

**Mohawk Council of Kahnawake**  
**Consolidated Financial Statements**  
*March 31, 2015*

# Mohawk Council of Kahnawake

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For the year ended March 31, 2015

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## **Management's Responsibility**

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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 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 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.

July 14, 2015

"Original signed by Paul Rice", **Executive Financial Officer** "Original signed by Alana G. Rice", **Executive Director**

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## 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, 2015, 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, 2015 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

July 14, 2015

*MNP* SENCRL, S.F.<sup>1</sup>

<sup>1</sup> CPA auditor, CA permit no. A103961

**Mohawk Council of Kahnawake**  
**Consolidated Statement of Financial Position**

*As at March 31, 2015*

|   | <b>2015</b>        | <b>2014</b>        |
|---|--------------------|--------------------|
| <b>Financial assets</b>                               |                    |                    |
| Cash resources (Note 3)                               | 7,279,062          | 9,467,119          |
| Temporary investments (Note 4)                        | 35,455,086         | 33,841,007         |
| Accounts receivable (Note 5)                          | 14,058,801         | 8,534,636          |
| Short-term loan receivable - KMHC (Note 6)            | 7,000,000          | -                  |
| Loans receivable (Note 7)                             | 15,269,967         | 15,057,797         |
| Mortgage loans receivable (Note 8)                    | 13,895,162         | 13,530,185         |
| Housing initiative loans receivable (Note 8)          | 653,264            | 543,725            |
| Portfolio investments (Note 9)                        | 12,606             | 12,606             |
| <b>Total financial assets</b>                         | <b>93,623,948</b>  | <b>80,987,075</b>  |
| <b>Liabilities</b>                                    |                    |                    |
| Bank loan (Note 10)                                   | -                  | 100,000            |
| Accounts payable and accruals (Note 11)               | 6,712,627          | 8,591,039          |
| Amounts held in trust (Note 12)                       | 259,622            | 226,781            |
| Deferred revenue (Note 13)                            | 2,264,241          | 1,710,721          |
| Short-term loan payable - Financement-Québec (Note 6) | 7,000,000          | -                  |
| Long-term debt (Note 14)                              | 2,678,218          | 2,259,978          |
| Capital lease obligations (Note 15)                   | 155,059            | 213,551            |
| <b>Total liabilities</b>                              | <b>19,069,767</b>  | <b>13,102,070</b>  |
| <b>Net financial assets</b>                           | <b>74,554,181</b>  | <b>67,885,005</b>  |
| <b>Contingencies (Note 16)</b>                        |                    |                    |
| <b>Non-financial assets</b>                           |                    |                    |
| Tangible capital assets (Note 17)                     | 84,753,576         | 80,553,895         |
| Prepaid expenses                                      | 302,682            | 1,069,450          |
| Development costs (Note 18)                           | 590,404            | 590,404            |
| <b>Total non-financial assets</b>                     | <b>85,646,662</b>  | <b>82,213,749</b>  |
| <b>Accumulated surplus (Note 19)</b>                  | <b>160,200,843</b> | <b>150,098,754</b> |

Approved on behalf of Council

"Original signed by  
Joseph T. Norton",  
Grand Chief

"Original signed by  
Kahsennenhawe  
Sky-Deer", Chief,  
FAO Chairperson

**Mohawk Council of Kahnawake**  
**Consolidated Statement of Operations and Accumulated Surplus**

*For the year ended March 31, 2015*

|  | <i>Schedules</i> | <i>2015<br/>Budget</i> | <i>2015</i>        | <i>2014</i>        |
|--|------------------|------------------------|--------------------|--------------------|
| <b>Revenue</b>                                     |                  |                        |                    |                    |
| Aboriginal Affairs and Northern Development Canada |                  | 40,109,581             | 46,763,790         | 40,118,470         |
| Health Canada                                      |                  | 8,463,974              | 8,840,278          | 9,676,845          |
| Additional government funding                      |                  | 2,324,028              | 2,499,830          | 2,606,655          |
| Employment and Social Development Canada           |                  | 746,085                | 522,996            | 591,790            |
| Other government revenue                           |                  | 86,893                 | 38,272             | 255,902            |
| Canada Mortgage and Housing Corporation            |                  | -                      | -                  | 31,825             |
| Other community income                             |                  | 8,797,539              | 10,531,945         | 10,228,464         |
| Province of Québec                                 |                  | 6,544,775              | 8,653,092          | 6,732,430          |
| First Nations Education Council                    |                  | 2,854,721              | 2,647,387          | 2,808,352          |
| FNHRDCQ  |                  | 1,704,624              | 1,568,854          | 1,533,330          |
| Dividend income                                    |                  | 3,422,276              | 4,397,214          | 3,614,755          |
| Interest income                                    |                  | 394,830                | 1,287,380          | 1,343,502          |
| Commercial and residential leasing                 |                  | -                      | 16,280             | 10,583             |
| Cancellation of government funding                 |                  | -                      | -                  | (238,670)          |
| Reimbursement of prior years' deficit              |                  | -                      | 396,249            | 348,627            |
| Repayment of government funding                    |                  | -                      | (369,309)          | (485,107)          |
| Deferred revenue - prior year <i>(Note 13)</i>     |                  | 3,829,423              | 1,661,466          | 3,829,423          |
| Deferred revenue - current year <i>(Note 13)</i>   |                  | -                      | (2,239,715)        | (1,661,466)        |
|  |                  | <b>79,278,749</b>      | <b>87,216,009</b>  | <b>81,345,710</b>  |
| <b>Expenses</b>                                    |                  |                        |                    |                    |
| Lands, revenues and trusts                         | 4                | 2,339,695              | 1,965,981          | 1,991,613          |
| Education  | 5                | 14,317,776             | 15,168,373         | 14,890,186         |
| Indian government support                          | 6                | 10,883,925             | 9,849,402          | 10,536,714         |
| Social development                                 | 7                | 26,221,891             | 24,103,690         | 24,562,024         |
| Economic development                               | 8                | 8,304,385              | 7,499,252          | 6,480,578          |
| Community capital facilities & housing             | 9                | 5,507,153              | 5,177,419          | 6,182,702          |
| Government negotiations                            | 10               | 154,516                | 130,239            | 142,891            |
| Public safety                                      | 11               | 1,144,587              | 1,180,378          | 1,355,830          |
| Other  | 12               | 6,219,498              | 6,804,659          | 6,422,624          |
| Ottawa trust funds                                 | 13               | -                      | 11,121             | 11,124             |
| Capital  | 14               | 275,067                | 5,294,027          | 4,964,488          |
| <b>Total expenses <i>(Schedule 2)</i></b>          |                  | <b>75,368,493</b>      | <b>77,184,541</b>  | <b>77,540,774</b>  |
| <b>Surplus before other items</b>                  |                  | <b>3,910,256</b>       | <b>10,031,468</b>  | <b>3,804,936</b>   |
| <b>Other income (expense)</b>                      |                  |                        |                    |                    |
| Gain on disposal of capital assets                 |                  | -                      | 42,000             | -                  |
| Deferred expenses                                  |                  | -                      | (94,931)           | (109,206)          |
| Foreign exchange                                   |                  | -                      | 509,352            | 603,056            |
| Allocation to other community organizations        |                  | (355,000)              | (385,800)          | (1,810,000)        |
|  |                  | <b>(355,000)</b>       | <b>70,621</b>      | <b>(1,316,150)</b> |
| <b>Surplus</b>                                     |                  | <b>3,555,256</b>       | <b>10,102,089</b>  | <b>2,488,786</b>   |
| <b>Accumulated surplus, beginning of year</b>      |                  | <b>150,098,754</b>     | <b>150,098,754</b> | <b>147,609,968</b> |
| <b>Accumulated surplus, end of year</b>            |                  | <b>153,654,010</b>     | <b>160,200,843</b> | <b>150,098,754</b> |

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, 2015*

|   | <i>2015<br/>Budget</i> | <i>2015</i>        | <i>2014</i> |
|---|------------------------|--------------------|-------------|
| <b>Annual surplus</b>                                   | <b>3,447,256</b>       | <b>10,102,089</b>  | 2,488,786   |
| Purchases of tangible capital assets                    | <b>(4,436,760)</b>     | <b>(9,493,708)</b> | (7,765,307) |
| Tangible capital assets acquired through capital leases | -                      | -                  | (125,727)   |
| Amortization of tangible capital assets                 | -                      | <b>5,294,027</b>   | 4,964,488   |
| Gain on sale of tangible capital assets                 | -                      | <b>(42,000)</b>    | -           |
| Proceeds of disposal of tangible capital assets         | -                      | <b>42,000</b>      | -           |
|   | <b>(4,436,760)</b>     | <b>(4,199,681)</b> | (2,926,546) |
| Acquisition of prepaid expenses                         | -                      | <b>(302,552)</b>   | (1,069,450) |
| Use of prepaid expenses                                 | -                      | <b>1,069,320</b>   | 901,447     |
|   | -                      | <b>766,768</b>     | (168,003)   |
| <b>Increase (decrease) in net financial assets</b>      | <b>(989,504)</b>       | <b>6,669,176</b>   | (605,763)   |
| <b>Net financial assets, beginning of year</b>          | <b>67,885,005</b>      | <b>67,885,005</b>  | 68,490,768  |
| <b>Net financial assets, end of year</b>                | <b>66,895,501</b>      | <b>74,554,181</b>  | 67,885,005  |

