

Mohawk Council of Kahnawà:ke
Consolidated Financial Statements
March 31, 2021

Mohawk Council of Kahnawà:ke

Contents

For the year ended March 31, 2021

	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.....	4
Consolidated Statement of Cash Flows.....	5
Notes to the Consolidated Financial Statements	6
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	21
Schedule 2 - Consolidated Schedule of Expenses by Object.....	24
Schedule 3 - Consolidated Schedule of Revenue and Expenses.....	25
Schedule 4 - Government Operations.....	25
Schedule 5 - Economic Development.....	28
Schedule 6 - Health and Community Services.....	29
Schedule 7 - Education.....	30
Schedule 8 - Fire Services.....	31
Schedule 9 - Service Complex.....	32
Schedule 10 - Cultural Center.....	33
Schedule 11 - Ottawa Trust Funds.....	34

Management's Responsibility

To the Community Members of Mohawk Council of Kahnawà:ke:

The accompanying consolidated financial statements of Mohawk Council of Kahnawà:ke are the responsibility of management and have been approved by Council of Chiefs.

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 fulfils 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 Kahnawà:ke's external auditors.

MNP SENCRL, srl is appointed by Council of Chiefs 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.

July 30, 2021

E-SIGNED by Karlie Marquis

Executive Director

E-SIGNED by Kevin Kennedy

**Executive
Operations Office**

Independent Auditor's Report

To the Community Members of Mohawk Council of Kahnawà:ke:

Opinion

We have audited the consolidated financial statements of Mohawk Council of Kahnawà:ke and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 First Nation 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, 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 the consolidated financial statements, management is responsible for assessing the First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

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 First Nation'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 First Nation'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 First Nation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Montréal, Québec

July 30, 2021

*MNP*¹
SENCRL, sr1

¹ CPA auditor, CA, public accountancy permit no. A124849

Mohawk Council of Kahnawà:ke
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents <i>(Note 4)</i>	82,763,871	75,911,737
Term deposits <i>(Note 5)</i>	17,290,512	14,204,050
Accounts receivable <i>(Note 6)</i>	7,774,517	10,935,406
Loan receivable <i>(Note 7)</i>	30,573,267	26,349,241
Investment in loans <i>(Note 8)</i>	5,538,425	7,998,722
Investments in government partnerships and business entities <i>(Note 9)</i>	18,273,242	6,110,759
Mortgage and housing loans <i>(Note 10)</i>	12,163,055	12,790,844
Total financial assets	174,376,889	154,300,759
Liabilities		
Accounts payable and accruals <i>(Note 12)</i>	12,043,108	10,699,771
Deferred revenue <i>(Note 13)</i>	9,012,826	4,091,323
Loan payable - Des Cultures Renewable Energy LP <i>(Note 14)</i>	1,311,243	-
Loan payable <i>(Note 7)</i>	30,573,267	26,349,241
Amounts held in trust <i>(Note 15)</i>	138,153	96,486
Long-term debt <i>(Note 16)</i>	3,124,964	3,289,932
Total liabilities	56,203,561	44,526,753
Net financial assets	118,173,328	109,774,006
Contingencies <i>(Note 17)</i>		
Non-financial assets		
Tangible capital assets <i>(Note 18) (Schedule 1)</i>	94,209,491	91,702,521
Inventories held for use	59,280	42,998
Prepaid expenses	570,792	935,599
Total non-financial assets	94,839,563	92,681,118
Accumulated surplus <i>(Note 19)</i>	213,012,891	202,455,124
Approved on behalf of Council		
E-SIGNED by Kahsennenhawé Sky-Deer	E-SIGNED by Mike Delisle	
_____	Grand Chief	Chief, FAO Chairperson

Mohawk Council of Kahnawà:ke
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
Revenue				
Indigenous Services Canada (Note 23), (Note 25)		59,383,594	71,558,288	54,771,467
Health Canada (Note 23)		-	14,813,992	11,853,975
Additional government funding (Note 23)		4,445,445	5,647,687	5,106,737
Canada Mortgage and Housing Corporation (Note 23)		324,898	375,846	256,458
First Nations Education Council		5,099,904	5,329,592	4,135,272
Province of Québec (Note 23)		6,199,485	5,835,217	5,748,444
National Aboriginal Capital Corporations Association		491,242	631,864	547,784
First Nations Human Resource Development Commission of Québec		2,022,699	2,051,889	2,031,408
FNQLHSSC		-	206,864	-
Waban-Aki		-	177,980	-
Other community income		7,312,925	13,546,744	17,782,031
Investment income		682,697	1,442,211	2,632,756
Deferred revenue - prior year (Note 13)		874,214	3,888,911	2,642,167
Deferred revenue - current year (Note 13)		(296,666)	(8,810,414)	(4,091,323)
Recovery of prior year funding		-	662,059	9,126
Repayment of government funding		-	(115,877)	(139,236)
Cancellation of government funding		-	(100,000)	-
		86,540,437	117,142,853	103,287,066
Expenses				
Government operations	4	56,943,095	66,072,446	50,240,118
Economic development	5	8,285,845	7,190,681	6,922,332
Health and community services		22,799,227	25,198,771	21,754,011
Education	7	18,136,000	18,851,946	18,434,572
Fire services	8	1,064,334	1,377,420	1,420,474
Service complex	9	304,340	313,696	372,447
Cultural center	10	1,017,097	828,111	913,349
Ottawa trust funds	11	-	-	26,886
Total expenses (Schedule 2)		108,549,938	119,833,071	100,084,189
Surplus (deficit) before other items		(22,009,501)	(2,690,218)	3,202,877
Other income (expense)				
Income from investments in government business entities (Note 9)		-	12,598,300	4,883,420
Income (loss) from Investment in Government Business Partnerships (Note 9)		-	1,970,047	(186,303)
Foreign exchange gain (loss)		(13,000)	(1,351,758)	1,035,277
Allocation to other community organizations		-	(352,488)	(509,750)
Deferred expenses		-	296,334	220,174
Gain on disposal of capital assets		-	87,550	157,300
		(13,000)	13,247,985	5,600,118
Surplus		(22,022,501)	10,557,767	8,802,995

Continued on next page

Mohawk Council of Kahnawà:ke
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
Surplus				
(Continued from previous page)				
Accumulated surplus, beginning of year		202,455,124	202,455,124	193,652,129
Accumulated surplus, end of year		180,432,623	213,012,891	202,455,124

Mohawk Council of Kahnawà:ke
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2021

