during year | NIL | NIL |
| | 50,126 | 50,126 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

27. ACCUMULATED SURPLUS

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Restricted: | | |
| Equity in CMHC Building Replacement Reserve | 961,058 | 943,772 |
| Equity in CMHC Operating Reserve | <u>1,090,847</u> | 1,066,945 |
| | 2,051,905 | 2,010,717 |
| Internally Restricted: | | |
| Equity in Bus Replacement Reserve | 296,169 | 179,392 |
| Equity in Discretionary Fund Reserve | 50,126 | 50,126 |
| Equity in Housing Replacement Reserve | 780,277 | 678,425 |
| Equity in Turton Penn Replacement Reserve | <u>12,144</u> | 10,889 |
| | 1,138,716 | 918,832 |
| Unrestricted: | | |
| Equity in Capital Fund | 193,347,352 | 139,603,387 |
| Equity in Band Operations Fund | 5,405,730 | 3,305,259 |
| Equity in Housing Fund | 22,856,946 | 23,521,379 |
| Equity in Turton Penn | 1,300,326 | 1,230,808 |
| Equity in OFNLP2008 Fund | 19,503,628 | 20,435,733 |
| Yaote ET Wind Inc. - Note 28 | (1,949,915) | (1,970,604) |
| Yaote LS Solar Inc. - Note 28 | (3,369,007) | (2,284,030) |
| 2821066 Ontario Inc. - Note 28 | 114,165 | 3,571 |
| Mohawk Golf Course Limited Partnership - Note 28 | <u>(133,244)</u> | (36,928) |
| | 237,075,981 | 183,808,575 |
| Equity in Trust Funds on deposit with Indigenous Services Canada | <u>632,217</u> | 609,171 |
| Total Accumulated Surplus | 240,898,819 | 187,347,295 |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

28. ACCUMULATED SURPLUS (DEFICIT) - SUBSIDIARIES

The accumulated deficit attributed to Yaote ET Wind Inc. is comprised as follows:

| | 2024 | 2023 |
|--|--------------------|-------------|
| | \$ | \$ |
| REVENUE | | |
| Ernestown Windpark LP | 504,828 | 50,000 |
| Interest revenue | 8,458 | 3,911 |
| | 513,286 | 53,911 |
| EXPENSES | | |
| Interest expense | 492,285 | 282,845 |
| Bank charges | 312 | 649 |
| | 492,597 | 283,494 |
| ANNUAL SURPLUS (DEFICIT) | 20,689 | (229,583) |
| ACCUMULATED DEFICIT - BEGINNING OF YEAR | (1,970,604) | (1,741,021) |
| ACCUMULATED DEFICIT - END OF YEAR | (1,949,915) | (1,970,604) |

The accumulated deficit attributed to Yaote LS Solar Inc. is comprised as follows:

| | 2024 | 2023 |
|--|--------------------|-------------|
| | \$ | \$ |
| REVENUE | | |
| Investment income from Loyalist Solar LP | 429,000 | 1,051,500 |
| Interest revenue | 40,216 | 17,620 |
| | 469,216 | 1,069,120 |
| EXPENSES | | |
| Interest expense | 1,554,193 | 1,526,026 |
| Professional fees | 6,900 | |
| | 1,554,193 | 1,532,926 |
| ANNUAL DEFICIT | (1,084,977) | (463,806) |
| ACCUMULATED DEFICIT - BEGINNING OF YEAR | (2,284,030) | (1,820,224) |
| ACCUMULATED DEFICIT - END OF YEAR | (3,369,007) | (2,284,030) |

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

28. ACCUMULATED SURPLUS (DEFICIT) - SUBSIDIARIES (Cont'd)

The accumulated surplus attributed to 2821066 Ontario Inc. is comprised as follows:

| | 2024 | 2023 |
|--|----------------|----------|
| | \$ | \$ |
| REVENUE | 144,000 | NIL |
| EXPENSES | | |
| Interest expense | 33,406 | 32,356 |
| ANNUAL SURPLUS (DEFICIT) | 110,594 | (32,356) |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | 3,571 | 35,927 |
| ACCUMULATED SURPLUS - END OF YEAR | 114,165 | 3,571 |