*The accompanying notes are an integral part of these financial statements*



**Mohawk Council of Kahnawake**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

|   | <b>2015</b>        | <b>2014</b>        |
|---|--------------------|--------------------|
| <b>Cash provided by (used for) the following activities</b> |                    |                    |
| <b>Operating activities</b>                                 |                    |                    |
| Cash receipts from contributors                             | 76,705,388         | 74,097,055         |
| Cash paid to suppliers                                      | (34,387,660)       | (34,538,069)       |
| Cash paid to employees                                      | (36,545,763)       | (37,982,476)       |
| Interest income   | 1,271,392          | 1,343,502          |
| Dividend income   | 2,243,994          | 3,614,755          |
| Interest on capital lease obligation                        | (7,347)            | -                  |
| Interest on long-term debt                                  | (109,835)          | -                  |
|   | <b>9,170,169</b>   | <b>6,534,767</b>   |
| <b>Financing activities</b>                                 |                    |                    |
| Change in amounts held in trust                             | 32,841             | 4,429              |
| Repayment of long-term debt                                 | (326,662)          | (350,131)          |
| Repayment of capital lease obligations                      | (58,492)           | (77,537)           |
| Advances from related organizations                         | 28,784             | -                  |
| Change in bank loan   | (100,000)          | 100,000            |
|   | <b>(423,529)</b>   | <b>(323,239)</b>   |
| <b>Capital activities</b>                                   |                    |                    |
| Purchases of tangible capital assets                        | (8,743,708)        | (7,765,307)        |
| Proceeds of disposal of tangible capital assets             | 42,000             | -                  |
|   | <b>(8,701,708)</b> | <b>(7,765,307)</b> |
| <b>Investing activities</b>                                 |                    |                    |
| Purchase of temporary investments                           | (26,485,150)       | (33,841,007)       |
| Proceeds on disposal of temporary investments               | 24,871,069         | 35,092,799         |
| New mortgages advanced in year                              | (1,352,546)        | (198,000)          |
| Principal repayments on mortgages receivable                | 987,569            | 851,425            |
| New housing initiative loans granted                        | (284,258)          | (196,897)          |
| Principal repayments on housing initiative loans            | 174,719            | 154,565            |
| Repayments of loans receivable                              | 84,397             | 39,196             |
| Investment in loans receivable                              | (296,567)          | -                  |
| Advances to related organizations                           | 67,778             | -                  |
|   | <b>(2,232,989)</b> | <b>1,902,081</b>   |
| <b>Increase in cash resources</b>                           | <b>(2,188,057)</b> | <b>348,302</b>     |
| <b>Cash resources, beginning of year</b>                    | <b>9,467,119</b>   | <b>9,118,817</b>   |
| <b>Cash resources, end of year</b>                          | <b>7,279,062</b>   | <b>9,467,119</b>   |

The accompanying notes are an integral part of these financial statements

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**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 which form part of the Government Reporting Unit.

**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 Shakotiaa'Takehnhas Community Services
- Tawatohnni'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, 2015*

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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*.

**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.

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

**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.

**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:

|                                | <b>Methods</b>    | <b>Rates and periods</b> |
|--------------------------------|-------------------|--------------------------|
| 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.

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

***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.

***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 collectibility is reasonably assured. Management assesses the business environment, customers' financial condition, historical experience, accounts receivable aging and customer disputes to determine whether collectibility is reasonably assured. If collectibility 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, 2015*

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

**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.

**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.

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**3. Cash resources**

|                                      | <b>2015</b>      | <b>2014</b> |
|--------------------------------------|------------------|-------------|
| Cash on hand and balances with banks | <b>3,553,847</b> | 4,237,671   |
| Internally restricted                | <b>2,463,513</b> | 4,060,036   |
| Held in trust for community members  | <b>259,622</b>   | 226,781     |
| CMHC replacement reserve             | -                | 84,655      |
| Ottawa trust funds                   | <b>16,579</b>    | 11,121      |
| Externally restricted                | <b>985,501</b>   | 846,855     |
|                                      | <b>7,279,062</b> | 9,467,119   |

Externally restricted cash relates to funds provided by Aboriginal Affairs and Northern Development Canada 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 chief and council and the boards of directors of the various Organizations for specific purposes, and cannot be used for any other purposes without the prior approval of chief and council or the board of directors of the organization which initially restricted the funds.

**4. Temporary investments**

Term deposits consist of various Canadian dollar term deposits which are interest bearing at rates ranging from 0.95% to 1.3% annually, and have maturity dates ranging from April 2014 to February 2016. The market value of the term deposits at March 31, 2015 approximates their carrying amount.

Management of one of the Organizations forming part of the government reporting entity has internally designated \$1,171,513 (2014 - \$1,158,773) 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 by the various Organizations forming the government reporting entity.

**5. Accounts receivable**

|  | <b>2015</b>       | <b>2014</b> |
|--|-------------------|-------------|
| Aboriginal Affairs and Northern Development Canada | <b>4,261,223</b>  | 571,064     |
| First Nations Education Council                    | <b>279,332</b>    | 336,866     |
| Other community organizations                      | -                 | 67,778      |
| Accrued interest                                   | <b>265,670</b>    | 254,123     |
| Dividends receivable                               | <b>4,306,440</b>  | 3,758,052   |
| Accounts and contributions receivable              | <b>4,546,382</b>  | 3,289,164   |
| Taxes receivable                                   | <b>399,754</b>    | 257,589     |
|  | <b>14,058,801</b> | 8,534,636   |

The accounts receivable balance is net of an allowance for uncollectible amounts of \$2,757,534 (2014 - \$2,663,845). Included in dividends receivable is an amount of \$3,400,000 (2014 - \$3,400,000) denominated in U.S. dollar.

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**6. Short-term loan receivable (payable)**

Mohawk Council of Kahnawake (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 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 Financement-Québec, Mohawk Council of Kahnawake and MSSS for the purpose of financing the construction costs of the hospital expansion.

As at March 31, 2015, total funding provided by MSSS with respect to the project amounted to \$7,000,000 which was received directly by KMHC. 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, 2015, \$7,000,000 has been recognized as a liability due to Financement-Québec by MCK.

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.

**7. Loans receivable**

Loans receivable consist of the following:

|  | <i>Principal</i>  | <i>Provisions and allowances</i> | <i>2015<br/>Net<br/>recoverable<br/>value</i> | <i>2014<br/>Net<br/>recoverable<br/>value</i> |
|--|-------------------|----------------------------------|---|---|
| Loan receivable - Onkwawista, unsecured, non-interest bearing, with no specific terms of repayment | <b>14,559,888</b> | -                                | <b>14,559,888</b>                             | 14,559,888                                    |
| Loans receivable - Business Loan Fund  | <b>667,318</b>    | <b>(1,660)</b>                   | <b>665,658</b>                                | 453,294                                       |
| Loans receivable - Youth Business Fund   | <b>52,356</b>     | <b>(16,731)</b>                  | <b>35,625</b>                                 | 32,406  |
| Loans receivable - Employees, non-interest bearing with no fixed terms of repayment                | <b>8,796</b>      | -                                | <b>8,796</b>                                  | 12,209  |
|  | <b>15,288,358</b> | <b>(18,391)</b>                  | <b>15,269,967</b>                             | 15,057,797                                    |

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.

**8. 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.



**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**9. Portfolio investments**

MCK has investments in the following entities:

|   | <b>2015</b>   | <b>2014</b> |
|---|---------------|-------------|
| Investment in Regional Economic Investment Fund (REIF) - First Nations L.P. | <b>12,500</b> | 12,500      |
| Investment in issued ordinary shares of Onkwawista Holdings Limited         | <b>106</b>    | 106         |
|   | <b>12,606</b> | 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. As such, income from this investment is recorded only when dividends are received or receivable. As such, income from this investment is recorded only when dividends are received or receivable. During the year, MCH recognized a dividend receivable and related dividend income of US\$3,400,000 (2014 - 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.

**10. 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, 2015, there were no outstanding borrowings on the credit facilities (2014 - \$100,000).

**11. Accounts payable and accruals**

|                                | <b>2015</b>      | <b>2014</b> |
|--------------------------------|------------------|-------------|
| Trade payables                 | <b>3,635,734</b> | 5,356,222   |
| Salaries and vacations payable | <b>2,614,194</b> | 2,726,574   |
| Government funding repayable   | <b>420,444</b>   | 477,869     |
| Other government remittances   | <b>42,255</b>    | 30,374      |
|                                | <b>6,712,627</b> | 8,591,039   |

**12. 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, 2015. Use of these funds is restricted as described in Note 3.

