

**Mohawk Council of Kahnawake
Consolidated Financial Statements**

March 31, 2014



Mohawk Council of Kahnawake

Contents

For the year ended March 31, 2014

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	18
Schedule 2 - Consolidated Schedule of Expenses by Object.....	22
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus Deficit.....	23
Schedule 4 - Lands, Revenues and Trusts.....	24
Schedule 5 - Education.....	25
Schedule 6 - Indian Government Support.....	26
Schedule 7 - Social Development.....	27
Schedule 8 - Economic Development.....	29
Schedule 9 - Community Capital Facilities and Housing.....	30
Schedule 10 - Government Negotiations.....	31
Schedule 11 - Public Safety.....	32
Schedule 12 - Other.....	33
Schedule 13 - Ottawa Trust Funds.....	35
Schedule 14 - Capital Funds.....	36

Management's Responsibility

To the Community Members and Chief and Council of Mohawk Council of Kahnawake:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of Mohawk Council of Kahnawake's external auditors.

MNP SENCRL, srl is appointed by Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

June 23, 2014



Executive Financial
Officer



Executive Director

Independent Auditors' Report

To the Community Members and Chief and Council of Mohawk Council of Kahnawake:

We have audited the accompanying consolidated financial statements of Mohawk Council of Kahnawake, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, change 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 Mohawk Council of Kahnawake as at March 31, 2014 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Montréal, Québec

June 23, 2014

*MNP¹
SENCRL, sr|*

¹ CPA auditor, CA permit no. A103961

Mohawk Council of Kahnawake
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Cash resources (Note 3)	9,467,119	9,118,817
Temporary investments (Note 4)	33,841,007	35,092,801
Accounts receivable (Note 5)	8,534,636	9,717,153
Loans receivable (Note 6)	15,057,797	15,096,993
Mortgage loans receivable (Note 7)	13,530,185	14,183,610
Housing initiative loans receivable (Note 7)	543,725	501,393
Portfolio investments (Note 8)	12,606	12,606
Total financial assets	80,987,075	83,723,373
Liabilities		
Bank loan (Note 9)	100,000	-
Accounts payable and accruals (Note 10)	8,591,039	8,361,297
Amounts held in trust (Note 11)	226,781	222,352
Deferred revenue (Note 12)	1,710,721	3,873,486
Long-term debt (Note 13)	2,259,978	2,610,109
Capital lease obligations (Note 14)	213,551	165,361
Total liabilities	13,102,070	15,232,605
Net financial assets	67,885,005	68,490,768
Contingencies (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16)	80,553,895	77,627,349
Prepaid expenses	1,069,450	901,447
Development costs (Note 17)	590,404	590,404
Total non-financial assets	82,213,749	79,119,200
Accumulated surplus	150,098,754	147,609,968

Approved on behalf of Council

Grand Chief

Chief, FAO
Chairperson

Mohawk Council of Kahnawake
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014

	Schedules	2014 Budget	2014	2013
Revenue				
Government funding				
Aboriginal Affairs and Northern Development Canada	42,828,533	40,118,470	41,297,493	
Health Canada	8,551,982	8,476,845	8,323,273	
Additional government funding	2,440,982	2,606,655	2,512,605	
Human Resources and Skills Development Canada	591,450	591,790	824,288	
Other government revenue	465,844	255,902	593,782	
Canada Mortgage and Housing Corporation	301,825	31,825	31,825	
Other community income	55,180,616	52,081,487	53,583,266	
Province of Québec	9,056,123	10,028,464	9,321,965	
First Nations Education Council	6,792,326	6,677,430	5,980,581	
FNHRDCQ	1,109,936	1,533,330	1,534,710	
Dividend income	3,543,569	3,614,755	3,595,964	
Interest income	1,391,551	1,343,502	1,374,835	
Commercial and residential leasing	-	10,583	10,853	
Deferred revenue - prior year (Note 12)	3,829,423	3,829,423	3,373,956	
Deferred revenue - current year (Note 12)	(238,670)	(1,661,466)	(3,829,423)	
	83,472,430	80,265,860	77,619,123	
Expenses				
Lands, revenues and trusts	4	2,344,652	1,991,613	2,335,692
Education	5	14,745,839	14,890,186	14,130,273
Indian government support	6	11,576,779	10,536,714	10,040,996
Social development	7	26,217,732	24,562,024	22,930,750
Economic development	8	8,226,272	6,480,578	6,921,628
Community capital facilities & housing	9	8,089,302	6,182,702	5,461,838
Government negotiations	10	168,960	142,891	143,839
Public safety	11	1,436,863	1,355,830	1,275,999
Other	12	6,352,402	6,422,624	7,057,358
Ottawa trust funds	13	-	11,124	10,487
Capital	14	4,684,163	4,964,488	4,990,843
Total expenses (Schedule 2)		83,842,964	77,540,774	75,299,703
Surplus before other items		(370,534)	2,725,086	2,319,420
Other income (expense)				
Gain (loss) on disposal of capital assets		-	-	(62,080)
Deferred expenses		-	(109,206)	(18,926)
Foreign exchange		-	603,056	306,174
Allocation to other community organizations		(355,000)	(355,000)	(192,356)
Cancellation of government funding		-	(238,670)	-
Reimbursement of prior years' deficit		-	348,627	381,607
Repayment of government funding		-	(485,107)	(579,572)
		(355,000)	(236,300)	(165,153)
Surplus		(725,534)	2,488,786	2,154,267
Accumulated surplus, beginning of year		147,609,968	147,609,968	145,455,701
Accumulated surplus, end of year		146,884,434	150,098,754	147,609,968

The accompanying notes are an integral part of these financial statements

Mohawk Council of Kahnawake
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	2014 Budget	2014	2013
Annual surplus	(725,534)	2,488,786	2,154,267
Purchases of tangible capital assets	-	(7,765,307)	(5,533,242)
Tangible capital assets acquired through capital leases	-	(125,727)	(35,970)
Amortization of tangible capital assets	4,684,163	4,964,488	4,990,843
Gain on sale of tangible capital assets	-	-	62,080
Allocation to replacement reserve	6,460	-	6,564
	4,690,623	(2,926,546)	(509,725)
Acquisition of prepaid expenses	-	(1,069,450)	(901,447)
Use of prepaid expenses	-	901,447	768,950
	-	(168,003)	(132,497)
Increase (decrease) in net financial assets	3,965,089	(605,763)	1,512,045
Net financial assets, beginning of year	68,490,768	68,490,768	66,978,723
Net financial assets, end of year	72,455,857	67,885,005	68,490,768

Mohawk Council of Kahnawake
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	74,097,055	75,623,291
Cash paid to suppliers	(34,519,511)	(33,783,663)
Cash paid to employees	(38,001,034)	(36,368,365)
Interest income	1,343,502	1,374,835
Dividend income	3,614,755	3,595,964
	6,534,767	10,442,062
Financing activities		
Change in amounts held in trust	4,429	18,010
Repayment of long-term debt	(350,131)	(332,498)
Repayment of capital lease obligations	(77,537)	(86,129)
Repayment of advances from related organizations	-	(13,293)
Change in bank loan	100,000	-
	(323,239)	(413,910)
Capital activities		
Purchases of tangible capital assets	(7,765,307)	(5,533,242)
Investing activities		
Purchase of temporary investments	(33,841,007)	(27,882,155)
Proceeds on disposal of temporary investments	35,092,799	24,468,150
New mortgages advanced in year	(198,000)	(75,000)
Principal repayments on mortgages receivable	851,425	874,117
New housing initiative loans granted	(196,897)	(139,104)
Principal repayments on housing initiative loans	154,565	128,488
Repayments of loans receivable	39,196	52,289
	1,902,081	(2,573,215)
Increase in cash resources	348,302	1,921,695
Cash resources, beginning of year	9,118,817	7,197,122
Cash resources, end of year	9,467,119	9,118,817

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

1. Operations

Mohawk Council of Kahnawake ("MCK") is located in the province of Quebec and provides various services to its community members. Mohawk Council of Kahnawake includes the government and all related entities that are accountable to MCK and are either owned or controlled by MCK.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the MCK reporting entity. Trusts administered on behalf of third parties by Mohawk Council of Kahnawake are excluded from the reporting entity.