	2021 Budget	2021	2020
Annual surplus	22,022,051	10,557,767	8,802,995
Purchases of tangible capital assets	(4,261,780)	(9,239,739)	(10,123,219)
Amortization of tangible capital assets	114,000	6,732,768	6,384,836
Gain on sale of tangible capital assets	-	(87,550)	(157,300)
Acquisition of fuel inventory	-	(16,281)	(14,842)
Proceeds of disposal of tangible capital assets	-	87,550	157,300
	(4,147,780)	(2,523,252)	(3,753,225)
Acquisition of prepaid expenses	-	(570,792)	(446,742)
Use of prepaid expenses	-	935,599	71,296
	-	364,807	(375,446)
Increase in net financial assets	17,874,271	8,399,322	4,674,324
Net financial assets, beginning of year	109,774,006	109,774,006	105,099,682
Net financial assets, end of year	127,648,277	118,173,328	109,774,006

Mohawk Council of Kahnawà:ke
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	120,400,034	102,765,586
Cash paid to suppliers	(59,664,480)	(40,848,411)
Cash paid to employees	(52,860,026)	(49,963,248)
Investment income	1,442,211	2,632,756
Interest on long-term debt	(132,271)	(145,727)
	9,185,468	14,440,956
Financing activities		
Change in amounts held in trust	41,668	9,140
Advances of long-term debt	2,609,618	1,285,739
Repayment of long-term debt	(1,192,297)	(479,078)
Repayment of capital lease obligations	-	(4,645)
Repayment of promissory note	(177,500)	-
	1,281,489	811,156
Capital activities		
Purchases of tangible capital assets	(9,239,739)	(10,123,219)
Proceeds of disposal of tangible capital assets	87,550	157,300
	(9,152,189)	(9,965,919)
Investing activities		
Purchase of term investments	(235,207)	(14,204,047)
Proceeds on disposal of term investments	238,976	61,419,362
Cash payments for new housing loans and mortgages granted	(146,404)	(1,098,723)
Principal repayments on mortgages and housing loans	1,247,987	1,604,399
Investment in business loans receivable	(683,625)	(225,052)
Repayment of business loan receivable	129,535	149,179
Repayment of loan receivable from government business entity	2,580,240	1,709,600
Investment in limited partnership units	(1,594,136)	-
Dividends received from government business entity	4,000,000	1,900,000
	5,537,366	51,254,718
Increase in cash resources	6,852,134	56,540,911
Cash resources, beginning of year	75,911,737	19,370,826
Cash resources, end of year	82,763,871	75,911,737

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

Mohawk Council of Kahnawà:ke ("MCK") is located in the province of Quebec and provides various services to its community members. Mohawk Council of Kahnawà:ke includes the government and all related entities which form part of the Government Reporting Unit.

2. Significant event

During the year, there was an outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, Provincial, Indigenous and municipal governments regarding travel, business operations and isolation / quarantine measures.

At this time, it is unknown what the extent of the impact of the COVID-19 outbreak may have on MCK as this will depend on future developments that are highly uncertain and cannot be predicted with any degree of confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, the nature and duration of travel restrictions, business closures or disruptions and quarantine measures that are currently, or may be put, into place by Federal, Provincial and municipal governments to combat the spread of the virus.

MCK is providing significant support with respect to COVID-19 activities and it is expected that this support will continue through the funding it has received from ISC. However, as the outbreak situation continues at the time of these financial statements, complete information on the costs and the support to be received cannot be reasonably estimated.

3. 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 Mohawk Council of Kahnawà:ke government reporting entity. Trusts administered on behalf of third parties by Mohawk Council of Kahnawà:ke are excluded from the reporting entity.

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

- Mohawk Council of Kahnawà:ke
- Kahnawà:ke Shakotia'Takehnhas Community Services
- Tewatohnhi'saktha
- Kahnawà:ke Education Center
- Kanien'kehaka Onkwawen:na Raotitiohkwa
- Kahnawà:ke Fire Brigade
- Kahnawà:ke Service Complex
- Karihwanon Kanienkehá:ka Owenna Tsi Ionteriwaienstahkwa

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.

Inter-entity transactions

MCK recognizes and records all transactions with entities within the Government reporting entity ("inter-entity transactions") at their carrying amount as determined at the transaction date.

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.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies (Continued from previous page)

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 inventories held for use.

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.

Segments

MCK conducts its business through eight 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*.

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 or 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.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies (Continued from previous page)

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.

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:

	Methods	Rates and periods
Land improvements	straight-line	5-50 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

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.

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 allowances for forgiveness (where applicable) and provisions 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. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the year in which they become known.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies (Continued from previous page)

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.

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.

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.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. Cash and cash equivalents

	2021	2020
Cash on hand and balances with banks	7,985,018	21,806,700
Internally restricted	73,928,544	53,587,273
Held in trust for community members	138,153	96,485
Ottawa trust funds	23,710	12,006
Externally restricted	688,446	409,273
	82,763,871	75,911,737

Externally restricted cash relates to funds provided for the Business Contribution Fund and is restricted to the operations of the program and cannot be used for any other purpose.

Internally restricted funds have been set aside and designated by Council of Chiefs and the boards of directors of the various organizations for specific purposes as described in Note 19. These funds cannot be used for any other purposes without the prior approval of Council of Chiefs or the board of directors of the organization which initially restricted those funds.

5. Term deposits

Term deposits consist of various Canadian dollar term deposits which are interest bearing at rates ranging from 0.3% to 0.75% annually, and have maturity dates ranging from October 2021 and March 2022. The market value of the term deposits at March 31, 2021 approximates their carrying amount. Term deposits have been restricted as described in Note 19.

6. Accounts receivable

	2021	2020
Indigenous Services Canada	2,262,049	1,756,983
Government of Canada	934,407	3,548,839
Province of Québec	507,064	2,530,538
Contributions and other receivables	3,371,072	1,841,174
First Nations Education Council	562,633	844,738
Commodity and fuel taxes	118,443	302,119
Interest receivable	18,849	111,015
	7,774,517	10,935,406

The accounts receivable balance is net of an allowance for uncollectible amounts of \$4,962,642 (2020 - \$4,438,891).

7. Loan receivable (payable)

Mohawk Council of Kahnawà:ke (MCK) 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 Center (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 by 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 \$31,271,000. As part of this project, a short rate term loan agreement was signed between Financement-Québec, Mohawk Council of Kahnawà:ke and MSSS for the purpose of financing the construction costs of the hospital expansion.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

7. Loan receivable (payable) (Continued from previous page)

As at March 31, 2021, total funding provided directly to KMHC by MSSS with respect to the project amounted to \$30,573,267 including capitalized interest of \$1,709,267. Therefore, this amount has been recorded as a loan receivable from KMHC.