The accumulated deficit attributed to Mohawk Golf Course Limited Partnership is comprised of the following:

| | 2024 | 2023 |
|--|------------------|-----------|
| | \$ | \$ |
| REVENUE | | |
| Sales | 1,135,300 | 1,036,384 |
| EXPENSES | | |
| Salaries and benefits | 295,288 | 387,422 |
| Professional fees | 26,500 | 20,025 |
| Amortization | 142,995 | 166,167 |
| Interest expense | 40,483 | 24,269 |
| Other | 726,350 | 410,060 |
| | 1,231,616 | 1,007,943 |
| ANNUAL SURPLUS (DEFICIT) | (96,316) | 28,441 |
| ACCUMULATED DEFICIT - BEGINNING OF YEAR | (36,928) | (65,369) |
| ACCUMULATED DEFICIT - END OF YEAR | (133,244) | (36,928) |

**MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

29. FUNDS ON DEPOSIT WITH INDIGENOUS SERVICES CANADA

The funds on deposit with Indigenous Services Canada (ISC) reported in these consolidated financial statements include \$17,198 relating to the Turton Penn lease. Band Council does not recognize the validity of this lease. Under the terms of the Turton Penn lease which began in the 19th century, certain lands comprising part of the Tyendinaga Mohawk Territory were leased to non-aboriginal people with the consideration consisting of 30 barrels of flour. The funds held by ISC represent the accumulated monetary value of this commodity. By Mohawk Council Resolution No. 105 dated March 6, 1990, the Tyendinaga Mohawk Council does not recognize the payment of these monies to reinstate the lease to the Mohawks of the Bay of Quinte and is currently in the process of having them deleted from their Ottawa revenue account.

Commencing in 1990, Indigenous Services Canada has provided statements of which ISC deposited further sums of \$16,515 in a separate account which monies also pertain to the Turton Penn lease. The amounts are not included in these consolidated financial statements as Tyendinaga Mohawk Council does not recognize these monies as funds belonging to the Band.

Indigenous Services Canada has completed an environmental assessment on the western third of the Turton Penn leasehold area and that portion of Hastings County Road 2 within the eastern two-thirds of the Turton Penn leasehold area. Canada and the Province of Ontario must pass required Orders in Council to release \$1.2 million to the ISC Capital trust funds of the Mohawks of the Bay of Quinte.

30. CONTINGENCIES

Contingent assets

During the fiscal year-end, the Mohawks of the Bay of Quinte was involved in a ransomware cyber-incident. At the time that these consolidated financial statements were issued, no amounts were included relating to the incident.

Contingent liabilities

The Mohawks of the Bay of Quinte has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Band fails to comply with the terms and conditions of the agreements.

As of March 31, 2024, the Band has guaranteed loans totalling \$16,801,197 (principal balance) for housing purposes. All required payments under the loans have been made to date.

As of March 31, 2024, the Band has not guaranteed any On-Reserve Commercial loans.

The Band has been named as a defendant or is involved in five lawsuits, the outcomes of which are not determinable at this time, and as such, no estimate can be made with respect to the amount of possible loss.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

31. COMMUNITY DEVELOPMENT FUND UNDER ADMINISTRATION

| | 2024 | 2023 |
|--------------------------------------|------------------|-----------|
| | \$ | \$ |
| Balance - Beginning of year | 3,416,432 | 3,209,597 |
| Add: | | |
| Cigarette quota - Administration fee | 284,637 | 283,910 |
| Interest | 252,613 | 11,915 |
| | 537,250 | 295,825 |
| Less: | | |
| Expenditures | (47,405) | (88,990) |
| Balance - End of year | 3,906,277 | 3,416,432 |

32. FUNDS HELD IN TRUST - CULBERTSON TRACT SETTLEMENT

| | 2024 | 2023 |
|-----------------------------|-------------------|------------|
| | \$ | \$ |
| Balance - Beginning of year | 32,994,452 | NIL |
| Add: | | |
| Settlement funds received | 65,871 | 28,190,619 |
| Property held in trust | 5,255,820 | |
| Interest | 1,444,767 | 5,366 |
| | 1,510,638 | 33,451,805 |
| Less: | | |
| Expenditures | (92,899) | (457,353) |
| Balance - End of year | 34,412,191 | 32,994,452 |