**13. Deferred revenue**

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
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The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

|                            | <i>Balance,<br/>beginning of<br/>year</i> | <i>Contributions<br/>received</i> | <i>Amount<br/>recognized as<br/>revenue</i> | <i>Balance, end<br/>of year</i> |
|----------------------------|---|-----------------------------------|---|---------------------------------|
| <b>Deferred Revenue</b>    |   |                                   |   |                                 |
| Lands, Revenues and Trusts | 336,686                                   | 99,634                            | 18,257                                      | 418,063                         |
| Indian Government Support  | 43,000                                    | 2,080,999                         | 1,883,156                                   | 240,843                         |
| Social Development         | 300,329                                   | 450,518                           | 308,553                                     | 442,294                         |
| Economic Development       | 981,451                                   | 1,251,220                         | 1,094,156                                   | 1,138,515                       |
|                            | <b>1,661,466</b>                          | <b>3,882,371</b>                  | <b>3,304,122</b>                            | <b>2,239,715</b>                |
| <b>Other</b>               |   |                                   |   |                                 |
| Rental income              | 49,255                                    | 3,333                             | 47,101                                      | 5,487                           |
| PWRDF                      | -   | 25,000                            | 5,961                                       | 19,039                          |
|                            | <b>49,255</b>                             | <b>28,333</b>                     | <b>53,062</b>                               | <b>24,526</b>                   |
|                            | <b>1,710,721</b>                          | <b>3,910,704</b>                  | <b>3,357,184</b>                            | <b>2,264,241</b>                |

**14. Long-term debt**

|  | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
| Mortgage payable, interest bearing at 3.7%, repayable in blended monthly instalments of \$17,520 with the balance subject to renewal in July 2015, secured by a trust agreement in the lender's favour on the Business Complex having a net book value of \$3,764,460 (2014 - \$3,962,588)                   | <b>1,658,972</b> | 1,795,388        |
| Mortgage payable, interest bearing at 4.35% (2014 - 4.305%), repayable in blended monthly instalments of \$16,711 with the balance subject to renewal in October 2015, secured by a trust agreement in the lender's favour on the Office Complex having a net book value of \$4,411,454 (2014 - \$4,643,635) | <b>275,091</b>   | 459,492          |
| CMHC File #11-052-099<br>Mortgage payable, interest bearing at 4.7% with the Caisse Populaire Kahnawake, matured in April 2014   | -                | 5,098            |
| Mortgage payable, interest bearing at 4.65%, repayable in 60 blended monthly instalments of \$4,806 with the balance subject to renewal in December 2019, secured by a \$1,000,000 first rank immovable hypothec on the Commercial Complex having a net book value of \$1,065,935                            | <b>744,155</b>   | -                |
|  | <b>2,678,218</b> | <b>2,259,978</b> |

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**14. 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:

|      | <b>Total</b> |
|------|--------------|
| 2016 | 368,667      |
| 2017 | 263,974      |
| 2018 | 188,899      |
| 2019 | 196,263      |
| 2020 | 818,542      |

**15. Capital lease obligations**

|   | <b>2015</b>    | 2014    |
|---|----------------|---------|
| 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 \$62,863 (2014 - \$104,722)  | <b>106,360</b> | 125,727 |
| Obligations under capital lease relating to vehicles, repayable in equal monthly aggregate instalments of \$3,548 including interest at rates ranging from 3.99% to 7.49%, with maturities ranging from July 2015 to January 2018, secured by the related assets having a net book value of \$49,515 (\$91,255) | <b>48,699</b>  | 87,824  |
|   | <b>155,059</b> | 213,551 |

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

|                               |               |
|-------------------------------|---------------|
| 2016                          | 62,384        |
| 2017                          | 38,249        |
| 2018                          | 34,808        |
| 2019                          | 28,188        |
| 2020                          | 2,349         |
|                               | 165,978       |
| <b>Less: imputed interest</b> | <b>10,919</b> |
|                               | 155,059       |

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**16. 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. At this point, although some small steps have been taken for the plaintiff to try to preserve their action, they still have not made sufficient progress to justify their class action.
  - ii) A motion for a permanent injunction and damages was received on June 11, 2015. The action stems primarily from the alleged trespassing on the plaintiff's property by the defendants, the clearing of approximately 500 maple trees, and the unauthorized dumping and spreading of contaminated soil on the property. The plaintiff is seeking damages of \$1,456,365, extra judicial costs in the amount of \$125,000, and expertise expenses in the amount of \$37,362. Council is unable to accurately estimate the outcome of the action at this time.
  - iii) 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 guarantees loans made to Kahnawake residents by Canada Mortgage and Housing Corporation for renovations. As at March 31, 2015, such loans are not significant. MCK acted as cosigner on loans to residents from various lending institutions for an aggregate amount of \$9,577,902 (2014 - \$9,224,509) for purchases of houses. MCK has also guaranteed loans from a financial institution in the amount of \$Nil (2014 - \$5,103) with respect to the Multi-Dwellings. In addition, MCK guarantees loans from a financial institution to residents as part of the On-reserve Loan Guarantee program in the amount of \$391,602 (2014 - \$416,953).
- (D) 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. AANDC has provided MCK with an interim loan to assist them in meeting these obligations. As at March 31, 2015, the outstanding loan is \$4,481,563. 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 \$98,000 (2014 - \$201,288) for native entrepreneurs under the loan guarantee program. As at March 31, 2015, the total guaranteed indebtedness amounted to \$90,982 (2014 - \$99,662).
- (G) Through Kahnawake Sustainable Energies ("KSE"), Mohawk Council of Kahnawake has entered into an agreement with a service provider to pay \$2,976,000 for specific services (of which \$1,056,000 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 \$35,453,379 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 \$1,130,000 to secure the various provisions of these contracts.

## Mohawk Council of Kahnawake Notes to the Consolidated Financial Statements

*For the year ended March 31, 2015*

### 17. 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 (2014 - \$520,871), and accumulated amortization of \$408,493 (2014 - \$324,844).

Tangible capital assets include non-cash acquisitions of \$750,000 (2014 - \$Nil) which were financed through long-term debt (see Note 14).

### 18. Development costs

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

### 19. Accumulated Surplus

The accumulated surplus is comprised of the following:

|                         | <b>2015</b>        | <b>2014</b> |
|-------------------------|--------------------|-------------|
| Tangible Capital Assets | <b>81,920,299</b>  | 78,080,366  |
| Ottawa Trust Funds      | <b>16,579</b>      | 11,121      |
| Externally Restricted   | <b>5,842,060</b>   | 4,081,708   |
| Appropriated Reserves   | <b>71,348,881</b>  | 66,661,837  |
| Unappropriated          | <b>1,073,024</b>   | 1,263,722   |
|                         | <b>160,200,843</b> | 150,098,754 |

### 20. 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:

|   | <b>2015</b>    | <b>2014</b> |
|---|----------------|-------------|
| Allocation to Kateri Memorial Hospital Center | <b>122,800</b> | 200,000     |
| Allocation to Kahnawake Youth Centre          | <b>150,000</b> | 150,000     |
| Allocation to Kahnawake Library               | <b>5,000</b>   | 5,000       |

### 21. 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, 2015, the Plan had a funding surplus of \$52,862,000 (2014 - \$36,480,000) on a going concern basis and a solvency deficiency of \$16,992,000 (2014 - \$4,322,000). 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, 2015.

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

Other accounts receivable includes an amount of \$553,134 (2014 - \$498,547), net of a provision of \$553,134 (2014 - \$498,547) 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 \$54,587 (2014 - \$58,632) and these amounts are charged at cost.

**Pension plan contingency:**

Based on an actuarial report as at March 31, 2015, 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) \$217,000 at the end of each month for a period of five years to amortize the adjusted solvency deficiency of \$13 million (2014 - \$10.8 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, 2016 and must be filed by September 30, 2016.

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 February 29, 2012, the Plan sponsor entered into a letter of credit trust agreement with RBC Dexia Investor Services Trust, whereby the sponsor provided RBC Dexia with letters of credit issued by the Caisse Centrale Desjardins. Letters of credit outstanding at March 31, 2015 totalled \$4,992,036 (2014 - \$4,992,036) and expire between September 30, 2015 and March 31, 2016. Subsequent to the year end, on July 3, 2015, the plan sponsor put in place an additional letter of credit of \$2,150,400 which expires on September 30, 2015.