Under the terms of the short rate term loan agreement, MCK has been identified as the borrower. Therefore, at March 31, 2021, an equal amount has been recognized as a liability due to Financement-Québec.

As MCK is the guarantor and the loan receivable and payable are with different counter-parties, both an asset and a liability have been recorded for this amount, as no legal right of offset exists.

8. Investment in loans

Investment in loans consist of the following:

	Principal	Provisions and allowances	2021 Net recoverable value	2020 Net recoverable value
Onkwawista Holdings Limited ¹	4,527,000	-	4,527,000	7,377,240
Loans receivable - Youth and Business Fund ²	682,444	(5,519)	676,925	621,432
Loans receivable - Emergency Loan Program ³	334,500	-	334,500	-
	5,543,944	(5,519)	5,538,425	7,998,672

¹ The loan receivable from Onkwawista Holdings Limited ("OHL") of \$4,527,000 (US\$3,600,000) (2020 - \$7,377,240 (US\$5,200,000)) is unsecured, interest bearing at 2.5% per annum, and is repayable by way of annual principal payments of US\$1,600,000 to August 1, 2021 and annual principal payments thereafter of US\$400,000 until August 1, 2026.

² The primary purpose of the Business Loan Fund (BLF) and the Youth Business Fund (YBF) loans are to help the youth entrepreneurs and members of the business community of Kahnawà:ke to establish viable businesses. The general terms and conditions differ from conventional loan agreements in that they are unsecured. Amortization periods range from one to ten years depending on the size of the loan. Interest is charged at annual fixed rates ranging from 6.25% to 7.95% (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. Furthermore, the Organization will forgive the remaining 25% of the loan balance once 75% has been reimbursed and the borrower has met all the terms of the agreement to the date of forgiveness. Recovery of youth loans is dependent upon the success of the related borrowers' businesses as the youth loans require no equity or personal guarantees.

³ Indigenous Business Stabilization Program - Emergency Loan Program (ELP) loans are unsecured, non-interest bearing with 25%-50% forgiveable if repaid no later than 4 years following the date the loan was issued, payable monthly commencing no later than one year after the loan was issued.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Investments in government partnerships and business entities

The First Nation has investments in the following business sectors:

	<i>Investment cost, beginning of year</i>	<i>Investment in shares or units</i>	<i>Share of earnings (loss)</i>	<i>Adjustments</i>	<i>Dividends</i>	<i>2021 Total investment</i>
Wholly-owned Businesses:						
Online Gaming	5,981,076	-	12,598,300	-	(4,000,000)	14,579,376
Business Partnership - Modified equity:						
Renewable energy	129,627	1,594,136	1,970,047	-	-	3,693,810
	6,110,703	1,594,136	14,568,347	-	(4,000,000)	18,273,186
	<i>Investment cost, beginning of year</i>	<i>Investment in shares or units</i>	<i>Share of earnings (loss)</i>	<i>Adjustments</i>	<i>Dividends</i>	<i>2020 Total investment</i>
Wholly-owned Businesses:						
Online gaming	2,985,689	-	4,883,420	12,023	(1,900,000)	5,981,132
Business Partnership - Modified equity:						
Renewable energy	930	315,000	(186,303)	-	-	129,627
	2,986,619	315,000	4,697,117	12,023	(1,900,000)	6,110,759

The First Nation's investment in Des Cultures Renewable Energy, Limited Partnership was established for the purpose of building and operating a wind farm in St. Remi, Quebec in partnership with Kruger Energy Inc (KEI).

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Des Cultures Renewable Energy, LP [unaudited] As at December 31, 2020</i>	<i>Des Cultures Renewable Energy, LP [unaudited] As at March 31, 2021</i>
Assets		
Cash	735,880	1,542,777
Sales tax receivable	1,641,405	144,006
Property, plant and equipment	17,530,858	18,906,329
Right-of-use-assets	3,974,030	3,974,030
Derivative financial instrument	310,553	6,623,206
Total assets	24,192,726	31,190,348
Liabilities		
Accounts payable and accruals	4,642,370	1,640,736
Lease obligation	3,630,951	3,809,051
Long-term debt	9,669,077	13,175,479
Asset retirement obligation	251,450	254,044
Total liabilities	18,193,848	18,879,310

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Investments in government partnerships and business entities *(Continued from previous page)*

Net assets	5,998,878	12,311,038
Total revenue	18,712	2,103
Total expenses	168,955	2,594
Net loss	(150,243)	(491)
Other comprehensive income	310,553	6,312,652
Net income	160,310	6,312,161

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Mohawk Online Limited As at December 31, 2020</i>	<i>Onkwawista Holdings Limited As at March 31, 2021</i>	<i>Mohawk Online Kahnawake As at March 31, 2021</i>
Assets			
Cash	7,666,436	42,110	22,920
Accounts receivable	4,898,153	75,644	98,781
Prepayments	7,926	-	1,500
Loans receivable	-	4,538,610	-
Tangible fixed assets	208	-	-
Total assets	12,572,723	4,656,364	123,201
Liabilities			
Accounts payable and accruals	332,360	123,415	96,632
Loan payable	-	4,538,610	-
Total liabilities	332,360	4,662,025	96,632
Net assets excluding accumulated other comprehensive income	12,240,363	(5,661)	26,569
Total revenue	9,844,337	131,700	428,893
Total expenses	773,989	225,658	412,146
Net income (loss)	9,070,348	(93,958)	16,747
Comprehensive income (loss)	9,070,348	(93,958)	16,747

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Investments in government partnerships and business entities *(Continued from previous page)*

One of the First Nation's investee has a different year-end than March 31, 2021. The First Nation uses the investee's year-end financial statements to account for its investment in this investee.

Name of investee	Year-end	Significant events and transactions
Des Cultures Renewable Energy, LP	December 31, 2020	Gain on derivative financial instrument \$6,312,652
Mohawk Online Limited	December 31, 2020	During the period of January 1, 2021 to March 31, 2021, the investee earned profits of \$5,313,586 which was included in the balance of the Organization's investment in the investee as at March 31, 2021.

10. Mortgage loans receivable and housing initiative loans

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. Old mortgages are repayable in monthly instalments and bear interest at 6% per annum. New mortgages are repayable in monthly blended instalments and at variable interest rates.

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.

11. Revolving line of credit

MCK has access to various unsecured credit facilities amounting to \$3,220,000 (2020 - \$3,220,000) which remains unused as at March 31, 2021, which are renewable on an annual basis. Borrowings under these facilities bear interest at rates ranging from prime plus 0.5% to prime plus 3% per annum.