MCK has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Mohawk Council of Kahnawake
- Kahnawake Shakotia' Takehnhas Community Services
- Tewatohnni'saktha
- Kahnawake Education Center
- Kanien'kehaka Onkwawen:na Raotitiohkwa
- Kahnawake Fire Brigade
- Mohawk Council of Kahnawake Multi-Dwelling Project
- Kahnawake Service Complex

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and deferred costs.

Net financial assets

MCK's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of MCK are determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Segments

MCK conducts its business through eleven reportable segments. These operating segments are established by senior management to facilitate the achievement of MCK's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the *Significant accounting policies*.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Loans are stated after an allowance for forgiveness (where applicable) as well as a provision for uncollectible amounts. Amortization is based on the estimated useful lives of tangible capital assets. Other significant areas of estimation include the actuarial estimates used in determining the funding deficit of the pension plan.

Revenue recognition

Government Transfers

MCK recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, MCK recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

MCK recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, MCK records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Investment Income

Interest is recognized on the accrual basis as it is earned. Dividends are recognized when declared.

Rental Income

Rental income is recognized on a straight line basis over the term of the lease.

Other Income

Revenue is recognized when a price is agreed and all significant contractual obligations have been satisfied, and collectability is reasonably assured. Management assesses the business environment, customers' financial condition, historical experience, accounts receivable aging and customer disputes to determine whether collectability is reasonably assured. If collectability is not considered reasonably assured at the time of sale, MCK does not recognize revenue until collection occurs.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the statement of financial position date. Translation gains and losses are included in current year surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less from the date of acquisition. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Temporary investments

Temporary investments are valued at the lower of cost and market value.

Loans receivable

Loans are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis.

Allowance for loan impairment

MCK maintains an allowance for loan impairment that reduces the carrying value of loans to their estimated realizable amount. The allowance is increased by a charge for loan impairment which is charged to income and reduced by write-offs, net of recoveries.

A specific allowance is established on an individual loan basis, to reduce the carrying values to estimated realizable amounts. Estimated realizable values are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amount and timing of future cash flows cannot be reliably established, estimated realizable values are determined by reference to market prices for the loans of their underlying security value.

In addition, a general allowance may be established where, in management's opinion, it is required to absorb losses inherent in the loan portfolio, for which a specific allowance cannot yet be determined. A general provision is established when doubt exists within groups of loans but is not sufficient to allow identification of individually doubtful loans. Provision for loss is estimated based on historical credit loss experience, known portfolio risks and current economic conditions and trends.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by MCK are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Loan guarantees

MCK records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on the current circumstances of the individual borrowers; based on historical experience; based on current economic conditions facing the individual borrower; and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Tangible capital assets include acquired, built, developed and improved tangible capital assets whose useful life extends beyond one year and which are intended to be used on an ongoing basis for delivering services.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rates and years
Land improvements	straight-line	5 years
Buildings	declining balance	4%
Social housing	declining balance	4%
Water treatment plant	declining balance	4%
Sports Complex	declining balance	4%
Roads and infrastructure	declining balance	5%
School buses	straight-line	10 years
Fire trucks	straight-line	5%
Vehicles	straight-line	5 years
Computer hardware and software	straight-line	3 years
Equipment	straight-line	5 years
Furniture and fixtures	straight-line	5 years

Capital lease obligations

Long term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long term financing are recognized as a decrease in long-term debt.

Long-lived assets

Long lived assets consist of tangible capital assets. Long lived assets held for use are measured and amortized as described in the applicable accounting policies.

MCK performs impairment testing on long lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

Employee future benefits

MCK's employee future benefit programs consist of a defined benefit plan.

The estimated future cost of providing defined benefit pension is actuarially determined using the projected benefits method pro-rated on service, as future salary levels affect the amount of employee future benefits. The attribution period for such cost begins one year after the date of hire of the employee to the date the employee becomes fully eligible to receive the benefits. MCK determines its discount rates by reference to its plan asset earnings.

The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service life of the related employee group. Prior period employee service costs resulting from plan amendments are expensed in the period of the plan amendment.

Contributions to the plan are expensed as incurred.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of MCK by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Recent accounting pronouncements

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted. The PSAB plans to review application of this section by governments by December 31, 2013.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. MCK has not yet determined the effect of these new standards on its consolidated financial statements.

3. Cash resources

	2014	2013
Cash on hand and balances with banks	4,137,671	5,386,695
Restricted	4,160,036	3,141,233
Held in trust for community members	226,781	222,352
CMHC replacement reserve	84,655	78,235
Ottawa trust funds	11,121	11,124
Externally restricted	846,855	279,178
	<hr/> 9,467,119	<hr/> 9,118,817

Externally restricted cash relates to funds provided by Aboriginal Affairs and Northern Development Canada for the Program Delivery Partnership ("PDP") and is restricted to the operations of the PDP program and cannot be used for any other purpose.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

4. Temporary investments

Term deposits consist of various Canadian dollar term deposits which are interest bearing at rates ranging from 0.65% to 1.14% annually, and have maturity dates ranging from April 2014 to October 2019. The market value of the term deposits at March 31, 2014 approximates their carrying amount.

Management of one of the Organizations forming part of the government reporting entity has internally designated \$1,158,773 (2013 - \$1,144,871) of the term deposits to be used for loans to small businesses under the Business Loan Fund. The remaining balance of the term deposits has been restricted for various specific purposes and for various Organizations forming the government reporting entity.

5. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	571,064	2,239,268
First Nations Education Council	336,866	296,555
Health Canada	-	287,526
Other community organizations	67,778	57,700
Accrued interest	254,123	272,444
Dividends receivable	3,758,052	3,456,270
Accounts and contributions receivable	3,289,164	2,877,329
Taxes receivable	257,589	230,061
	<hr/>	<hr/>
	8,534,636	9,717,153

The accounts receivable balance is net of an allowance for uncollectible amounts of \$2,663,845 (2013 - \$2,237,955). The amounts due from other community organizations are subject to normal trade terms.