**22. Government transfers**

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

***Federal government transfers***

|  | <i>Operating</i>  | <i>Capital</i>   | <i>2015</i>       | <i>2014</i>       |
|--|-------------------|------------------|-------------------|-------------------|
| Aboriginal Affairs and Northern Development Canada | 43,886,540        | 2,877,250        | 46,763,790        | 40,332,272        |
| Public Safety Canada                               | 2,254,416         | -                | 2,254,416         | 2,382,384         |
| Department of Justice Canada                       | 95,446            | -                | 95,446            | 52,500            |
| Fisheries and Oceans Canada                        | 38,272            | -                | 38,272            | -                 |
| Canadian Heritage                                  | 18,565            | -                | 18,565            | 42,100            |
| Canada Mortgage Housing Corporation                | -                 | -                | -                 | 31,825            |
| Employment and Social Development Canada           | 522,996           | -                | 522,996           | 591,790           |
| Health Canada                                      | 8,840,278         | -                | 8,840,278         | 9,676,845         |
| Canada Revenue Agency                              | 131,403           | -                | 131,403           | 171,321           |
| First Nation Education Council                     | 2,647,387         | -                | 2,647,387         | 2,808,352         |
|  | <b>58,435,303</b> | <b>2,877,250</b> | <b>61,312,553</b> | <b>56,089,389</b> |

**Mohawk Council of Kahnawake**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**22. Government transfers** (Continued from previous page)

**Provincial government transfers**

|  | <i>Operating</i>  | <i>Capital</i>   | <i>2015</i>       | <i>2014</i>       |
|--|-------------------|------------------|-------------------|-------------------|
| Transports Québec  | 2,371,229         | 3,753,272        | 6,124,501         | 4,087,365         |
| Sécurité publique Québec   | 2,080,999         | -                | 2,080,999         | 2,199,539         |
| Secrétariat aux affaires autochtones   | 187,458           | -                | 187,458           | 178,916           |
| Québec en Forme  | 108,000           | -                | 108,000           | 55,000            |
| Développement durable, Environnement et Lutte contre<br>les changements climatique | 99,634            | -                | 99,634            | 116,110           |
| Département de la justice du Québec  | 52,500            | -                | 52,500            | 95,500            |
|  | <b>4,899,820</b>  | <b>3,753,272</b> | <b>8,653,092</b>  | <b>6,732,430</b>  |
| <b>Total government transfers</b>  | <b>63,335,123</b> | <b>6,630,522</b> | <b>69,965,645</b> | <b>62,821,819</b> |

**23. Economic dependence**

Mohawk Council of Kahnawake receives 70% (2014 - 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.

**24. AANDC funding reconciliation**

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

|   | <i>2015</i>       | <i>2014</i>       |
|---|-------------------|-------------------|
| <b>Balance per financial statements</b>                               |                   |                   |
| Balance per financial statements                                      | 46,763,790        | 40,118,470        |
| Other adjustments   | -                 | (3,002)           |
| <b>Adjusted balance per financial statements</b>                      | <b>46,763,790</b> | <b>40,115,468</b> |
| <b>Balance per AANDC funding confirmation</b>                         |                   |                   |
| Funding confirmation 0070 - Mohawks of Kahnawake Band                 | 46,112,237        | 39,506,781        |
| Funding confirmation 3354 - Tewathonhi'saktha Business Loan Fund Ltd. | 651,553           | 608,687           |
| <b>Balance per AANDC funding confirmations</b>                        | <b>46,763,790</b> | <b>40,115,468</b> |

**25. 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.

**26. 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, 2015*

|  | Land and land improvement | Buildings         | Social Housing | Water Treatment Plant | Roads and Infrastructure | Sports Complex | Subtotal          |
|--|---------------------------|-------------------|----------------|-----------------------|--------------------------|----------------|-------------------|
| <b>Cost</b>                                      |                           |                   |                |                       |                          |                |                   |
| Balance, beginning of year                       | 2,794,684                 | 56,166,177        | 1,831,815      | 11,100,940            | 36,191,880               | 1,322,952      | 109,408,448       |
| Acquisition of tangible capital assets           | -                         | 2,118,916         | -              | -                     | 6,231,455                | 3,260          | 8,353,621         |
| Construction-in-progress                         | -                         | -                 | -              | -                     | -                        | -              | -                 |
| Disposal of tangible capital assets              | -                         | -                 | -              | -                     | -                        | -              | -                 |
| Write down of tangible capital assets            | -                         | -                 | -              | -                     | -                        | -              | -                 |
| Balance, end of year                             | 2,794,684                 | 58,285,093        | 1,831,815      | 11,100,940            | 42,423,335               | 1,326,202      | 117,762,069       |
| <b>Accumulated amortization</b>                  |                           |                   |                |                       |                          |                |                   |
| Balance, beginning of year                       | 66,142                    | 21,985,128        | 1,431,411      | 861,689               | 9,242,853                | 262,476        | 33,849,699        |
| Annual amortization                              | 31,786                    | 2,045,649         | 5,179          | 409,570               | 1,507,392                | 178,648        | 4,178,224         |
| Accumulated amortization on disposals            | -                         | -                 | -              | -                     | -                        | -              | -                 |
| Balance, end of year                             | 97,928                    | 24,030,777        | 1,436,590      | 1,271,259             | 10,750,245               | 441,124        | 38,027,923        |
| <b>Net book value of tangible capital assets</b> | <b>2,696,756</b>          | <b>34,254,316</b> | <b>395,225</b> | <b>9,829,681</b>      | <b>31,673,090</b>        | <b>885,078</b> | <b>79,734,146</b> |
| 2014 Net book value of tangible capital assets   | 2,728,542                 | 34,181,049        | 400,404        | 10,239,251            | 26,949,027               | 1,060,476      | 75,558,749        |



**Mohawk Council of Kahnawake**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

|  | Subtotal           | School Buses     | Vehicles         | Firetrucks       | Equipment        | Computer Hardware and Software | Subtotal           |
|--|--------------------|------------------|------------------|------------------|------------------|--------------------------------|--------------------|
| <b>Cost</b>                                      |                    |                  |                  |                  |                  |                                |                    |
| Balance, beginning of year                       | 109,408,448        | 1,996,098        | 2,474,081        | 1,572,345        | 2,317,324        | 1,880,350                      | 119,648,646        |
| Acquisition of tangible capital assets           | 8,353,621          | -                | 130,458          | 649,016          | 238,486          | 75,891                         | 9,447,472          |
| Construction-in-progress                         | -                  | -                | -                | -                | -                | -                              | -                  |
| Disposal of tangible capital assets              | -                  | -                | (113,968)        | -                | -                | -                              | (113,968)          |
| Write down of tangible capital assets            | -                  | -                | -                | -                | -                | -                              | -                  |
| <b>Balance, end of year</b>                      | <b>117,762,069</b> | <b>1,996,098</b> | <b>2,490,571</b> | <b>2,221,361</b> | <b>2,555,810</b> | <b>1,956,241</b>               | <b>128,982,150</b> |
| <b>Accumulated amortization</b>                  |                    |                  |                  |                  |                  |                                |                    |
| Balance, beginning of year                       | 33,849,699         | 735,599          | 1,807,170        | 512,251          | 1,618,181        | 715,269                        | 39,238,169         |
| Annual amortization                              | 4,178,224          | 187,207          | 261,167          | 111,068          | 196,271          | 337,296                        | 5,271,233          |
| Accumulated amortization on disposals            | -                  | -                | (113,968)        | -                | -                | -                              | (113,968)          |
| <b>Balance, end of year</b>                      | <b>38,027,923</b>  | <b>922,806</b>   | <b>1,954,369</b> | <b>623,319</b>   | <b>1,814,452</b> | <b>1,052,565</b>               | <b>44,395,434</b>  |
| <b>Net book value of tangible capital assets</b> | <b>79,734,146</b>  | <b>1,073,292</b> | <b>536,202</b>   | <b>1,598,042</b> | <b>741,358</b>   | <b>903,676</b>                 | <b>84,586,716</b>  |
| 2014 Net book value of tangible capital assets   | 75,558,749         | 1,260,499        | 666,911          | 1,060,094        | 699,143          | 1,165,081                      | 80,410,477         |

**Mohawk Council of Kahnawake**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

|  | Subtotal           | Furniture and<br>Fixtures | 2015               | 2014               |
|--|--------------------|---------------------------|--------------------|--------------------|
| <b>Cost</b>                                      |                    |                           |                    |                    |
| Balance, beginning of year                       | 119,648,646        | 663,661                   | 120,312,307        | 112,484,613        |
| Acquisition of tangible capital assets           | 9,447,472          | 46,236                    | 9,493,708          | 7,528,536          |
| Construction-in-progress                         | -                  | -                         | -                  | 236,772            |
| Disposal of tangible capital assets              | (113,968)          | -                         | (113,968)          | (63,341)           |
| Write down of tangible capital assets            | -                  | -                         | -                  | 125,727            |
| <b>Balance, end of year</b>                      | <b>128,982,150</b> | <b>709,897</b>            | <b>129,692,047</b> | <b>120,312,307</b> |
| <b>Accumulated amortization</b>                  |                    |                           |                    |                    |
| Balance, beginning of year                       | 39,238,169         | 520,243                   | 39,758,412         | 34,857,264         |
| Annual amortization                              | 5,271,233          | 22,794                    | 5,294,027          | 4,964,488          |
| Accumulated amortization on disposals            | (113,968)          | -                         | (113,968)          | (63,340)           |
| <b>Balance, end of year</b>                      | <b>44,395,434</b>  | <b>543,037</b>            | <b>44,938,471</b>  | <b>39,758,412</b>  |
| <b>Net book value of tangible capital assets</b> | <b>84,586,716</b>  | <b>166,860</b>            | <b>84,753,576</b>  | <b>80,553,895</b>  |
| 2014 Net book value of tangible capital assets   | 80,410,477         | 143,418                   | 80,553,895         |                    |