12. Accounts payable and accruals

	2021	2020
Trade payables	7,901,410	6,817,820
Salaries and vacations payable	3,939,674	3,648,221
Government funding repayable	202,024	233,730
	<hr/> 12,043,108	<hr/> 10,699,771

13. Deferred revenue

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

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

13. Deferred revenue (Continued from previous page)

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
Deferred Revenue				
ISC	1,466,926	10,961,922	7,032,438	5,396,410
Government of Quebec	717,345	255,502	132,687	840,160
Government of Canada	-	186,626	56,707	129,919
FNEC	182,217	5,277,948	4,682,788	777,377
NACCA	437,215	489,812	531,814	395,213
Step-by-Step	-	565,282	345,424	219,858
ESDC	27,612	581,070	436,650	172,032
FNHRDCQ	63,729	234,685	141,360	157,054
Other	1,196,279	2,291,896	2,563,372	924,803
	4,091,323	20,844,743	15,923,240	9,012,826

14. Loan payable - Des Cultures Renewable Energy LP

Loan payable - Des Cultures Renewable Energy LP (70% partner), is unsecured, bears interest at 5% per annum and has no specific terms of repayment.

15. Amounts held in trust

Mohawk Council of Kahnawà:ke 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, 2021. Use of these funds is restricted as described in Note 4.

16. Long-term debt

	<i>2021</i>	<i>2020</i>
Mortgage payable, interest bearing at 3.54% (2020 - 3.55%), repayable in blended monthly installments of \$14,592, with the balance subject to renewal in August 2021, secured by a trust agreement in the lender's favour on the Business Complex having a net book value of \$2,933,575	562,698	714,919
Mortgage payable, interest bearing at 3.03% (2020 - 4.60%), repayable in blended monthly installments of \$4,332 with the balance subject to renewal in December 2021, secured by a \$1,000,000 first rank immovable hypothec on the Commercial Complex having a net book value of \$882,782	584,154	614,673
Term loan, unsecured, bearing interest at 3.13% per annum, repayable in monthly principal and interest payments of \$964, due December 2022	19,665	30,428
Term loan, unsecured, bearing interest at 3.13% per annum, repayable in monthly principal and interest payments of \$600, due December 2022	12,251	18,957
Term loan, unsecured, bearing interest at 3.45% per annum, repayable in monthly principal and interest payments of \$2,657, due March 2024	88,620	116,755
Term loan, unsecured, bearing interest at 3.76% per annum, repayable in monthly principal and interest payments of \$1,593, due August 2022	26,329	44,090
Term loan, unsecured, bearing interest at 3.58% per annum, repayable in monthly principal and interest payments of \$1,401, due April 2023	32,411	47,763

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Term loan, unsecured, bearing interest at 4.23% per annum, repayable in monthly principal and interest payments of \$732, due November 2022	13,425	21,456
Term loan, unsecured, bearing interest at 3.8% per annum, repayable in monthly principal and interest payments of \$643, due April 2023	15,434	22,420
Term loan, unsecured, bearing interest at 3.73% per annum, repayable in monthly principal and interest payments of \$1,422, due June 2025	66,980	81,258
Term loan, unsecured, bearing interest at 3.75% per annum, repayable in monthly principal and interest payments of \$3,070, due February 2026	165,193	195,228
Term Loan, unsecured, bearing interest at 3.20% per annum, repayable in monthly principle and interest payments of \$9,177, maturing December 2020.	-	45,662
Term Loan, unsecured, bearing interest at 3.15% per annum, repayable in monthly principle and interest payments of \$6,789 maturing October 2026.	416,593	483,783
Term Loan, unsecured, bearing interest at 3.58% per annum, repayable in monthly principle and interest payments of \$2,285, maturing March 2026.	125,342	147,833
Term Loan, unsecured, bearing interest at 3.23% per annum, repayable in monthly principle and interest payments of \$5,886 maturing May 2024.	212,342	275,015
Term Loan, unsecured, bearing interest at 3.08% per annum, repayable in monthly principle and interest payments of \$3,701 maturing June 2026.	215,027	252,192
Promissory note payable to the limited partnership, unsecured, non-interest bearing and due on demand.	-	177,500
Indigenous Business Stabilization Program - Emergency Loan Program loans payable are unsecured, non-interest bearing with 25% - 50% forgiveable if repaid no later than 4 years following the date the loan was issued, payable monthly, on the same basis the loans receivable are collected, commencing no later than one year after the loan was issued.	568,500	-
	3,124,964	3,289,932

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

	Total
2022	570,922
2023	641,940
2024	606,058
2025	389,363
2026	225,260

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

17. Contingencies

- (a) The Community has entered into contribution agreements with various government departments. Funding received under these contribution agreements may be subject to repayment upon final review and verification of the eligibility of the expenses by the funder.
- (b) Mohawk Council of Kahnawà:ke has been named as a defendant in several lawsuits as part of its ongoing operations, with respect to various legal matters that 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 Kahnawà:ke guarantees loans made to Kahnawà:ke residents by Canada Mortgage and Housing Corporation for renovations. As at March 31, 2021, such loans are not significant. Mohawk Council of Kahnawà:ke has also acted as co-signer on mortgage loans to residents from various lending institutions for an aggregate amount of approximately \$9,260,005 (2020 - \$9,494,575) for purchases of houses as part of the On-reserve loan guarantee program.
- (d) Mohawk Council of Kahnawà:ke 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). ISC has provided MCK with an interim loan to assist them in meeting these obligations. As at March 31, 2021 the outstanding loan is \$4,481,536 (2020 - \$4,481,536). The advance is secured by a promissory note which is payable on the earlier of March 31, 2021 or the date on which the claim is settled.
- (e) Through the Business Loan Fund, Mohawk Council of Kahnawà:ke has guaranteed the Caisse Populaire Kahnawà:ke for a portion of the approved bank borrowings to a maximum of \$156,000 (2020 - \$156,000) for aboriginal entrepreneurs under the loan guarantee program. As at March 31, 2021, the total guaranteed indebtedness amounted to \$160,000 (2020 - \$156,000).
- (f) Through Kahnawà:ke Shakotia' Takehnhas Community Services ("KSCS") Mohawk Council of Kahnawà:ke has one human resource matter pending or is before certain regulatory bodies. Management is unable to accurately estimate the outcome of these actions. No provision has been recorded in the accounts. Any settlement resulting from this action will be recorded as an expense in the year in which the settlement occurs.

18. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include land improvements with a carrying value of \$1,651,907 (2020 - \$0). No amortization of this asset has been recorded during the year because the land is currently under development.