6. Loans receivable

Loans receivable consist of the following:

	2014 Principal	2014 Provisions and allowances	2014 Net recoverable value	2013 Net recoverable value
Loan receivable - Onkwawista, unsecured, non-interest bearing, with no specific terms of repayment	14,559,888	-	14,559,888	14,559,888
Loans receivable - Business Loan Fund	453,294	(27,917)	453,294	440,419
Loans receivable - Youth Business Fund	63,312	(30,906)	32,406	38,143
Loans receivable - Employees, non-interest bearing with no fixed terms of repayment	12,209	-	12,209	58,543
	<hr/>	<hr/>	<hr/>	<hr/>
	15,088,703	(58,823)	15,057,797	15,096,993

The primary purpose of the Business Loan Fund (BLF) and the Youth Business Fund (YBF) loans are to help the youth and community of Kahnawake to establish viable businesses. The general terms and conditions differ from conventional loan agreements. Amortization periods range from one to fifteen years depending on the size of the loan. Interest is charged at annual fixed rates of 7% (YBF) and prime plus 4% (BLF) compounded monthly. In addition, Youth Business Fund borrowers have the option of paying interest only during the first year of the loan and the fund will forgive 25% of the loan once 75% of the loan is reimbursed and the borrower has met all the terms of the loan agreement.

Recovery of youth loans is dependent upon the success of the related borrowers' businesses as the youth loans require no equity or personal guarantees.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Mortgage loans receivable and housing initiative loans receivable

Mortgage loans receivable represent funds advanced for the construction of homes for community residents and are secured by the related properties. Initial terms of these mortgages vary, up to a maximum term of approximately thirty years. These mortgages are repayable in monthly instalments and bear interest at 6% per annum.

Housing initiative loans receivable are unsecured loans which are repayable in monthly principal and interest instalments and bear interest at 6% per annum. The loans are generally granted with terms of approximately five years.

8. Portfolio investments

MCK has investments in the following entities:

	2014	2013
Investment in Regional Economic Investment Fund (REIF) - First Nations L.P.	12,500	12,500
Investment in issued ordinary shares of Onkwawista Holdings Limited	106	106
	12,606	12,606

Mohawk Council of Kahnawake has signed a letter of commitment to invest an aggregate sum of \$50,000 in the REIF project which participates in the growth of Quebec First Nations controlled businesses.

Mohawk Council of Kahnawake has a 100% investment in the issued ordinary shares of Onkwawista Holdings Limited (OHL), an investment holding company. This investment is being carried at cost, being \$106. OHL has a 100% interest in Onkwawista Limited (OL), whose primary asset is a 40% interest in an operating company, Continent 8 Technologies, PLC. (Continent 8). OHL, OL and Continent 8 are incorporated under the provisions of the Isle of Man Companies Act. MCK does not exercise effective control nor is it able to exert significant influence with respect to its 40% investment in Continent 8, a portfolio investment company, without the cooperation of the majority shareholders. During the year, MCK recorded a dividend receivable and income of US\$3,400,000 (2013 - US\$3,400,000).

MCK also has an investment in Mohawk Internet Technologies (MIT), a band empowered entity. This investment is carried at cost, being nil, since MCK does not exercise effective control over MIT's assets, liabilities and surplus without the cooperation of the other significant stakeholders.

9. Bank loan

Mohawk Council of Kahnawake and its related Organizations have access to an aggregate of \$720,000 of unsecured credit facilities for short term borrowings. These facilities are renewable on an annual basis and bear interest at rates ranging from prime to prime plus 3%. At March 31, 2014, a total of \$100,000 was utilized (2013 - \$Nil).

10. Accounts payable and accruals

	2014	2013
Trade payables	5,356,222	5,350,152
Salaries and vacations payable	2,726,574	2,600,772
Unspent government funding	477,869	379,844
Other government remittances	30,374	30,529
	8,591,039	8,361,297

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

11. Amounts held in trust

Mohawk Council of Kahnawake holds funds in trust for several Community members and uses those funds to pay for their day to day essential needs. The balance represents the total amount being administered on behalf of those community members as at March 31, 2014. Use of these funds is restricted as described in Note 3.

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
Lands, Revenues and Trusts	229,088	116,110	8,512	336,686
Indian Government Support	309,816	43,000	309,816	43,000
Social Development	488,904	339,100	527,675	300,329
Community Capital Facilities and Housing	2,158,668	-	2,158,668	-
Economic Development	527,844	945,010	491,403	981,451
Other	115,103	-	115,103	-
Rent received in advance	44,063	49,255	44,063	49,255
	3,873,486	1,492,475	3,655,240	1,710,721

13. Long-term debt

2014

2013

Mortgage payable, interest bearing at 6.85%, repayable in blended monthly instalments of \$20,136 with the balance subject to renewal in July 2014, secured by a trust agreement in the lender's favour on the Business Complex having a net book value of \$3,962,588 (2013 - \$4,171,145)

1,795,388

1,911,503

Mortgage payable, interest bearing at 4.305% (2013 - 3.95%), repayable in blended monthly instalments of \$16,718 with the balance subject to renewal in October 2014, secured by a trust agreement in the lender's favour on the Office Complex having a net book value of \$4,643,635 (2013 - \$4,888,037)

459,492

633,859

CMHC File #11-052-099

Mortgage payable, interest bearing at 4.7% with the Caisse Populaire Kahnawake, repayable in monthly principal and interest payments of \$5,116, maturing in April 2014 based upon an initial amortization period of 25 years, guaranteed by AANDC

5,098

64,747

2,259,978

2,610,109

The Multi-Dwelling project loan, guaranteed by Aboriginal Affairs and Northern Development Canada (AANDC), was for the construction of an On-Reserve Non-Profit Housing unit having eighteen apartments. The unit is located on the Mohawk territory of Kahnawake, Reserve Lot 44, Block C.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

13. Long-term debt (Continued from previous page)

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

	Total
<u>2015</u>	<u>2,259,798</u>

14. Capital lease obligations

	2014	2013
Obligation under capital lease relating to computer hardware and software, repayable in equal monthly instalments of \$2,349 including interest at 4.59%, due May 2019, secured by the related assets having a net book value of \$104,722.	125,727	-
Obligations under capital lease relating to vehicles, repayable in equal monthly aggregate instalments of \$4,129 including interest at rates ranging from 3.99% to 7.49%, with maturities ranging from April 2014 to January 2018, secured by the related assets having a net book value of \$91,255 (2013 - \$132,995)	87,824	131,146
Obligation under capital lease relating to computer hardware and software, repayable in equal monthly instalments of \$2,885 including interest at 9.21%, fully repaid in March 2014	-	34,215
	<u>213,551</u>	<u>165,361</u>

Minimum lease payments related to obligations under capital lease are as follows:

2015	86,384
2016	62,384
2017	38,249
2018	34,808
2019	28,188
	250,013
Thereafter, to May 2019	4,698
<u>Less: imputed interest</u>	<u>41,160</u>
	<u>213,551</u>