Property held in trust consists of 299.43 acres of land related to the partial Culbertson Tract settlement as well as cash of \$1,210,819 for additional purchase and remediation costs in respect of that land. Expenditures include legal and consulting expenses and land rehabilitation charges.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

33. RELATED PARTY TRANSACTIONS

The Band entered into the following transactions with key management personnel, which are defined by PS 2200 - Related Party Disclosures, as personnel that could include:

- directors or members of the governing body of the Band, where that body has authority and responsibility for planning, directing and controlling the activities of the Band; and
- senior management of the entity, including the chief executive or permanent head and senior management group who have the day-to-day responsibility for managing the Band's activities and operations, and who have been delegated authority and executive powers to implement the planning, directing and controlling decisions and initiatives of the governing body.

| | 2024 | 2023 |
|-----------------------------------|--------------------|-------------|
| | \$ | \$ |
| Compensation | | |
| Salaries and benefits | 1,047,884 | 909,293 |
| Pension/CPP | 90,950 | 79,792 |
| Honoraria to Chief and Councilors | 220,600 | 177,280 |
| | (1,359,434) | (1,166,365) |

Amounts owing from and to key management personnel (excluding compensation due and accrued) at March 31, 2024 are \$813,919 (2023 - \$312,755) and \$Nil (2023 - \$Nil) respectively. The amounts owing from related parties are subject to regular payment terms for Band members and are included in accounts receivable.

MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

34. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Band has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, market (other price) risk, interest rate risk and liquidity risk. Other price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

Credit Risk

Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due.

The Band is exposed to this risk relating to its debt holdings in its investment portfolio. This risk is mitigated through the Band's investment policy which follows the investment policy as outlined under the Ontario First Nations (2008) Limited Partnership (OFNLP2008) Agreement. All fixed income portfolios are monitored by management on a monthly basis.

Accounts receivable are short-term in nature and are not subject to material credit risk. The maximum exposure to credit risk and concentration of this risk are limited to the carrying value of these instruments.

There have been no significant changes from the previous period in the exposure to risk or policies used to measure this risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The Band's investment policy operates within the guidelines as required by the OFNLP2008 Agreement.

Currency Risk

Currency risk relates to the Band operating in different currencies and converting non-Canadian revenue at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Band holds marketable securities that are denominated in a foreign currency, and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The marketable securities are of a short-term nature and management does not believe they represent a significant risk to the Band. The Band does not currently use derivative instruments to reduce its exposure to foreign currency risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.

**MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

34. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Band is exposed to interest rate risk through its interest-bearing investments. As prevailing interest rates increase or decrease, the market value of the interest-bearing investments will change.

The Band is also exposed to interest rate risk through its credit facility discussed in Note 15 to these consolidated financial statements. Changes in the market rate of interest will impact future cash flows as it relates to the credit facility. Subsequent to the year-end, the credit facility was repaid in full.

The Band is also exposed to interest rate risk on its loans payable with a carrying value of \$9,190,119 (2023 - \$10,317,842), as detailed in Note 17 and Note 18 to these consolidated financial statements. Changes in the market rate of interest will affect the fair market value of the loans payable. This risk is mitigated as the Band's maturity dates on these loans payable are spread out over several years and the Band's intention is to hold these instruments to maturity.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Band is exposed to this risk through its equity holdings within its investment portfolio.

The Band's investment policy operates within the guidelines as required by the OFNLP2008 Agreement, which mitigates this risk.

Liquidity Risk

Liquidity risk is the risk that the Band will not be able to meet all cash outflow obligations as they come due. The Band mitigates this risk by monitoring cash activities and expected outflows.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.

**MOHAWKS OF THE BAY OF QUINTE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

35. BUDGETED FIGURES

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Band.

36. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain of the comparative figures have been regrouped.