19. Accumulated Surplus

The accumulated surplus is comprised of the following:

	2021	2020
Tangible Capital Assets	91,786,874	88,723,929
Ottawa Trust Funds	23,710	12,006
Externally Restricted	11,587,770	10,048,323
Appropriated Reserves	110,249,171	103,565,718
Unappropriated	(634,634)	105,148
	<hr/>	<hr/>
	213,012,891	202,455,124

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

20. CMHC replacement and operating reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC), MCK established a replacement reserve, funded by an annual allocation of \$101,067 (2020 - \$85,200) to ensure replacement of buildings financed by CMHC. At March 31, 2021, \$435,838 (2020 - \$334,771) has been set aside to fully fund this reserve.

Under the terms of the agreement with CMHC, MCK has also established an operational reserve related to the on-reserve housing units funded by CMHC. During the current year, \$68,911 (2020- \$82,152) has been set aside to fully fund this reserve. As at March 31, 2021, \$324,859 (2020 - \$254,473) has been set aside to fully 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 the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

21. Defined benefit pension plan

Mohawk Council of Kahnawà:ke maintains a defined benefit pension plan covering the employees of Mohawk Council of Kahnawà:ke and other band empowered entities. According to the most recent actuarial valuation of the Plan dated March 31, 2021, the Plan had a funding surplus of approximately \$69,950,000 (2020 - \$53,936,000) on a going concern basis and a funding surplus of approximately \$23,491,000 (2020 - excess of \$363,000) on a solvency basis. 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, 2021.

Under the Pension Benefits Standards Act, a Plan sponsor is permitted to use a letter of credit to reduce any solvency special payments otherwise required to be paid under the Act. In this regard, on July 27, 2015, the Plan sponsor entered into a letter of guarantee agreement with Bank of Montreal, whereby Bank of Montreal provided the sponsor with letters of guarantee. Letters of guarantee outstanding at March 31, 2021 totalled \$12,373,231 (2020 - \$12,373,231) and expire on September 30, 2021.

Other accounts receivable includes an amount of \$1,581,045 (2020 - \$1,399,508), net of a provision of \$1,581,045 (2020 - \$1,399,508) due from the Pension plan for the employees of Mohawk Council of Kahnawà:ke. This comprises administrative expenses paid by Mohawk Council of Kahnawà:ke on behalf of the Plan for current and prior years. Expenses for the current year are \$181,537 (2020 - \$170,826) and these amounts are charged at cost.

22. Management contract

MCK, through Tewatohnhi'saktha, has a management contract with Mohawk Internet Technologies ("MIT"), a band empowered entity, which has an exclusivity operating agreement with a third party. Under the terms of the management contract, Tewatohnhi'saktha is responsible for the day to day operations and management of MIT. However, based on the terms of the third party agreement, it does not exercise effective control over MIT's assets, liabilities and surplus without the cooperation and approval of the third party. As such, the assets, liabilities and results of the operations of MIT are not included in these consolidated financial statements.

23. Government transfers

During the year, the Organization recognized the following government transfers:

Federal government transfers

	<i>Operating and capital</i>	<i>Deferrals and repayments</i>	2021	2020
Indigenous Services Canada	86,372,280	(3,768,575)	82,603,705	53,903,129
Public Safety Canada	3,700,919	-	3,700,919	3,065,552
Department of Justice Canada	52,500	-	52,500	52,500
Fisheries and Oceans Canada	32,919	-	32,919	58,744
Canadian Heritage	127,572	(3,597)	123,975	160,407

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

23. Government transfers (Continued from previous page)

Canada Mortgage Housing Corporation	375,846	-	375,846	256,458
Employment and Social Development Canada	574,497	(144,420)	430,077	643,421
Health Canada	511,000	589,862	1,100,862	11,853,975
Canada Revenue Agency	252,931	-	252,931	233,171
Canadian Environment Assessment Agency Canada	32,402	(5,273)	27,129	29,689
Canada Environmental Agency	41,498	-	41,498	12,807
Transport Canada	159,068	(9,665)	149,403	156,986
Economic Development Agency of Canada	-	-	-	161,577
	92,233,432	(3,341,668)	88,891,764	70,588,416
Provincial government transfers				
	<i>Operating and capital</i>	<i>Deferrals and repayments</i>	2021	2020
Transports Québec	2,410,267	-	2,410,267	2,436,374
Sécurité publique Québec	2,762,879	(47,573)	2,715,306	2,456,596
Ministère de la Culture	-	-	-	124,325
Province of Québec	128,637	(100,000)	28,637	360,639
Développement durable, Environnement et Lutte contre les changements climatiques	280,128	(78,271)	201,857	263,186
Département de la justice du Québec	108,500	(47,758)	60,742	-
Secrétariat a l'action communautaire autonome et aux initiatives sociales	-	-	-	11,176
Secrétariat aux affaires autochtones	98,806	(56,494)	42,312	37,547
Ministère de la Justice				
Ministère des affaires autochtones				
Ministère de la Culture et des Communications				
	5,834,217	(330,096)	5,504,121	5,857,382
Total government transfers	98,067,649	(3,671,764)	94,395,885	76,445,798

24. Economic dependence

Mohawk Council of Kahnawà:ke receives 79% (2020 - 72%) of its revenue from Indigenous Services 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.

25. ISC funding reconciliation

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

	2021	2020
Balance per confirmation	71,558,288	54,679,429
ISC fixed funding for Indigenous IT Summit not included in confirmation	-	91,000
ISC Health funding received for Health and Community Services not included in confirmation	14,813,992	1,038
 Balance per financial statements	 86,372,280	 54,771,467

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

26. Budget information

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

27. Loan offer

The Organization has available a loan offer, signed with Investissement Québec, in the amount of \$5,700,000 which bears interest at 5% per annum. As of March 31, 2021, no amount has been drawn.