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

15. Contingencies

- (A) The organization has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the organization fails to comply with the terms and conditions of the agreements.
- (B) Mohawk Council of Kahnawake has been named as a defendant in several lawsuits as part of its ongoing operations. Details of the most significant cases are as follows:
 - i) A class action lawsuit was filed in Ontario Court on December 15, 2011, against numerous defendants including Mohawk Council of Kahnawake. The relief claimed is a sum unknown but estimated at approximately \$60,000,000. MCK's legal counsel cannot determine the outcome at this time due to the complexity of the case. MCK insurers confirmed they will provide coverage up to the maximum allotted amount. Moreover, aside from a Notice of Change of Lawyer on January 20th, 2014, there has been no movement on the file in a very long time. Unless the plaintiff takes steps to advance the action in the very near future, legal counsel will bring a motion to have the action declared abandoned.
 - ii) Various other legal matters are pending or are before the courts or other regulatory bodies. Damages in certain cases have either not been filed as yet or are not requested or cannot be awarded. Council is unable to accurately estimate the outcome of these actions. No provision has been recorded in the accounts. Any settlement resulting from these claims will be recorded as an expense in the year in which the settlement occurs.
- (C) Mohawk Council of Kahnawake agreed to act as the signatory for the Capital Contribution Agreement signed on March 28, 2012 for the capital expansion of the Kateri Memorial Hospital (KMHC). A memorandum of understanding was signed whereby MCK transferred administrative and legal liability for the project to KMHC. However, MCK would, under the terms of funding provided to the Ministère de la Santé et des Services Sociaux (MSSS), continue in the capacity as the project manager. The total funding to be provided by the MSSS amounts to \$21,056,000. As part of this project, a short rate term loan agreement was signed between FinancementQuebec, Mohawk Council of Kahnawake and MSSS for the purpose of financing the construction costs of the hospital expansion. Under the terms of the short rate term loan agreement, MCK has been identified as the borrower. At March 31, 2014, there have been no drawings on this loan.
- (D) Mohawk Council of Kahnawake guarantees loans made to Kahnawake residents by Canada Mortgage and Housing Corporation for renovations. As at March 31, 2014, such loans are not significant. MCK acted as cosigner on loans to residents from various lending institutions for an aggregate amount of \$9,224,509 (2013 \$8,423,333) for purchases of houses. MCK has also guaranteed loans from a financial institution in the amount of \$5,103 (2013 \$64,751) with respect to the MultiDwellings. In addition, MCK guarantees loans from a financial institution to residents as part of the Onreserve Loan Guarantee program in the amount of \$416,953 (2013 \$441,393).
- (E) Mohawk Council of Kahnawake has incurred certain financial obligations with respect to the research, development and negotiation of its specific claim relating to the Seigneurie of Sault St. Louis Claim (program 1917). AANDC has agreed to provide MCK with an interim loan to assist them in meeting these obligations. AANDC has previously loaned an amount of \$4,481,563 (2013 \$3,798,041) for this claim. For the 2014 fiscal year, AANDC agreed to loan an additional amount of \$213,802 (2013 \$469,720). Any excess of the advance over eligible expenses must be repaid. The advance is secured by a promissory note which is payable on the earlier of March 31, 2016 or the date on which the claim is settled.
- (F) Through the Business Loan Fund, Mohawk Council of Kahnawake has guaranteed the Caisse Populaire Kahnawake for a portion of the approved bank borrowings to a maximum of \$201,288 (2013 - \$284,287) for native entrepreneurs under the loan guarantee program. As at March 31, 2014, the total guaranteed indebtedness amounted to \$99,662 (2013 - \$202,322).
- (G) Through Kahnawake Sustainable Energies ("KSE"), Mohawk Council of Kahnawake has entered into an agreement with a service provider which calls for a commitment to pay \$2,976,000 for specific services (of which \$972,000 had been paid prior to the year-end). The payments are based on achieving certain milestones and providing specific services. In addition, there is a further commitment to pay a break-up fee of \$500,000 to the service provider in the event that certain specific circumstances occur. KSE has also entered into an agreement with another contractor/supplier for a commitment to pay CND\$22,761,000 and 16,245,150 euros to construct a wind-farm facility. The commitment is conditional upon signature of a purchase contract which is presently subject to negotiation and other approvals. Finally, KSE has also entered into agreements with a distributor of wind energy which calls for \$150,000 to secure a commitment to produce a feasibility study report on the grid interconnection as well as \$240,000 to secure a commitment to begin delivery of contractual energy. KSE has provided letters of credit aggregating \$530,000 in order to secure the various provisions of these contracts.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

16. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include assets under capital lease with a gross cost of \$520,871 (2013 - \$395,144), and accumulated amortization of \$324,844 (2013 - \$262,149).

17. Development costs

Development costs relate to payments made on a wind energy project representing specific project milestones and costs directly attributable to the project.

18. Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC), MCK has established the following:

- A replacement reserve, established by an annual allocation of \$6,480, to ensure replacement of buildings financed by CMHC. At March 31, 2014, \$84,655 (2013 - \$78,235) has been set aside to fund this reserve.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by Canada Deposit Insurance Corporation or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

19. Related party transactions

During the year, MCK entered into transactions with related Organizations. These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Transactions and balances with related parties are summarized as follows:

	2014	2013
Allocation to Kateri Memorial Hospital	200,000	36,000
Allocation to Kahnawake Youth Centre	150,000	150,000

20. Defined benefit pension plan

Mohawk Council of Kahnawake maintains a defined benefit pension plan covering the employees of Mohawk Council of Kahnawake and other band empowered entities. According to the most recent actuarial valuation of the Plan dated March 31, 2014, the Plan had a funding surplus of \$36,555,000 (2013 - \$24,403,000) on a going concern basis and a solvency deficiency of \$6,389,000 (2013 - \$14,034,000). The Pension Benefits Standards Act requires that Council fund the benefits determined under the Plan. The determination of the value of these benefits was made on the basis of an actuarial valuation on March 31, 2014.

Other accounts receivable includes an amount of \$498,547 (2013 - \$439,915), net of a provision of \$498,547 (2013 - \$439,915) due from MCK Pension Plan. This comprises administrative expenses paid by Mohawk Council of Kahnawake on behalf of the Plan for current and prior years. Expenses for the current year are \$58,632 (2013 - \$33,404) and these amounts are charged at cost.

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

20. Defined benefit pension plan *(Continued from previous page)*

Pension plan contingency

Based on an actuarial report as at March 31, 2014, the actuary has provided the following information:

The amended Pension Benefits Standards Regulations, 1985 which became effective on July 1, 2011, has a transition rule allowing the Plan to use the solvency ratio at the valuation date as being the solvency ratio as at March 31, 2009 in order to determine the average solvency ratio over the last three Plan year ends. The minimum special payments required to be made by the employer to the Plan, over and above its required contributions with respect to current service cost, are as follows:

- i) \$193,550 at the end of each month for a period of five years to amortize the adjusted solvency deficiency of \$11.6 million (2013 - \$10.7 million) existing on this valuation date;
- ii) Commencing on June 15, 2011, 5% of all transfer values paid to terminated members electing to transfer out of the Plan, the commuted value of their pension benefit credits in accordance with the portability provisions of the Plan, excluding terminated members with certain transfer values.

The above schedule of employer solvency special payments must be maintained until the next actuarial valuation report is filed with the Office of the Superintendent of Financial Institutions, Canada, which requires that the next actuarial valuation report must be effective as at March 31, 2015 and must be filed by September 30, 2015.