**Mohawk Council of Kahnawake**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2015*

|  | <b>2015<br/>Budget</b> | <b>2015</b>       | <b>2014</b>       |
|--|------------------------|-------------------|-------------------|
| <b>Consolidated expenses by object</b>     |                        |                   |                   |
| Administration                             | 660,702                | 288,574           | 200,670           |
| Advertising and promotion                  | 293,202                | 260,184           | 246,514           |
| Amortization                               | 275,067                | 5,294,027         | 4,964,488         |
| Bad debts                                  | 125,119                | 202,506           | 225,880           |
| Community capital and infrastructure costs | 4,517,698              | 1,913,984         | 2,289,827         |
| Economic development projects              | 1,662,491              | 688,030           | 751,955           |
| Education                                  | 768,127                | 854,465           | 958,291           |
| Employment and training                    | 1,267,015              | 1,131,505         | 1,273,326         |
| Foster and institutional care              | 1,092,385              | 1,094,147         | 1,933,492         |
| Health and other social services           | 4,169,592              | 3,054,495         | 3,354,147         |
| Insurance                                  | 238,649                | 221,476           | 210,403           |
| Interest and bank charges                  | 362,950                | 304,697           | 474,125           |
| Legal, professional and consulting fees    | 2,895,268              | 3,717,286         | 2,974,725         |
| MSI  | 77,350                 | 654,345           | 549,224           |
| Office, meetings and technology            | 1,708,602              | 1,978,945         | 1,882,352         |
| Other                                      | 615,781                | 1,071,646         | 980,719           |
| Overhead cost recoveries                   | (713,393)              | (507,940)         | (513,309)         |
| Pension                                    | 2,632,344              | 2,475,323         | 2,506,067         |
| Repairs and maintenance                    | 1,293,527              | 1,449,584         | 1,404,123         |
| Salaries and benefits                      | 38,065,072             | 37,475,778        | 37,982,476        |
| Social assistance                          | 6,447,113              | 6,425,427         | 6,114,714         |
| Telephone and telecommunications           | 243,606                | 248,166           | 234,813           |
| Training                                   | 480,704                | 277,233           | 431,761           |
| Travel and vehicle                         | 1,070,181              | 1,067,742         | 1,050,607         |
| Tuition fees and allowances                | 3,958,728              | 4,168,760         | 3,831,977         |
| Utilities                                  | 1,160,613              | 1,374,156         | 1,227,407         |
|  | <b>75,368,493</b>      | <b>77,184,541</b> | <b>77,540,774</b> |



**Mohawk Council of Kahnawake**  
**Lands, Revenues and Trusts**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>      |
|--|------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                        |                  |                  |
| Aboriginal Affairs and Northern Development Canada |                        |                  |                  |
| Block funding                                      | 1,398,350              | 1,398,350        | 1,506,116        |
| Fixed funding                                      | 60,406                 | 60,406           | 59,846           |
| Set funding  | 74,701                 | 75,241           | -                |
| Other government revenue                           | 40,000                 | 38,000           | -                |
| Province of Québec                                 | -                      | 99,634           | 116,110          |
| Other revenues                                     | 227,502                | 225,726          | 250,844          |
| User fees  | 8,400                  | 8,400            | 8,400            |
| Repayment of government funding                    | -                      | (7,290)          | -                |
| Deferred revenue - prior year                      | 335,870                | 336,686          | 229,088          |
| Deferred revenue - current year                    | -                      | (418,063)        | (336,686)        |
|  | <b>2,145,229</b>       | <b>1,817,090</b> | <b>1,833,718</b> |
| <b>Expenses</b>                                    |                        |                  |                  |
| Administration                                     | -                      | 6,128            | -                |
| Advertising and promotion                          | 4,300                  | 475              | 337              |
| Community capital and infrastructure costs         | 673,010                | 459,644          | 467,431          |
| Insurance  | 1,500                  | 853              | 768              |
| Interest and bank charges                          | -                      | 3,765            | 5,931            |
| Legal, professional and consulting fees            | 180,677                | 159,623          | 16,956           |
| Office, meetings and technology                    | 30,760                 | 22,185           | 24,532           |
| Other  | 7,520                  | 6,312            | 423              |
| Overhead cost recoveries                           | 7,931                  | 253              | 4,273            |
| Pension  | 4,130                  | 4,295            | 3,728            |
| Repairs and maintenance                            | 7,200                  | 3,447            | 12,551           |
| Salaries and benefits                              | 1,376,207              | 1,267,283        | 1,420,785        |
| Telephone and telecommunications                   | 9,760                  | 8,028            | 7,531            |
| Training   | 9,800                  | 490              | 2,618            |
| Travel and vehicle                                 | 24,400                 | 21,276           | 21,460           |
| Utilities  | 2,500                  | 1,924            | 2,289            |
|  | <b>2,339,695</b>       | <b>1,965,981</b> | <b>1,991,613</b> |
| <b>Deficit before transfers</b>                    | <b>(194,466)</b>       | <b>(148,891)</b> | <b>(157,895)</b> |
| <b>Transfers</b>                                   |                        |                  |                  |
| Community support - Administration                 | 247,303                | 247,306          | 286,090          |
| Transfers between programs                         | -                      | (2,000)          | 253              |
| Transfer principle repayments of capital leases    | -                      | (38,810)         | (36,644)         |
| Internally Restricted funds                        | 9,900                  | (10,822)         | -                |
|  | <b>257,203</b>         | <b>195,674</b>   | <b>249,699</b>   |
| <b>Surplus</b>                                     | <b>62,737</b>          | <b>46,783</b>    | <b>91,804</b>    |

**Mohawk Council of Kahnawake**  
**Education**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | 2015<br><i>Budget</i> | 2015              | 2014              |
|--|-----------------------|-------------------|-------------------|
| <b>Revenue</b>                                     |                       |                   |                   |
| Aboriginal Affairs and Northern Development Canada |                       |                   |                   |
| Block funding                                      | 11,130,877            | 11,224,678        | 11,092,860        |
| Set funding  | 281,223               | 554,346           | 409,840           |
| Fixed funding                                      | -                     | 93,281            | -                 |
| Additional government funding                      | -                     | 18,565            | -                 |
| First Nations Education Council                    | 2,854,721             | 2,647,387         | 2,808,352         |
| Other revenues                                     | 19,200                | 209,308           | 100,654           |
| Interest income                                    | 30,600                | 23,463            | 29,324            |
|  | <b>14,316,621</b>     | <b>14,771,028</b> | <b>14,441,030</b> |
| <b>Expenses</b>                                    |                       |                   |                   |
| Advertising and promotion                          | 9,080                 | 19,070            | 24,542            |
| Bad debts  | -                     | 12,188            | 22,151            |
| Education  | 768,127               | 854,465           | 958,291           |
| Health and other social services                   | 1,250                 | 23,571            | -                 |
| Insurance  | 64,821                | 54,890            | 54,399            |
| Interest and bank charges                          | 24,951                | 29,605            | 28,810            |
| Legal, professional and consulting fees            | 383,342               | 389,285           | 380,860           |
| Office, meetings and technology                    | 63,521                | 84,241            | 97,930            |
| Other  | 20,229                | 155,153           | 84,018            |
| Overhead cost recoveries                           | 159,674               | 4,580             | 1,498             |
| Pension  | -                     | 18,748            | 15,955            |
| Repairs and maintenance                            | 228,195               | 330,460           | 411,863           |
| Salaries and benefits                              | 8,237,977             | 8,576,437         | 8,504,245         |
| Telephone and telecommunications                   | 24,937                | 28,788            | 35,336            |
| Travel and vehicle                                 | 74,202                | 99,333            | 93,995            |
| Tuition fees and allowances                        | 3,958,728             | 4,168,760         | 3,831,977         |
| Utilities  | 298,742               | 318,799           | 344,316           |
|  | <b>14,317,776</b>     | <b>15,168,373</b> | <b>14,890,186</b> |
| <b>Deficit before other items</b>                  | <b>(1,155)</b>        | <b>(397,345)</b>  | <b>(449,156)</b>  |
| <b>Other income</b>                                |                       |                   |                   |
| Foreign exchange                                   | -                     | -                 | 15                |
| <b>Deficit before transfers</b>                    | <b>(1,155)</b>        | <b>(397,345)</b>  | <b>(449,141)</b>  |
| <b>Transfers</b>                                   |                       |                   |                   |
| Transfer to Capital fund                           | -                     | (118,059)         | (67,414)          |
| Internally Restricted funds                        | -                     | 270,445           | -                 |
|  | -                     | <b>152,386</b>    | <b>(67,414)</b>   |
| <b>Deficit</b>                                     | <b>(1,155)</b>        | <b>(244,959)</b>  | <b>(516,555)</b>  |