28. Comparative figures

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

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Land and land improvement</i>	<i>Buildings</i>	<i>Social Housing</i>	<i>Water Treatment Plant</i>	<i>Roads and Infrastructure</i>	<i>Sports Complex</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	3,206,560	63,845,288	7,925,628	11,100,940	58,116,707	2,015,151	146,210,274
Acquisition of tangible capital assets	1,651,907	1,393,860	382,609	-	3,691,011	147,596	7,266,983
Balance, end of year	4,858,467	65,239,148	8,308,237	11,100,940	61,807,718	2,162,747	153,477,257
Accumulated amortization							
Balance, beginning of year	51,238	35,358,907	2,102,369	3,086,086	19,654,888	514,386	60,767,874
Annual amortization	15,793	2,152,684	240,583	320,594	2,033,026	59,098	4,821,778
Balance, end of year	67,031	37,511,591	2,342,952	3,406,680	21,687,914	573,484	65,589,652
Net book value of tangible capital assets	4,791,436	27,727,557	5,965,285	7,694,260	40,119,804	1,589,263	87,887,605
2020 Net book value of tangible capital assets	3,155,322	28,486,381	5,823,259	8,014,854	38,461,819	1,500,765	85,442,400

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Subtotal</i>	<i>School Buses</i>	<i>Vehicles</i>	<i>Firetrucks</i>	<i>Equipment</i>	<i>Computer Hardware and Software</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	146,210,274	2,400,319	5,086,601	2,492,960	4,511,406	2,854,493	163,556,053
Acquisition of tangible capital assets	7,266,983	294,236	881,952	8,221	607,607	154,544	9,213,543
Balance, end of year	153,477,257	2,694,555	5,968,553	2,501,181	5,119,013	3,009,037	172,769,596
Accumulated amortization							
Balance, beginning of year	60,767,874	1,637,184	3,196,084	1,192,319	3,243,395	2,075,857	72,112,713
Annual amortization	4,821,778	207,544	665,891	90,915	506,111	378,594	6,670,833
Balance, end of year	65,589,652	1,844,728	3,861,975	1,283,234	3,749,506	2,454,451	78,783,546
Net book value of tangible capital assets	87,887,605	849,827	2,106,578	1,217,947	1,369,507	554,586	93,986,050
2020 Net book value of tangible capital assets	85,442,400	763,135	1,890,518	1,300,641	1,268,014	778,636	91,443,344

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Subtotal</i>	<i>Furniture and Fixtures</i>	2021	2020
Cost				
Balance, beginning of year	163,556,053	918,789	164,474,842	154,351,627
Acquisition of tangible capital assets	9,213,543	26,196	9,239,739	10,123,219
Balance, end of year	172,769,596	944,985	173,714,581	164,474,846
Accumulated amortization				
Balance, beginning of year	72,112,713	659,609	72,772,322	66,387,489
Annual amortization	6,670,833	61,935	6,732,768	6,384,836
Balance, end of year	78,783,546	721,544	79,505,090	72,772,325
Net book value of tangible capital assets	93,986,050	223,441	94,209,491	91,702,521
2020 Net book value of tangible capital assets	91,443,344	259,177	91,702,521	

Mohawk Council of Kahnawà:ke
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2021

	2021 Budget	2021	2020
Consolidated expenses by object			
Administration	201,750	119,810	117,022
Amortization	114,000	6,732,768	6,384,836
Assessment costs	-	-	(18,497)
Bad debts	171,977	573,244	462,365
Bank charges and interest	(55,587)	203,716	170,306
CIF allocations	500,000	541,974	427,321
Capital and Infrastructure costs	13,048,490	3,663,004	3,619,589
Community support services	122,964	142,545	209,637
Consulting	44,550	-	-
Economic development	194,970	1,349,648	193,955
Education	2,875,628	3,040,915	2,934,970
Elders fees	2,400	-	-
Employment and training	1,307,525	871,319	1,070,139
Foster, institutional and group home	2,304,729	4,317,819	3,156,667
Health and social services	5,188,391	6,901,514	4,838,712
Homemakers	5,000	-	-
Honoraria	199,004	49,833	133,961
Information technology	116,090	238,272	224,829
Insurance	360,040	235,885	218,972
Interest on long-term debt	93,143	132,271	145,727
Legal, professional and consulting fees	2,364,173	4,125,262	3,946,801
MSI	-	27,574	124,955
Management fees	-	357,000	459,000
Office and general	2,113,059	2,243,044	1,958,624
Overhead cost recoveries	1,622,693	(714,679)	(745,191)
Pension	2,493,718	4,092,905	3,126,006
Professional development	111,000	-	-
Professional development and training	1,920,473	332,742	837,701
Public relations	976,993	660,966	836,499
Rent and leasing costs	1,023,129	1,707,889	1,122,439
Repairs and maintenance	2,883,968	1,991,464	1,903,058
COVID-19 payments	-	12,149,210	1,076,524
Salaries and benefits	54,063,494	52,860,026	49,963,248
Social assistance	6,310,152	6,294,540	6,000,908
Special projects	20,000	-	-
Support staff	877,495	-	-
Travel and transportation	739,383	151,121	849,916
Tuition and allowances	1,850,000	2,421,434	2,061,704
Utilities	1,431,167	1,239,459	1,356,135
Vehicle expenses	953,977	778,577	915,351
	108,549,938	119,833,071	100,084,189

Mohawk Council of Kahnawà:ke
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	Schedule #	ISC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/Transfers From (To)	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
Segment Schedules									
Government Operations	4	38,731,178	32,500,343	(3,145,859)	68,085,662	66,072,446	(2,083,356)	(70,140)	6,751,895
Economic Development	5	2,147,069	7,576,604	(580,274)	9,143,399	7,190,681	998,650	2,951,368	(3,709,843)
Health and Community Services	6	10,376,649	16,225,693	(207,835)	26,394,507	25,198,771	-	1,195,736	1,199,285
Education	7	19,674,273	6,620,214	(1,038,555)	25,255,932	18,851,946	-	6,403,986	4,730,054
Fire Services	8	504,967	139,316	-	644,283	1,377,420	669,706	(63,431)	(183,262)
Service Complex	9	-	321,736	-	321,736	313,696	-	8,040	(16,746)
Cultural Center	10	124,152	358,443	51,020	533,615	828,111	415,000	120,504	46,492
Ottawa Trust Funds	11	-	11,704	-	11,704	-	-	11,704	(14,880)
		71,558,288	63,754,053	(4,921,503)	130,390,838	119,833,071	-	10,557,767	8,802,995

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	22,964,165	38,731,178	24,296,451
Canada Mortgage and Housing Corporation	324,898	375,846	256,458
Additional government funding			
Fisheries and Oceans	-	32,919	50,000
Justice	52,500	52,500	52,500
Natural Resources	-	60,000	78,000
Environment Canada	-	512,102	790,803
Canadian Heritage	-	62,866	38,352
Public Safety Canada	3,517,175	3,700,919	3,065,552
Transport Canada	-	167,044	143,485
Impact Assessment Agency of Canada	-	11,103	-
Province of Québec	6,154,485	5,660,580	5,263,090
Investment income	521,022	1,279,399	2,356,116
Other revenues	1,683,537	3,297,299	4,408,982
MSI	-	2,072,562	1,985,900
Kahnawà:ke Gaming Commission	889,785	864,688	630,711
Tickets and fines	-	797,239	670,318
Rental income	846,888	680,894	1,047,870
Royalties	-	268,369	528,665
User fees	135,060	139,315	138,924
Snack bar	140,000	-	116,790
Registration fees	-	-	84,330
Poker room	207,475	139,104	220,925
EGD revenue	32,500	277,578	4,013,503
Advertising revenue	23,013	-	21,600
Recovery of prior year funding	-	605,384	9,126
Deferred revenue - prior year	764,268	1,949,088	1,173,090
Deferred revenue - current year	(296,666)	(5,094,947)	(2,151,500)
Repayment of government funding	-	8,943	(80,681)
FNQLHSSC	-	125,750	-
Waban-Aki	-	177,980	-
Total revenue	37,960,105	56,955,702	49,209,360