Under the Pension Benefits Standards Act, a sponsor is permitted to use a letter of credit to reduce any solvency special payments otherwise required to be paid under the Act. With respect to the solvency special payments described above, Mohawk Council of Kahnawake entered into a letter of credit trust agreements with RBC Dexia Investor Services Trust. MCK provided RBC Dexia with two letters of credit for \$4,992,036 (2013 - \$2,022,759) issued by the Caisse Centrale Desjardins. The letters of credit expire on September 30, 2014 and March 31, 2015.

21. Economic dependence

Mohawk Council of Kahnawake receives 65% (2013 - 69%) of its revenue from Aboriginal Affairs and Northern Development Canada and other agencies of the Government of Canada. The ability of MCK to continue operations is dependent upon the Government of Canada's continued financial commitments.

22. AANDC funding reconciliation

AANDC funding as per the statement of operations and accumulated surplus is reconciled as follows:

	2014	2013
Balance per financial statements		
Balance per financial statements	40,118,470	41,297,493
Funding for feasibility study	-	(16,000)
Other adjustments	(3,002)	(6,523)
 Adjusted balance per financial statements	 40,115,468	 41,274,970
 Balance per AANDC funding confirmation	 	
Funding confirmation 0070 - Mohawks of Kahnawake Band	39,506,781	40,634,239
Funding confirmation 3354 - Tewathonhi'saktha Business Loan Fund Ltd.	608,687	640,731
 Balance per AANDC funding confirmations	 40,115,468	 41,274,970

Mohawk Council of Kahnawake
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

23. Budget information

The disclosed budget information has been approved by Chief and Council and the Board of Directors of the related entities which form part of the government reporting entity.

24. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Mohawk Council of Kahnawake
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Land and Land Improvement</i>	<i>Buildings</i>	<i>Social Housing</i>	<i>Water Treatment Plant</i>	<i>Sports Complex</i>	<i>Roads and Infrastructure</i>
Cost						
Balance, beginning of year	1,399,357	55,198,550	1,595,043	11,100,940	1,322,952	32,414,437
Acquisition of tangible capital assets	1,395,327	967,627	-	-	-	3,777,443
Construction-in-progress	-	-	236,772	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-
Tangible capital assets acquired by capital lease	-	-	-	-	-	-
 Balance, end of year	2,794,684	56,166,177	1,831,815	11,100,940	1,322,952	36,191,880
Accumulated amortization						
Balance, beginning of year	55,756	19,831,247	1,421,753	435,054	218,289	7,918,949
Annual amortization	10,386	2,153,881	9,658	426,635	44,187	1,323,904
Accumulated amortization on disposals	-	-	-	-	-	-
 Balance, end of year	66,142	21,985,128	1,431,411	861,689	262,476	9,242,853
Net book value of tangible capital assets	2,728,542	34,181,049	400,404	10,239,251	1,060,476	26,949,027
 2013 Net book value of tangible capital assets	1,343,601	35,367,303	173,290	10,665,886	1,104,663	24,495,488

Mohawk Council of Kahnawake
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Subtotal</i>	<i>Subtotal</i>	<i>School Buses</i>	<i>Firetucks</i>	<i>Vehicles</i>
<hr/>					
Cost					
Balance, beginning of year	103,031,279	103,031,279	1,614,548	1,572,345	2,306,260
Acquisition of tangible capital assets	6,140,397	6,140,397	381,550	-	167,821
Construction-in-progress	236,772	236,772	-	-	-
Disposal of tangible capital assets	-	-	-	-	-
Tangible capital assets acquired by capital lease	-	-	-	-	-
 Balance, end of year	 109,408,448	 109,408,448	 1,996,098	 1,572,345	 2,474,081
<hr/>					
Accumulated amortization					
Balance, beginning of year	29,881,048	29,881,048	555,066	433,634	1,509,653
Annual amortization	3,968,651	3,968,651	180,533	78,617	297,517
Accumulated amortization on disposals	-	-	-	-	-
 Balance, end of year	 33,849,699	 33,849,699	 735,599	 512,251	 1,807,170
<hr/>					
Net book value of tangible capital assets					
	75,558,749	75,558,749	1,260,499	1,060,094	666,911
 2013 Net book value of tangible capital assets	 73,150,231	 73,150,231	 1,059,482	 1,138,711	 796,607

Mohawk Council of Kahnawake
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Computer Hardware and Software</i>	<i>Equipment</i>	<i>Subtotal</i>	<i>Subtotal</i>	<i>Furniture and Fixtures</i>
Cost					
Balance, beginning of year	1,415,721	1,888,407	111,828,560	111,828,560	656,053
Acquisition of tangible capital assets	402,243	428,917	7,520,928	7,520,928	7,608
Construction-in-progress	-	-	236,772	236,772	-
Disposal of tangible capital assets	(63,341)	-	(63,341)	(63,341)	-
Tangible capital assets acquired by capital lease	125,727	-	125,727	125,727	-
 Balance, end of year	1,880,350	2,317,324	119,648,646	119,648,646	663,661
Accumulated amortization					
Balance, beginning of year	616,829	1,387,024	34,383,254	34,383,254	474,010
Annual amortization	161,780	231,157	4,918,255	4,918,255	46,233
Accumulated amortization on disposals	(63,340)	-	(63,340)	(63,340)	-
 Balance, end of year	715,269	1,618,181	39,238,169	39,238,169	520,243
Net book value of tangible capital assets					
	1,165,081	699,143	80,410,477	80,410,477	143,418
2013 Net book value of tangible capital assets	798,892	501,383	77,445,306	77,445,306	182,043

Mohawk Council of Kahnawake
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	2014	2013
Cost		
Balance, beginning of year	112,484,613	107,136,284
Acquisition of tangible capital assets	7,528,536	5,533,242
Construction-in-progress	236,772	-
Disposal of tangible capital assets	(63,341)	(220,883)
Tangible capital assets acquired by capital lease	125,727	35,970
 Balance, end of year	120,312,307	112,484,613
Accumulated amortization		
Balance, beginning of year	34,857,264	30,025,226
Annual amortization	4,964,488	4,990,842
Accumulated amortization on disposals	(63,340)	(158,804)
 Balance, end of year	39,758,412	34,857,264
Net book value of tangible capital assets		
	80,553,895	77,627,349
 2013 Net book value of tangible capital assets		
	77,627,349	

Mohawk Council of Kahnawake
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2014

	2014 Budget	2014	2013
Consolidated expenses by object			
Administration	180,057	200,670	147,671
Advertising and promotion	381,564	246,514	271,873
Amortization	4,684,163	4,964,488	4,990,843
Bad debts	-	225,880	248,375
Community capital and infrastructure costs	8,222,782	2,289,827	2,849,642
Economic development projects	1,289,480	751,955	464,542
Education	946,760	958,291	937,494
Employment and training	1,359,087	1,273,326	1,526,329
Foster and institutional care	1,845,603	1,933,492	2,235,865
Health and other social services	3,534,135	3,354,147	2,845,529
Insurance	256,122	210,403	209,087
Interest and bank charges	311,459	474,125	278,685
Legal, professional and consulting fees	2,921,298	2,956,167	3,435,209
MSI	335,010	549,224	626,790
Office, meetings and technology	1,777,400	1,882,352	1,451,142
Other	1,109,251	980,719	827,632
Overhead cost recoveries	(176,681)	(513,309)	(501,099)
Pension	3,449,981	2,506,067	2,349,025
Repairs and maintenance	1,134,230	1,404,123	1,244,098
Salaries and benefits	37,693,227	38,001,034	36,368,365
Social assistance	5,647,200	6,114,714	5,705,419
Telephone and telecommunications	261,108	234,813	274,687
Training	432,236	431,761	427,545
Travel and vehicle	1,206,915	1,050,607	1,267,441
Tuition fees and allowances	3,877,971	3,831,977	3,615,208
Utilities	1,162,606	1,227,407	1,202,306
	83,842,964	77,540,774	75,299,703