**Mohawk Council of Kahnawake**  
**Indian Government Support**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>        | <i>2014</i>       |
|--|------------------------|--------------------|-------------------|
| <b>Revenue</b>                                     |                        |                    |                   |
| Aboriginal Affairs and Northern Development Canada |                        |                    |                   |
| Block funding                                      | 1,215,180              | 1,241,564          | 1,964,943         |
| Set funding  | 1,127,385              | 1,147,285          | 1,084,714         |
| Fixed funding                                      | 233,656                | 233,656            | 230,301           |
| Department of Justice                              | 2,324,028              | 2,349,862          | 2,435,334         |
| Other government revenue                           | 6,633                  | 272                | 255,902           |
| Province of Québec                                 | 2,374,653              | 2,398,499          | 2,560,039         |
| Other revenues                                     | 741,277                | 912,233            | 301,943           |
| Kahnawake Gaming Commission                        | 269,631                | 181,333            | 931,903           |
| Interest income                                    | -                      | 369                | 3,319             |
| Reimbursement of prior years' deficit              | -                      | 396,249            | 348,627           |
| Repayment of government funding                    | 396,249                | (229,565)          | (416,098)         |
| Deferred revenue - prior year                      | 43,000                 | 43,000             | 309,816           |
| Deferred revenue - current year                    | -                      | (240,843)          | (43,000)          |
|  | <b>8,731,692</b>       | <b>8,433,914</b>   | <b>9,967,743</b>  |
| <b>Expenses</b>                                    |                        |                    |                   |
| Administration                                     | 154,163                | 114,160            | 99,076            |
| Advertising and promotion                          | 68,450                 | 51,276             | 86,785            |
| Bad debts  | -                      | 54,587             | 58,632            |
| Community capital and infrastructure costs         | 105,996                | 12,319             | 45,598            |
| Insurance  | 20,000                 | 8,810              | 8,653             |
| Interest and bank charges                          | 80,832                 | 4,738              | 226,231           |
| Legal, professional and consulting fees            | 831,403                | 634,160            | 798,037           |
| Office, meetings and technology                    | 195,684                | 172,638            | 170,852           |
| Other  | 122,238                | 100,502            | 99,133            |
| Overhead cost recoveries                           | 350                    | 462                | 267               |
| Pension  | 2,546,655              | 2,311,867          | 2,373,748         |
| Repairs and maintenance                            | 35,000                 | 44,809             | 44,147            |
| Salaries and benefits                              | 6,089,910              | 5,909,316          | 6,001,240         |
| Telephone and telecommunications                   | 42,240                 | 36,340             | 27,920            |
| Training   | 187,000                | 69,995             | 198,707           |
| Travel and vehicle                                 | 373,945                | 287,935            | 263,101           |
| Utilities  | 30,059                 | 35,488             | 34,587            |
|  | <b>10,883,925</b>      | <b>9,849,402</b>   | <b>10,536,714</b> |
| <b>Other income (expense)</b>                      |                        |                    |                   |
| Gain on disposal of capital assets                 | -                      | 12,000             | -                 |
| <b>Deficit before transfers</b>                    | <b>(2,152,233)</b>     | <b>(1,403,488)</b> | <b>(568,971)</b>  |
| <b>Transfers</b>                                   |                        |                    |                   |
| Internally Restricted funds                        | 288,513                | (108,603)          | 44,517            |
| Community support - Administration                 | 2,166,561              | 2,161,840          | 2,358,290         |
| Transfer to Capital fund                           | -                      | (134,838)          | (543,916)         |
| Transfers between programs                         | (345,000)              | (314,589)          | (1,178,696)       |
|  | <b>2,110,074</b>       | <b>1,603,810</b>   | <b>680,195</b>    |
| <b>Surplus</b>                                     | <b>(42,159)</b>        | <b>200,322</b>     | <b>111,224</b>    |

**Mohawk Council of Kahnawake**  
**Health and Social Development**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>       | <i>2014</i> |
|--|------------------------|-------------------|-------------|
| <b>Revenue</b>                                     |                        |                   |             |
| Aboriginal Affairs and Northern Development Canada |                        |                   |             |
| Block funding                                      | 9,873,308              | 9,873,307         | 9,015,061   |
| Fixed funding                                      | 3,651,519              | 4,213,386         | 3,907,205   |
| Set funding  | -                      | -                 | 170,000     |
| Flexible   | 68,145                 | 68,145            | 55,504      |
| Health Canada                                      | 8,463,974              | 8,840,278         | 9,676,845   |
| Canada Mortgage and Housing Corporation            | -                      | -                 | 31,825      |
| Canada Revenue Agency                              | -                      | 131,403           | 171,321     |
| Other government revenue                           | 40,260                 | -                 | -           |
| Province of Québec                                 | 108,000                | 108,000           | 55,000      |
| MSI  | 1,142,181              | 1,397,099         | 1,253,730   |
| Other revenues                                     | 616,226                | 1,109,973         | 1,057,498   |
| Interest income                                    | 45,690                 | 828,550           | 860,194     |
| Rental income                                      | 509,420                | 488,224           | 442,718     |
| Cancellation of government funding                 | -                      | -                 | (238,670)   |
| Repayment of government funding                    | -                      | (106,843)         | (34,889)    |
| Deferred revenue - prior year                      | 55,504                 | 300,329           | 488,904     |
| Deferred revenue - current year                    | -                      | (442,294)         | (300,329)   |
|  | <b>24,574,227</b>      | <b>26,809,557</b> | 26,611,917  |
| <b>Expenses</b>                                    |                        |                   |             |
| Administration                                     | 377,852                | -                 | -           |
| Bad debts (recoveries)                             | -                      | 102,846           | (46,894)    |
| Community capital and infrastructure costs         | 2,067,859              | 869,643           | 534,222     |
| Foster and institutional care                      | 1,092,265              | 1,091,544         | 1,933,492   |
| Health and other social services                   | 4,168,342              | 3,030,924         | 3,354,147   |
| Insurance  | 25,428                 | 27,910            | 21,715      |
| Interest and bank charges                          | 25,120                 | 31,368            | 31,759      |
| Legal, professional and consulting fees            | 77,857                 | 248,651           | 324,121     |
| MSI  | 77,350                 | 654,345           | 549,224     |
| Office, meetings and technology                    | 328,291                | 178,509           | 181,411     |
| Other  | 74,727                 | 260,642           | 281,142     |
| Overhead cost recoveries                           | 12,862                 | 21,644            | 2,195       |
| Pension  | 52,926                 | 32,216            | 33,901      |
| Repairs and maintenance                            | 232,108                | 147,870           | 205,791     |
| Salaries and benefits                              | 10,707,455             | 10,551,638        | 10,637,790  |
| Social assistance                                  | 6,447,113              | 6,425,427         | 6,114,714   |
| Telephone and telecommunications                   | 49,730                 | 52,903            | 47,215      |
| Training   | 108,700                | 58,541            | 30,278      |
| Travel and vehicle                                 | 223,150                | 225,526           | 242,817     |
| Utilities  | 72,756                 | 91,543            | 82,984      |
|  | <b>26,221,891</b>      | <b>24,103,690</b> | 24,562,024  |
| <b>Surplus before other items</b>                  | <b>(1,647,664)</b>     | <b>2,705,867</b>  | 2,049,893   |

*Continued on next page*



**Mohawk Council of Kahnawake**  
**Health and Social Development**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>        |
|--|------------------------|------------------|--------------------|
| <b>Allocation to other community organizations</b> | <b>(108,000)</b>       | <b>(108,000)</b> | <b>(1,455,000)</b> |
| <b>Surplus before transfers</b>                    | <b>(1,755,664)</b>     | <b>2,597,867</b> | <b>594,893</b>     |
| <b>Transfers</b>                                   |                        |                  |                    |
| Internally Restricted funds                        | 196,277                | 299,264          | (1,979,928)        |
| Transfer to Capital fund                           | -                      | (29,878)         | (66,156)           |
| Payments on mortgage and housing loans             | 1,887,312              | 1,160,173        | 1,005,990          |
| Payment of new mortgages and housing loans         | (166,116)              | (1,636,803)      | (394,897)          |
| Transfers between programs                         | 377,852                | (448,780)        | -                  |
| Transfer to moveable asset reserve                 | -                      | 12,780           | -                  |
|  | <b>2,295,325</b>       | <b>(643,244)</b> | <b>(1,434,991)</b> |
| <b>Surplus (deficit)</b>                           | <b>539,661</b>         | <b>1,954,623</b> | <b>(840,098)</b>   |