Continued on next page

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Total revenue (Continued from previous page)	37,960,105	56,955,702	49,209,360
Expenses			
Administration	171,125	142,874	113,087
Amortization	-	4,530,241	4,034,179
Assessment costs	-	-	(18,497)
Bad debts	171,977	573,084	462,368
Bank charges and interest	(98,836)	121,331	122,727
CIF allocations	500,000	541,974	427,321
Capital and Infrastructure costs	13,046,990	3,657,206	3,605,515
Community support services	119,464	134,499	201,523
Education	-	16,320	14,873
Elders fees	2,400	-	-
Employee benefits	1,492,199	2,978,986	2,334,008
Employee salaries and benefits capitalized	-	(880,889)	-
Health and social services	60,000	9	66,232
Honoraria(um)	41,404	18,990	23,506
Insurance	221,813	150,681	123,354
Inter-departmental charges	1,064,369	243,425	-
Interest on long-term debt	62,386	83,800	86,166
Legal, professional and consulting fees	1,608,012	2,523,901	2,406,699
MSI	-	27,574	124,955
Management fees	-	357,000	459,000
Office and general	1,110,355	1,209,259	1,152,295
Other expense 6	877,495	-	-
Overhead cost recoveries	386,056	(443,509)	(308,876)
Pension	2,493,718	4,059,934	3,100,327
Professional development and training	842,855	151,442	499,858
Public relations	202,157	108,575	155,665
Rent and leasing costs	594,877	1,214,341	599,118
Repairs and maintenance	1,279,501	891,199	851,659
COVID-19 payments	-	12,149,210	1,076,524
Salaries	22,420,516	23,859,472	20,566,093
Social assistance	6,310,152	6,294,540	6,000,908
Travel and transportation	381,828	32,663	414,146
Utilities	748,012	618,752	716,939
Vehicle expenses	832,270	705,562	828,446
	56,943,095	66,072,446	50,240,118
Deficit before other income	(18,982,990)	(9,116,744)	(1,030,758)

Continued on next page

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Deficit before other income <i>(Continued from previous page)</i>	(18,982,990)	(9,116,744)	(1,030,758)
Other income (expense)			
Gain on disposal of capital assets	-	85,350	157,300
Deferred expenses	-	144,834	220,174
Income from investments in Government Business Entities	-	12,598,300	4,883,420
Foreign exchange	-	(1,346,036)	1,034,954
Allocation to other community organizations	-	(352,488)	(509,750)
	-	11,129,960	5,786,098
Surplus before transfers	(18,982,990)	2,013,216	4,755,340
Transfers			
Transfers between programs	-	(3,821)	-
Fire Services segment	-	(669,706)	(639,116)
Cultural Services segment	-	(415,000)	(415,000)
Economic Development segment	-	(998,650)	3,050,671
Transfers of RTE	-	3,821	-
Surplus (deficit)	(18,982,990)	(70,140)	6,751,895

Mohawk Council of Kahnawà:ke
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	946,544	2,147,069	942,917
Employment and skills development Canada	659,083	674,181	514,039
First Nations Human Resource Development Commission of Quebec	2,022,699	2,051,889	2,031,408
National Aboriginal Capital Corporations Association	491,242	631,864	547,784
FNQLHSSC	-	81,114	-
Province of Québec	-	128,637	361,029
Rental income	1,379,082	1,042,609	1,109,374
Registration fees	-	-	35,250
Other revenues	671,144	655,077	419,472
Investment income	65,475	40,484	78,254
Management fee income	-	357,000	459,000
Repayment of government funding	-	(107,798)	-
Deferred revenue - prior year	109,946	528,556	506,492
Deferred revenue - current year	-	(1,108,830)	(528,556)
Cancellation of government funding	-	(100,000)	-
	6,345,215	7,021,852	6,476,463
Expenses			
Administration	3,500	7,652	2,531
Amortization	-	231,664	285,062
Bad debts	-	1,798	-
Bank charges and interest	10,028	55,635	16,214
Capital and Infrastructure costs	1,500	-	-
Consulting	44,550	-	-
Economic development	194,970	1,349,648	193,955
Employee benefits	489,586	271,857	356,884
Employment and training	1,307,525	871,319	1,070,139
Honoraria(um)	22,400	12,028	19,233
Information technology	65,950	55,427	66,169
Insurance	30,012	16,765	26,900
Interest on long-term debt	30,757	48,471	59,561
Legal, professional and consulting fees	424,161	439,474	273,675
Office and general	539,588	228,143	196,086
Office supplies	5,000	-	-
Overhead cost recoveries	172,268	(514,595)	(436,315)
Professional development and training	90,078	38,606	24,239
Public relations	756,836	506,854	635,123
Rent and leasing costs	199,028	237,552	235,152
Repairs and maintenance	321,492	250,521	403,549
Salaries	3,300,959	2,925,666	3,213,531
Travel and transportation	114,938	16,385	106,545
Utilities	160,719	139,811	174,099
	8,285,845	7,190,681	6,922,332
Deficit before other expenses	(1,940,630)	(168,829)	(445,869)

Continued on next page

Mohawk Council of Kahnawà:ke
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021	2021	2020
Other expenses			
Income from Investment in Government Business Partnerships	-	1,970,047	(186,303)
Deferred expenses	-	151,500	-
	-	2,121,547	(186,303)
Surplus (deficit) before transfers	(1,940,630)	1,952,718	(632,172)
Transfers	-	998,650	(3,077,671)
Surplus (deficit)	(1,940,630)	2,951,368	(3,709,843)