Mohawk Council of Kahnawake

Accumulated Surplus Deficit

For the year ended March 31, 2014

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus Deficit

	AAN/DC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Total	Adjustments/Transfers From (To)	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
Segment Schedules									
Lands, Revenues and Trusts									
Education	1,565,982	375,354	(107,598)	1,833,718	1,991,613	248,698	91,804	11,321	(269,603)
Indian government support	11,502,700	2,938,345	-	14,441,045	14,890,186	(67,414)	(516,585)	(624,195)	(11,224)
Social Development	3,279,968	6,420,968	286,816	9,987,743	10,536,714	(569,195)	(569,754)	(604,024)	(1,484,981)
Economic Development	13,147,770	11,820,572	188,575	25,156,917	24,582,024	(640,875)	(1,988,431)	(1,093,809)	(65,223)
Community Capital Facilities & Housing	1,529,747	6,389,050	(453,607)	7,465,200	6,480,578	(988,237)	(5,107,237)	(1,162,702)	(53,106)
Government Negotiations	6,186,294	3,351,372	2,158,686	11,705,334	11,705,334	-	-	-	-
Public Safety	169,195	(26,304)	-	142,891	142,891	-	-	-	-
Other	515,725	282,814	-	788,543	788,543	(355,421)	(221,866)	(468,986)	(1,231,570)
Ottawa Trust Funds	2,211,115	6,210,100	115,103	8,536,318	8,536,318	(6,422,624)	(1,643,708)	(273)	637
Capital Funds	-	-	10,851	-	10,851	11,124	-	3,210,358	842,003
Restricted Funds	-	-	-	-	-	4,964,488	915,235	915,235	(859,641)
	40,118,470	37,743,133	2,167,957	80,029,560	77,540,774	-	-	2,488,786	2,154,267
Accumulated surplus, beginning of year								147,609,968	145,455,701
Accumulated surplus, end of year								150,098,754	147,609,968

Mohawk Council of Kahnawake
Lands, Revenues and Trusts
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	1,506,116	1,506,116	1,605,403
Set funding	59,846	-	-
Fixed funding	-	59,846	59,192
Other government revenue	-	-	87,116
Province of Québec	1,565,962	1,565,962	1,751,711
Other revenues	-	116,110	251,937
User fees	218,246	250,844	282,127
Deferred revenue - prior year	8,400	8,400	8,400
Deferred revenue - current year	229,088	229,088	-
	-	(336,686)	(229,088)
	2,021,696	1,833,718	2,065,087
Expenses			
Advertising and promotion	4,300	337	5,314
Community capital and infrastructure costs	714,902	467,431	543,657
Insurance	1,500	768	851
Interest and bank charges	-	5,931	6,676
Legal, professional and consulting fees	70,805	16,956	90,275
Office, meetings and technology	37,761	24,532	30,977
Other	14,109	423	14,608
Overhead cost recoveries	10,266	4,273	2,301
Pension	3,112	3,728	77,272
Repairs and maintenance	12,500	12,551	4,634
Salaries and benefits	1,428,330	1,420,785	1,504,240
Telephone and telecommunications	9,760	7,531	10,950
Training	5,950	2,618	6,593
Travel and vehicle	28,857	21,460	34,360
Utilities	2,500	2,289	2,984
	2,344,652	1,991,613	2,335,692
Deficit before transfers	(322,956)	(157,895)	(270,605)
Transfers			
Community support - Administration	286,090	286,090	-
Transfer to Capital fund	-	-	(10,640)
Transfers between programs	(500)	253	321,842
Transfer principle repayments of capital leases	-	(36,644)	(29,276)
	285,590	249,699	281,926
Surplus	(37,366)	91,804	11,321

Mohawk Council of Kahnawake
Education
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	11,092,861	11,092,860	10,896,036
Set funding	231,367	409,840	223,973
First Nations Education Council	11,324,228	11,502,700	11,120,009
Other revenues	2,807,556	2,808,352	2,672,416
Interest income	113,000	100,654	150,931
Deferred revenue - prior year	30,000	29,324	26,669
	-	-	25,856
	14,274,784	14,441,030	13,995,881
Expenses			
Advertising and promotion	6,000	24,542	8,021
Bad debts	-	22,151	43,947
Education	946,760	958,291	937,494
Insurance	70,550	54,399	57,115
Interest and bank charges	25,462	28,810	26,881
Legal, professional and consulting fees	290,947	375,160	290,346
Office, meetings and technology	76,452	97,930	67,615
Other	75,833	84,018	11,578
Overhead cost recoveries	156,543	1,498	1,483
Pension	-	15,955	12,606
Repairs and maintenance	244,721	411,863	305,314
Salaries and benefits	8,547,588	8,509,945	8,340,466
Telephone and telecommunications	30,447	35,336	31,758
Travel and vehicle	81,180	93,995	79,255
Tuition fees and allowances	3,877,971	3,831,977	3,615,208
Utilities	315,385	344,316	301,186
	14,745,839	14,890,186	14,130,273
Deficit before other items	(471,055)	(449,156)	(134,392)
Other income			
Foreign exchange	-	15	-
Deficit before transfers	(471,055)	(449,141)	(134,392)
Transfers			
Transfer to Capital fund	-	(67,414)	(135,211)
Deficit	(471,055)	(516,555)	(269,603)

Mohawk Council of Kahnawake
Indian government support
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	1,990,846	1,964,943	391,917
Set funding	1,084,714	1,084,714	1,052,036
Fixed funding	230,301	230,301	223,564
Department of Justice	2,283,582	2,435,334	2,341,639
Other government revenue	465,844	255,902	469,720
Province of Québec	6,055,287	5,971,194	4,478,876
Other revenues	2,372,153	2,560,039	2,388,610
Kahnawake Gaming Commission	351,873	301,943	375,999
Interest income	-	931,903	1,015,279
Deferred revenue - prior year	-	3,319	3,575
Deferred revenue - current year	309,816	309,816	228,945
	-	(43,000)	(309,816)
	9,089,129	10,035,214	8,181,468
Expenses			
Administration	149,519	99,076	107,776
Advertising and promotion	171,990	86,785	87,104
Bad debts	-	58,632	33,404
Community capital and infrastructure costs	282,899	45,598	70,528
Insurance	15,000	8,653	8,909
Interest and bank charges	82,512	226,231	71,154
Legal, professional and consulting fees	858,377	792,437	872,391
Office, meetings and technology	186,310	170,852	186,066
Other	100,673	99,133	115,223
Overhead cost recoveries	350	267	437
Pension	3,386,131	2,373,748	1,868,660
Repairs and maintenance	32,500	44,147	43,763
Salaries and benefits	5,765,892	6,006,840	5,972,041
Telephone and telecommunications	41,524	27,920	51,044
Training	138,289	198,707	198,962
Travel and vehicle	339,695	263,101	318,296
Utilities	25,118	34,587	35,238
	11,576,779	10,536,714	10,040,996
Deficit before other items	(2,487,650)	(501,500)	(1,859,528)
Other income (expense)			
Reimbursement of prior years' deficit	-	348,627	14,823
Repayment of government funding	-	(416,098)	(299,685)
	-	(67,471)	(284,862)
Deficit before transfers	(2,487,650)	(568,971)	(2,144,390)
Transfers			
Internally Restricted funds	508,744	44,517	603,747
Community support - Administration	2,477,756	2,358,290	-
Transfer to Capital fund	-	(543,916)	(205,957)
Transfers between programs	(345,000)	(1,178,696)	1,585,276
	2,641,500	680,195	1,983,066
Surplus (deficit)	153,850	111,224	(161,324)