**Mohawk Council of Kahnawake**  
**Economic Development**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>        |
|--|------------------------|------------------|--------------------|
| <b>Revenue</b>                                     |                        |                  |                    |
| Aboriginal Affairs and Northern Development Canada |                        |                  |                    |
| Block funding                                      | 962,018                | 891,002          | 921,060            |
| Flexible   | 866,514                | 651,555          | 608,687            |
| Human Resources and Skills Development Canada      |                        |                  |                    |
| FNHRDCQ  | 1,704,624              | 1,568,854        | 1,533,330          |
| Rental income                                      | 1,640,957              | 1,674,894        | 1,556,779          |
| Dividend income                                    | 1,700,000              | 2,153,220        | 1,807,780          |
| Interest income                                    | 88,540                 | 132,536          | 138,233            |
| Province of Québec                                 | 289,966                | 187,458          | 178,916            |
| Consulting revenue                                 | -                      | 36,682           | 318,029            |
| Other revenues                                     | 901,656                | 293,837          | 105,204            |
| Deferred revenue - prior year                      | 527,844                | 981,451          | 527,844            |
| Deferred revenue - current year                    | -                      | (1,138,515)      | (981,451)          |
|  | <b>9,428,204</b>       | <b>7,955,970</b> | <b>7,306,201</b>   |
| <b>Expenses</b>                                    |                        |                  |                    |
| Advertising and promotion                          | 162,382                | 134,698          | 99,770             |
| Bad debts  | -                      | 1,821            | 25,001             |
| Economic development projects                      | 1,662,491              | 688,030          | 751,955            |
| Employment and training                            | 1,267,015              | 1,131,505        | 1,273,326          |
| Insurance  | 31,045                 | 29,887           | 26,995             |
| Interest and bank charges                          | 193,007                | 225,179          | 177,464            |
| Legal, professional and consulting fees            | 917,959                | 1,706,885        | 873,085            |
| Office, meetings and technology                    | 658,436                | 562,721          | 384,013            |
| Other  | 76,785                 | 69,884           | 53,764             |
| Overhead cost recoveries                           | (663,954)              | (490,622)        | (420,385)          |
| Repairs and maintenance                            | 174,082                | 201,290          | 127,837            |
| Salaries and benefits                              | 3,452,677              | 2,904,981        | 2,833,725          |
| Telephone and telecommunications                   | 35,905                 | 34,908           | 30,632             |
| Training   | 69,704                 | 27,148           | 32,880             |
| Travel and vehicle                                 | 77,364                 | 64,950           | 44,543             |
| Utilities  | 189,487                | 205,987          | 165,973            |
|  | <b>8,304,385</b>       | <b>7,499,252</b> | <b>6,480,578</b>   |
| <b>Surplus before other items</b>                  | <b>1,123,819</b>       | <b>456,718</b>   | <b>825,623</b>     |
| <b>Other income (expense)</b>                      |                        |                  |                    |
| Deferred expenses                                  | -                      | (94,931)         | (41,295)           |
| Foreign exchange                                   | 100,000                | (16,762)         | 200,294            |
|  | <b>100,000</b>         | <b>(111,693)</b> | <b>158,999</b>     |
| <b>Surplus before transfers</b>                    | <b>1,223,819</b>       | <b>345,025</b>   | <b>984,622</b>     |
| <b>Transfers</b>                                   |                        |                  |                    |
| Transfer to Capital fund                           | -                      | (324,892)        | (1,697,949)        |
| Mortgage payments on office and business complex   | (302,937)              | (320,817)        | (290,482)          |
|  | <b>(302,937)</b>       | <b>(645,709)</b> | <b>(1,988,431)</b> |
| <b>Deficit</b>                                     | <b>920,882</b>         | <b>(300,684)</b> | <b>(1,003,809)</b> |

**Mohawk Council of Kahnawake**  
**Community Capital Facilities and Housing**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>         | <i>2014</i>        |
|--|------------------------|---------------------|--------------------|
| <b>Revenue</b>                                     |                        |                     |                    |
| Aboriginal Affairs and Northern Development Canada |                        |                     |                    |
| Block funding                                      | 6,165,057              | 6,144,806           | 6,196,294          |
| Set funding  | -                      | 5,887,549           | -                  |
| Province of Québec                                 | 1,641,304              | 4,410,014           | 2,337,264          |
| Other revenues                                     | 71,920                 | 548,626             | 704,046            |
| User fees  | 126,500                | 133,580             | 131,001            |
| Other transferred revenue                          | 189,003                | -                   | -                  |
| Rental income                                      | 167,529                | 167,529             | 166,708            |
| Interest income                                    | -                      | 17,074              | 20,169             |
| Repayment of government funding                    | -                      | -                   | (7,816)            |
| Deferred revenue - prior year                      | -                      | -                   | 2,158,668          |
|  | <b>8,361,313</b>       | <b>17,309,178</b>   | <b>11,706,334</b>  |
| <b>Expenses</b>                                    |                        |                     |                    |
| Administration                                     | 22,000                 | 21,818              | 15,683             |
| Community capital and infrastructure costs         | 1,321,286              | 135,800             | 820,280            |
| Insurance  | 8,344                  | 9,106               | 9,600              |
| Interest and bank charges                          | -                      | 271                 | 298                |
| Legal, professional and consulting fees            | -                      | 48,146              | 93,062             |
| Office, meetings and technology                    | 280,985                | 881,680             | 929,447            |
| Other  | 25,099                 | 21,440              | 16,530             |
| Overhead cost recoveries                           | (164,332)              | (5,821)             | (9,699)            |
| Pension  | 16,649                 | 84,874              | 67,295             |
| Repairs and maintenance                            | 347,778                | 399,868             | 365,791            |
| Salaries and benefits                              | 3,123,045              | 2,941,419           | 3,258,867          |
| Telephone and telecommunications                   | 11,993                 | 13,914              | 13,486             |
| Training   | -                      | 10,604              | 38,259             |
| Travel and vehicle                                 | 138,805                | 159,988             | 196,215            |
| Utilities  | 375,501                | 454,312             | 367,588            |
|  | <b>5,507,153</b>       | <b>5,177,419</b>    | <b>6,182,702</b>   |
| <b>Surplus before transfers</b>                    | <b>2,854,160</b>       | <b>12,131,759</b>   | <b>5,523,632</b>   |
| <b>Transfers</b>                                   |                        |                     |                    |
| Internally Restricted funds                        | 1,768,275              | (4,819,858)         | (266,962)          |
| Community support - Administration                 | -                      | -                   | 11,551             |
| Transfer to Capital fund                           | -                      | (7,394,113)         | (5,262,510)        |
| Transfers between programs                         | 47,420                 | 48,280              | 417,301            |
| Transfer principle repayments of capital leases    | -                      | (315)               | (6,677)            |
|  | <b>1,815,695</b>       | <b>(12,166,006)</b> | <b>(5,107,297)</b> |
| <b>Surplus (deficit)</b>                           | <b>4,669,855</b>       | <b>(34,247)</b>     | <b>416,335</b>     |

**Mohawk Council of Kahnawake**  
**Government Negotiations**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <b>2015<br/>Budget</b> | <b>2015</b>     | <b>2014</b> |
|--|------------------------|-----------------|-------------|
| <b>Revenue</b>                                     |                        |                 |             |
| Aboriginal Affairs and Northern Development Canada |                        |                 |             |
| Set funding  | <b>149,900</b>         | <b>155,850</b>  | 169,195     |
| Repayment of government funding                    | -                      | <b>(25,611)</b> | (26,304)    |
|  | <b>149,900</b>         | <b>130,239</b>  | 142,891     |
| <b>Expenses</b>                                    |                        |                 |             |
| Administration                                     | <b>14,005</b>          | <b>9,701</b>    | 8,220       |
| Legal, professional and consulting fees            | <b>18,520</b>          | <b>18,120</b>   | 20,711      |
| Office, meetings and technology                    | <b>4,600</b>           | <b>2,582</b>    | 3,639       |
| Salaries and benefits                              | <b>95,671</b>          | <b>76,627</b>   | 89,688      |
| Telephone and telecommunications                   | <b>720</b>             | <b>1,854</b>    | 854         |
| Travel and vehicle                                 | <b>21,000</b>          | <b>21,355</b>   | 19,779      |
|  | <b>154,516</b>         | <b>130,239</b>  | 142,891     |
| <b>Surplus</b>                                     | <b>(4,616)</b>         | -               | -           |