Mohawk Council of Kahnawà:ke
Health and Community Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i>	2021	2020
Revenue			
Government funding			
Indigenous Services Canada	9,977,110	10,376,649	10,329,311
Health Canada	9,074,593	14,734,948	11,749,466
Canada Revenue Agency	156,000	252,931	233,171
Investment income	89,300	56,958	92,710
Other revenues	193,155	934,940	360,381
Rental income	306,350	245,916	273,654
Deferred revenue - prior year	-	287,659	204,142
Deferred revenue - current year	-	(495,494)	(287,659)
Repayment of government funding	-	-	(1,880)
	19,796,508	26,394,507	22,953,296
Expenses			
Administration	625	(59,296)	(50,000)
Amortization	-	253,133	231,214
Bank charges and interest	25,200	23,785	24,414
Capital and Infrastructure costs	-	5,798	14,074
Employee benefits	2,231,521	2,068,546	1,894,160
Foster, institutional and group home	2,304,729	4,317,819	3,156,667
Health and social services	5,128,391	6,901,505	4,771,330
Honoraria(um)	30,000	8,206	26,693
Information technology	50,140	38,253	38,796
Insurance	12,149	13,296	12,875
Legal, professional and consulting fees	85,000	136,545	115,530
Office and general	143,064	243,963	169,808
Professional development and training	177,540	39,070	79,228
Rent and leasing costs	189,224	145,530	151,380
Repairs and maintenance	829,500	180,492	224,421
Salaries	11,254,103	10,696,779	10,569,482
Travel and transportation	201,117	59,757	186,014
Utilities	87,217	78,837	83,808
Vehicle expenses	49,707	46,753	54,117
	22,799,227	25,198,771	21,754,011
Surplus	(3,002,719)	1,195,736	1,199,285

Mohawk Council of Kahnawà:ke
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	15,823,192	19,674,273	18,701,613
Additional government funding			
Canadian Heritage	(31,963)	-	64,706
Health Canada	79,044	79,044	104,509
First Nations Education Council	5,099,904	5,329,592	4,135,272
Investment income	-	61,240	94,584
Other revenues	323,999	1,110,685	478,849
Deferred revenue - prior year	-	946,639	588,407
Deferred revenue - current year	-	(1,985,194)	(946,639)
Repayment of government funding	-	(17,022)	(56,675)
Recovery of prior year funding	-	56,675	-
	21,294,176	25,255,932	23,164,626
Expenses			
Administration	-	2,964	2,377
Amortization	-	1,418,480	1,473,917
Bad debts	-	-	(3)
Bank charges and interest	4,000	(405)	3,919
Education	2,765,750	2,844,441	2,680,961
Employee benefits	40,000	279,989	432,272
Health and social services	-	-	1,150
Honoraria(um)	100,000	10,391	61,094
Information technology	-	144,592	119,864
Insurance	84,000	46,857	44,157
Legal, professional and consulting fees	214,000	1,007,385	1,112,400
Office and general	96,900	379,091	249,302
Professional development	111,000	-	-
Professional development and training	779,000	48,994	81,318
Public relations	17,000	45,537	41,854
Rent and leasing costs	40,000	110,466	136,789
Repairs and maintenance	358,400	434,125	262,113
Salaries	11,288,450	9,301,809	9,253,171
Special projects	20,000	-	-
Travel and transportation	27,500	42,316	124,771
Tuition and allowances	1,850,000	2,421,434	2,061,704
Utilities	340,000	313,480	291,442
	18,136,000	18,851,946	18,434,572
Surplus	3,158,176	6,403,986	4,730,054

Mohawk Council of Kahnawà:ke
Fire Services
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	431,176	504,967	431,175
Other revenues	-	141,551	62,641
Investment income	1,300	1,287	3,046
Deferred revenue - prior year	-	-	58,911
	432,476	647,805	555,773
Expenses			
Amortization	-	178,114	177,515
Bad debts	-	(1,638)	-
Bank charges and interest	3,457	3,563	3,227
Community support services	3,500	8,046	8,114
Employee benefits	91,146	67,665	46,537
Insurance	3,246	3,298	2,983
Legal, professional and consulting fees	16,000	15,594	24,589
Office and general	95,678	46,752	97,673
Professional development and training	25,000	54,630	144,596
Repairs and maintenance	40,295	141,672	76,403
Salaries	687,953	814,224	777,833
Travel and transportation	11,000	-	12,117
Utilities	15,059	19,238	16,099
Vehicle expenses	72,000	26,262	32,788
	1,064,334	1,377,420	1,420,474
Deficit before other items	(631,858)	(729,615)	(864,701)
Other items			
Foreign exchange	(13,000)	(5,722)	323
Gain (loss) on disposal of capital assets	-	2,200	-
Deficit before transfers	(644,858)	(733,137)	(864,378)
Transfers	300,000	669,706	681,116
Deficit	(344,858)	(63,431)	(183,262)

Mohawk Council of Kahnawà:ke
Service Complex
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Rental income	319,337	319,580	349,291
Investment income	5,600	2,156	6,410
	324,937	321,736	355,701
Expenses			
Administration	26,500	25,616	22,141
Amortization	112,000	111,658	174,795
Insurance	7,200	3,239	7,116
Office and general	58,000	57,795	57,889
Repairs and maintenance	43,640	60,543	55,055
Utilities	57,000	54,845	55,451
	304,340	313,696	372,447
Surplus (deficit)	20,597	8,040	(16,746)

Mohawk Council of Kahnawà:ke
Cultural Center
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	87,770	124,152	70,000
Canadian Heritage	92,650	121,122	76,129
Investment income	-	494	1,141
Other revenues	157,005	190,827	354,090
Province of Québec	45,000	46,000	124,325
Deferred revenue - prior year	-	176,969	111,125
Deferred revenue - current year	-	(125,949)	(176,969)
	382,425	533,615	559,841
Expenses			
Amortization	2,000	9,478	8,154
Bank charges and interest	564	(193)	(195)
Education	109,878	180,154	239,136
Honoraria	5,200	218	3,435
Insurance	1,620	1,749	1,587
Legal, professional and consulting fees	17,000	2,363	13,908
Office and general	69,475	78,041	35,571
Pension	-	32,971	25,679
Professional development and training	6,000	-	8,462
Public relations	1,000	-	3,857
Repairs and maintenance	11,140	32,912	29,858
Salaries	767,060	475,922	519,277
Travel and transportation	3,000	-	6,323
Utilities	23,160	14,496	18,297
	1,017,097	828,111	913,349
Deficit before transfers	(634,672)	(294,496)	(353,508)
Transfers	365,000	415,000	400,000
Surplus	(234,672)	120,504	46,492

Mohawk Council of Kahnawà:ke
Ottawa Trust Funds
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Investment income	-	193	495
Rental income	-	11,511	11,511
	-	11,704	12,006
Expense			
Administration	-	-	26,886
Surplus (deficit)	-	11,704	(14,880)