Mohawk Council of Kahnawake
Social Development
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	9,056,588	9,015,061	7,832,771
Fixed funding	3,907,205	3,907,205	4,350,722
Set funding	180,000	170,000	482,341
Flexible	-	55,504	-
Health Canada	8,551,982	8,476,845	8,323,273
Canada Mortgage and Housing Corporation	31,825	31,825	31,825
Canada Revenue Agency	157,400	171,321	170,966
MSI	21,885,000	21,827,761	21,191,898
Other revenues	1,078,736	1,253,730	1,299,072
Interest income	439,865	857,498	681,581
Rental income	1,013,900	860,194	872,811
Deferred revenue - prior year	462,735	442,718	416,464
Deferred revenue - current year	488,904	488,904	487,028
	(238,670)	(300,329)	(488,904)
	25,130,470	25,430,476	24,459,950
Expenses			
Advertising and promotion	-	-	3,338
Bad debts (recoveries)	-	(46,894)	25,711
Community capital and infrastructure costs	2,553,235	534,222	750,347
Foster and institutional care	1,845,603	1,933,492	2,235,865
Health and other social services	3,534,135	3,354,147	2,845,529
Insurance	22,275	21,715	18,419
Interest and bank charges	24,620	31,759	(27,132)
Legal, professional and consulting fees	210,883	323,921	220,207
MSI	335,010	549,224	626,790
Office, meetings and technology	325,460	181,411	238,451
Other	440,007	281,142	309,411
Overhead cost recoveries	47,905	2,195	11,332
Pension	47,767	33,901	50,025
Repairs and maintenance	129,084	205,791	155,544
Salaries and benefits	10,620,216	10,637,990	9,338,453
Social assistance	5,647,200	6,114,714	5,705,419
Telephone and telecommunications	51,493	47,215	53,023
Training	54,775	30,278	30,569
Travel and vehicle	256,017	242,817	275,541
Utilities	72,047	82,984	63,908
	26,217,732	24,562,024	22,930,750
Surplus before other items	(1,087,262)	868,452	1,529,200

Continued on next page

Mohawk Council of Kahnawake
Social Development
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014	2014	2013
Surplus before other items <i>(Continued from previous page)</i>	(1,087,262)	868,452	1,529,200
Other income (expense)			
Allocation to other community organizations	-	-	(6,356)
Cancellation of government funding	-	(238,670)	-
Repayment of government funding	-	(34,889)	(244,723)
	-	(273,559)	(251,079)
Surplus before transfers	(1,087,262)	594,893	1,278,121
Transfers			
Internally Restricted funds	28,810	(1,979,928)	(596,571)
Transfer to Capital fund	-	(66,156)	(111,684)
Payments on mortgage and housing loans	880,640	1,005,990	1,002,605
Payment of new mortgages and housing loans	-	(394,897)	-
Transfers between programs	(4,095)	-	(11,618)
Transfer of mortgage principle from Kahnawake Office Complex	-	-	8,901
	905,355	(1,434,991)	291,633
Surplus (deficit)	(181,907)	(840,098)	1,569,754

Mohawk Council of Kahnawake
Economic Development
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	983,336	921,060	873,395
Flexible	947,762	608,687	640,731
Human Resources and Skills Development Canada	591,450	591,790	824,288
FNHRDCQ	2,522,548	2,121,537	2,338,414
Rental income	1,109,936	1,533,330	1,534,710
Dividend income	1,541,828	1,556,779	1,467,416
Interest income	1,700,000	1,807,780	1,727,200
Province of Québec	329,493	178,916	60,000
Consulting revenue	340,286	318,029	347,753
Other revenues	315,927	105,204	258,970
Deferred revenue - prior year	527,844	527,844	-
Deferred revenue - current year	-	(981,451)	(527,844)
	8,498,949	7,306,201	7,406,737
Expenses			
Advertising and promotion	156,274	99,770	123,455
Bad debts	-	25,001	(3,867)
Economic development projects	1,289,480	751,955	464,542
Employment and training	1,359,087	1,273,326	1,526,329
Insurance	31,744	26,995	27,696
Interest and bank charges	174,213	177,464	189,920
Legal, professional and consulting fees	1,031,585	873,085	1,349,301
Office, meetings and technology	725,394	384,013	448,447
Other	205,236	53,764	44,987
Overhead cost recoveries	(212,036)	(420,385)	(426,200)
Repairs and maintenance	158,486	127,837	141,395
Salaries and benefits	2,868,437	2,833,725	2,647,921
Telephone and telecommunications	34,115	30,632	33,531
Training	56,125	32,880	4,369
Travel and vehicle	161,915	44,543	120,982
Utilities	186,217	165,973	228,820
	8,226,272	6,480,578	6,921,628
Surplus before other items	272,677	825,623	485,109
Other income (expense)			
Deferred expenses	-	(41,295)	-
Foreign exchange	22,713	200,294	15,877
	22,713	158,999	15,877
Surplus before transfers	295,390	984,622	500,986
Transfers			
Transfer to Capital fund	-	(1,697,949)	(160,204)
Mortgage payments on office and business complex	(289,034)	(290,482)	(275,559)
	(289,034)	(1,988,431)	(435,763)
Surplus (deficit)	6,356	(1,003,809)	65,223