**Mohawk Council of Kahnawake**  
**Public Safety**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>      |
|--|------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                        |                  |                  |
| Aboriginal Affairs and Northern Development Canada |                        |                  |                  |
| Block funding                                      | 477,532                | 477,532          | 515,729          |
| Set funding  | 25,000                 | 25,000           | -                |
| Other revenues                                     | 107,101                | 772,040          | 252,814          |
|  | <b>609,633</b>         | <b>1,274,572</b> | <b>768,543</b>   |
| <b>Expenses</b>                                    |                        |                  |                  |
| Advertising and promotion                          | 90                     | 874              | 1,512            |
| Bad debts  | -                      | 5,222            | -                |
| Community capital and infrastructure costs         | 8,408                  | 12,328           | 7,255            |
| Foster and institutional care                      | 120                    | 2,603            | -                |
| Insurance  | 2,500                  | 3,482            | 3,657            |
| Interest and bank charges                          | 10,345                 | 3,633            | 759              |
| Legal, professional and consulting fees            | 15,377                 | 10,463           | 8,277            |
| Office, meetings and technology                    | 29,362                 | 9,707            | 22,687           |
| Other  | 55,229                 | 86,512           | 77,539           |
| Overhead cost recoveries                           | 2,200                  | 2,276            | 4,317            |
| Pension  | 3,120                  | 9,986            | 1,558            |
| Repairs and maintenance                            | 73,782                 | 22,997           | 34,302           |
| Salaries and benefits                              | 837,280                | 865,204          | 1,006,247        |
| Telephone and telecommunications                   | 7,833                  | 15,235           | 13,118           |
| Training   | 19,100                 | 25,459           | 59,959           |
| Travel and vehicle                                 | 75,648                 | 86,314           | 99,246           |
| Utilities  | 4,193                  | 18,083           | 15,397           |
|  | <b>1,144,587</b>       | <b>1,180,378</b> | <b>1,355,830</b> |
| <b>Surplus (deficit) before other items</b>        | <b>(534,954)</b>       | <b>94,194</b>    | <b>(587,287)</b> |
| <b>Other income</b>                                |                        |                  |                  |
| Gain on disposal of capital assets                 | -                      | 30,000           | -                |
| Foreign exchange                                   | -                      | 58,812           | -                |
|  | <b>-</b>               | <b>88,812</b>    | <b>-</b>         |
| <b>Surplus (deficit) before transfers</b>          | <b>(534,954)</b>       | <b>183,006</b>   | <b>(587,287)</b> |
| <b>Transfers</b>                                   |                        |                  |                  |
| Internally Restricted funds                        | 22,623                 | 3,979            | (9,728)          |
| Community support - Administration                 | 86,920                 | 85,920           | 84,337           |
| Transfer to Capital fund                           | -                      | (691,009)        | (99,135)         |
| Transfers between programs                         | 241,508                | 234,589          | 246,392          |
|  | <b>351,051</b>         | <b>(366,521)</b> | <b>221,866</b>   |
| <b>Deficit</b>                                     | <b>(183,903)</b>       | <b>(183,515)</b> | <b>(365,421)</b> |

**Mohawk Council of Kahnawake**  
**Other**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>      |
|--|------------------------|------------------|------------------|
| <b>Revenue</b>                                     |                        |                  |                  |
| Aboriginal Affairs and Northern Development Canada |                        |                  |                  |
| Block funding                                      | 2,348,810              | 2,346,851        | 2,211,115        |
| Province of Québec                                 | 2,130,852              | 1,449,487        | 1,485,101        |
| Other revenues                                     | 632,268                | 669,241          | 1,129,850        |
| Dividend income                                    | 1,722,276              | 2,243,994        | 1,806,975        |
| Sports Complex                                     | 451,594                | 633,521          | 590,347          |
| Tickets and fines                                  | 655,000                | 643,547          | 570,018          |
| Royalties  | 384,000                | 307,695          | 354,468          |
| Interest income                                    | 230,000                | 285,089          | 291,995          |
| Rental income                                      | 125,177                | 118,457          | 1,510            |
| Deferred revenue - prior year                      | -                      | -                | 115,103          |
|  | <b>8,679,977</b>       | <b>8,697,882</b> | <b>8,556,482</b> |
| <b>Expenses</b>                                    |                        |                  |                  |
| Administration                                     | 92,682                 | 136,767          | 77,691           |
| Advertising and promotion                          | 48,900                 | 53,791           | 33,568           |
| Bad debts  | 125,119                | 25,842           | 166,990          |
| Community capital and infrastructure costs         | 411,744                | 424,250          | 415,041          |
| Insurance  | 85,011                 | 86,538           | 84,616           |
| Interest and bank charges                          | 28,695                 | 6,138            | 2,873            |
| Legal, professional and consulting fees            | 470,133                | 501,953          | 459,616          |
| Office, meetings and technology                    | 116,963                | 64,682           | 67,841           |
| Other  | 233,954                | 360,080          | 357,046          |
| Overhead cost recoveries                           | (68,124)               | (40,712)         | (95,775)         |
| Pension  | 8,864                  | 13,337           | 9,882            |
| Repairs and maintenance                            | 124,778                | 298,843          | 201,841          |
| Salaries and benefits                              | 4,144,849              | 4,382,873        | 4,229,889        |
| Telephone and telecommunications                   | 60,488                 | 56,196           | 58,721           |
| Training   | 86,400                 | 84,996           | 69,060           |
| Travel and vehicle                                 | 61,667                 | 101,065          | 69,451           |
| Utilities  | 187,375                | 248,020          | 214,273          |
|  | <b>6,219,498</b>       | <b>6,804,659</b> | <b>6,422,624</b> |
| <b>Surplus before other items</b>                  | <b>2,460,479</b>       | <b>1,893,223</b> | <b>2,133,858</b> |

*Continued on next page*

**Mohawk Council of Kahnawake**  
**Other**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|   | 2015             | 2015               | 2014        |
|---|------------------|--------------------|-------------|
| <b>Surplus before other items</b> <i>(Continued from previous page)</i> | <b>2,460,479</b> | <b>1,893,223</b>   | 2,133,858   |
| <b>Other income (expense)</b>   |                  |                    |             |
| Deferred expenses   | -                | -                  | (67,911)    |
| Foreign exchange  | <b>170,000</b>   | <b>467,302</b>     | 402,747     |
| Allocation to other community organizations                             | <b>(355,000)</b> | <b>(277,800)</b>   | (355,000)   |
|   | <b>(185,000)</b> | <b>189,502</b>     | (20,164)    |
| <b>Surplus before transfers</b>   | <b>2,275,479</b> | <b>2,082,725</b>   | 2,113,694   |
| <b>Transfers</b>  |                  |                    |             |
| Internally Restricted funds   | <b>1,193,256</b> | <b>388,444</b>     | 685,773     |
| Community support - Administration                                      | <b>2,832,567</b> | <b>(2,495,066)</b> | (2,740,268) |
| Transfer to Capital fund  | -                | -                  | (69,744)    |
| Transfers between programs  | <b>1,318,897</b> | <b>482,500</b>     | 514,750     |
| Transfer principle repayments of capital leases                         | -                | <b>(19,367)</b>    | (34,219)    |
|   | <b>5,344,720</b> | <b>(1,643,489)</b> | (1,643,708) |
| <b>Surplus</b>  | <b>7,620,199</b> | <b>439,236</b>     | 469,986     |

**Mohawk Council of Kahnawake**  
**Ottawa Trust Funds**  
**Schedule 13 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|                                    | <i>2015<br/>Budget</i> | <i>2015</i>   | <i>2014</i> |
|------------------------------------|------------------------|---------------|-------------|
| <b>Revenue</b>                     |                        |               |             |
| Commercial and residential leasing | -                      | <b>16,280</b> | 10,583      |
| Interest income                    | -                      | <b>299</b>    | 268         |
|                                    | -                      | <b>16,579</b> | 10,851      |
| <b>Expenses</b>                    |                        |               |             |
| Other                              | -                      | <b>11,121</b> | 11,124      |
| <b>Surplus (deficit)</b>           | -                      | <b>5,458</b>  | (273)       |



**Mohawk Council of Kahnawake**  
**Capital**  
**Schedule 14 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>      | <i>2014</i>      |
|--|------------------------|------------------|------------------|
| <b>Expenses</b>                                  |                        |                  |                  |
| Amortization                                     | 275,067                | 5,294,027        | 4,964,488        |
| <b>Transfers</b>                                 |                        |                  |                  |
| Transfer to Capital fund                         | 1,025,400              | 8,692,789        | 7,806,824        |
| Transfer principle repayments of capital leases  | -                      | 58,492           | 77,540           |
| Mortgage payments on office and business complex | -                      | 320,817          | 290,482          |
|  | <b>1,025,400</b>       | <b>9,072,098</b> | <b>8,174,846</b> |
| <b>Surplus</b>                                   | <b>750,333</b>         | <b>3,778,071</b> | <b>3,210,358</b> |

**Mohawk Council of Kahnawake**  
**Restricted Funds**  
**Schedule 15 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

|  | <i>2015<br/>Budget</i> | <i>2015</i>        | <i>2014</i> |
|--|------------------------|--------------------|-------------|
| <b>Transfers between programs</b>          |                        |                    |             |
| Internally Restricted funds                | -                      | <b>3,977,151</b>   | 1,526,328   |
| Payments on mortgage and housing loans     | -                      | <b>(1,160,173)</b> | (1,005,990) |
| Payment of new mortgages and housing loans | -                      | <b>1,636,803</b>   | 394,897     |
| Transfer to moveable asset reserve         | -                      | <b>(12,780)</b>    | -           |
| <b>Surplus</b>                             | -                      | <b>4,441,001</b>   | 915,235     |