Mohawk Council of Kahnawake
Community Capital Facilities & Housing
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	8,659,028	6,196,294	6,036,331
Set funding	-	-	1,281,506
Canada Mortgage and Housing Corporation	270,000	-	-
Province of Québec	8,929,028	6,196,294	7,317,837
Other revenues	1,735,807	2,337,264	1,784,208
User fees	1,579,650	704,046	245,064
Other transferred revenue	116,470	131,001	126,550
Rental income	356,530	-	-
Interest income	3,660	20,169	19,906
Deferred revenue - current year	-	-	(2,158,668)
Deferred revenue - prior year	2,158,668	2,158,668	2,151,588
	14,879,813	11,714,150	9,653,193
Expenses			
Administration	17,000	15,683	7,040
Community capital and infrastructure costs	4,232,848	820,280	1,049,790
Insurance	8,394	9,600	9,939
Interest and bank charges	-	298	1,132
Legal, professional and consulting fees	-	93,062	9,530
Office, meetings and technology	267,135	929,447	355,436
Other	24,608	16,530	17,350
Overhead cost recoveries	(192,204)	(9,699)	(281,077)
Pension	-	67,295	94,996
Repairs and maintenance	318,510	365,791	278,331
Salaries and benefits	2,900,660	3,258,867	3,397,528
Telephone and telecommunications	8,732	13,486	15,360
Training	72	38,259	3,707
Travel and vehicle	144,347	196,215	147,389
Utilities	359,200	367,588	355,387
	8,089,302	6,182,702	5,461,838
Surplus before other items	6,790,511	5,531,448	4,191,355
Other income (expense)			
Deferred expenses	-	-	31,494
Repayment of government funding	-	(7,816)	-
	-	(7,816)	31,494
Surplus before transfers	6,790,511	5,523,632	4,222,849
Transfers			
Internally Restricted funds	475,000	(266,962)	582,011
Community support - Administration	10,000	11,551	-
Transfer to Capital fund	-	(5,262,510)	(5,555,082)
Transfers between programs	-	417,301	725,111
Transfer principle repayments of capital leases	-	(6,677)	(27,995)
	485,000	(5,107,297)	(4,275,955)
Surplus (deficit)	7,275,511	416,335	(53,106)

Mohawk Council of Kahnawake
Government Negotiations
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada Set funding	160,565	169,195	165,449
Expenses			
Administration	13,538	8,220	5,156
Community capital and infrastructure costs	-	-	571
Legal, professional and consulting fees	20,040	20,711	68,272
Office, meetings and technology	5,750	3,639	4,496
Salaries and benefits	94,600	89,688	46,000
Telephone and telecommunications	-	854	404
Travel and vehicle	35,032	19,779	18,940
	168,960	142,891	143,839
Surplus before other items	(8,395)	26,304	21,610
Other income (expense)			
Repayment of government funding	-	(26,304)	(21,610)
Surplus (deficit)	(8,395)	-	-

Mohawk Council of Kahnawake
Public Safety
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	515,729	515,729	593,584
Other revenues	185,259	252,814	169,597
Deferred revenue - prior year	-	-	39,844
	700,988	768,543	803,025
Expenses			
Advertising and promotion	-	1,512	-
Community capital and infrastructure costs	8,120	7,255	8,740
Insurance	23,548	3,657	3,735
Interest and bank charges	2,552	759	2,683
Legal, professional and consulting fees	-	2,100	800
Office, meetings and technology	27,525	22,687	9,111
Other	49,438	77,539	45,710
Overhead cost recoveries	2,515	4,317	3,627
Pension	3,652	1,558	34,991
Repairs and maintenance	49,762	34,302	26,832
Salaries and benefits	1,043,206	1,012,424	962,197
Telephone and telecommunications	15,861	13,118	13,959
Training	93,130	59,959	63,698
Travel and vehicle	96,452	99,246	80,225
Utilities	21,102	15,397	19,691
	1,436,863	1,355,830	1,275,999
Deficit before other items	(735,875)	(587,287)	(472,974)
Other income (expense)			
Deferred expenses	-	-	(420)
Deficit before transfers	(735,875)	(587,287)	(473,394)
Transfers			
Internally Restricted funds	30,936	(9,728)	-
Community support - Administration	84,337	84,337	-
Transfer to Capital fund	-	(99,135)	-
Transfers between programs	246,392	246,392	249,824
	361,665	221,866	249,824
Deficit	(374,210)	(365,421)	(223,570)

Mohawk Council of Kahnawake
Other
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada			
Block funding	2,222,269	2,211,115	4,588,542
Other government revenue	-	-	36,946
Province of Québec	2,222,269	2,211,115	4,625,488
Other revenues	2,354,873	1,485,101	1,495,826
Dividend income	511,914	1,129,850	622,101
Sports Complex	1,843,569	1,806,975	1,868,764
Tickets and fines	554,900	590,347	613,854
Royalties	840,300	570,018	577,099
Interest income	275,000	354,468	376,002
Rental income	232,904	291,995	251,485
Deferred revenue - prior year	121,734	1,510	120,998
Deferred revenue - current year	115,103	115,103	440,695
	-	-	(115,103)
	9,072,566	8,556,482	10,877,209
Expenses			
Administration	-	77,691	27,699
Advertising and promotion	43,000	33,568	44,641
Bad debts	-	166,990	149,180
Community capital and infrastructure costs	430,778	415,041	426,009
Insurance	83,111	84,616	82,423
Interest and bank charges	2,100	2,873	7,371
Legal, professional and consulting fees	438,661	458,735	534,087
Office, meetings and technology	125,613	67,841	110,543
Other	199,347	357,046	258,278
Overhead cost recoveries	9,980	(95,775)	186,998
Pension	9,319	9,882	210,475
Repairs and maintenance	188,667	201,841	288,285
Salaries and benefits	4,424,298	4,230,770	4,159,519
Telephone and telecommunications	69,176	58,721	64,658
Training	83,895	69,060	119,647
Travel and vehicle	63,420	69,451	192,453
Utilities	181,037	214,273	195,092
	6,352,402	6,422,624	7,057,358
Surplus before other items	2,720,164	2,133,858	3,819,851

Continued on next page

Mohawk Council of Kahnawake
Other
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014	2014	2013
Surplus before other items <i>(Continued from previous page)</i>	2,720,164	2,133,858	3,819,851
Other income (expense)			
Deferred expenses	-	(67,911)	(50,000)
Foreign exchange	-	402,747	290,297
Reimbursement of prior years' deficit	-	-	366,784
Allocation to other community organizations	(355,000)	(355,000)	(186,000)
Repayment of government funding	-	-	(13,554)
	(355,000)	(20,164)	407,527
Surplus before transfers	2,365,164	2,113,694	4,227,378
Transfers			
Internally Restricted funds	828,044	685,773	601,623
Community support - Administration	3,197,230	(2,740,268)	-
Transfer to Capital fund	-	(69,744)	(49,703)
Transfers between programs	1,146,706	514,750	(3,518,870)
Transfer principle repayments of capital leases	-	(34,219)	(28,855)
	5,171,980	(1,643,708)	(2,995,805)
Surplus	7,537,144	469,986	1,231,573

Mohawk Council of Kahnawake
Ottawa Trust Funds
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	2014 Budget	2014	2013
Revenue			
Commercial and residential leasing	-	10,583	10,853
Interest income	-	268	271
	-	10,851	11,124
Expenses			
Other	-	11,124	10,487
Surplus (deficit)	-	(273)	637

Mohawk Council of Kahnawake
Capital
Schedule 14 - Schedule of Revenue and Expenses
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
Revenue			
Expenses			
Amortization	4,684,163	4,964,488	4,990,843
Deficit before other items	(4,684,163)	(4,964,488)	(4,990,843)
Other income (expense)			
Loss on disposal of capital assets	-	-	(62,080)
Deficit before transfers	(4,684,163)	(4,964,488)	(5,052,923)
Transfers			
Transfer to Capital fund	-	7,806,824	5,619,367
Transfer principle repayments of capital leases	-	77,540	-
Mortgage payments on office and business complex	289,034	290,482	275,559
	289,034	8,174,846	5,894,926
Surplus	(4,395,129)	3,210,358	842,003