

Mohawk Council of Kanasatake
Financial Statements
March 31, 2015

Mohawk Council of Kanesatake

Financial Statements March 31, 2015

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Raymond Chabot Grant Thornton

Independent Auditor's Report

To the Grand Chief and Council of Chiefs
Mohawk Council of Kanesatake

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We have audited the accompanying financial statements of Mohawk Council of Kanesatake, which comprise the statement of financial position as at March 31, 2015 and the statements of operations - sector summary, operations - detail by sector, changes in fund balances, cash flows, changes in net debt, and in-trust funds with AANDC for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

Note 2 describes the policy with respect to the Council's tangible capital assets. The policy states that tangible capital assets are recorded at cost. As there was no audit performed between 2002 and 2006, we are unable to determine if the opening balances should reflect any asset additions pertaining to those years. The note also indicates that Council expensed capital asset purchases from 2007 to 2008 to the specific program where the program dictated. In these respects, the financial statements are not in accordance with Canadian public sector accounting standards, and the effects of these departures from Canadian public sector accounting standards on the financial statements have not been determined. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the failure to record tangible capital assets and amortization as described in the Basis for qualified opinion, the financial statements present fairly, in all material respects, the financial position of the Mohawk Council of Kanesatake as at March 31, 2015 and the results of its operations, its cash flows and its changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter

These financial statements replace the financial statements previously issued, on which we provided a qualified audit opinion on July 23, 2015. The accompanying financial statements take into account additional revenues in the amount of \$1,636, which had not previously been recorded.

Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
August 28, 2015

Mohawk Council of Kanesatake Operations - Sector Summary

Year ended March 31, 2015

	2015	2014
	\$	\$
Revenues		
AANDC	6,602,300	6,837,352
AANDC recoverable amount	(56,193)	(98,418)
FNHRDCQ	583,668	549,925
FNEC	552,753	583,466
Internal	264,467	256,348
Other	1,484,580	2,061,791
Health Canada	52,767	53,067
FNQLHSSC	96,481	74,099
CMHC	60,887	45,284
Centre Jeunesse des Laurentides	442,662	342,151
Heritage Canada		18,000
SAA	37,625	76,566
FNCCEC	48,929	49,796
Deferred revenues	(133,557)	(159,235)
	<u>10,037,369</u>	<u>10,690,192</u>
Expenditures		
1 - Administration	1,089,388	1,725,762
2 - Education	2,948,336	3,417,939
3 - Public Works	397,594	368,281
4 - Public Works - Capital Base	377,141	403,947
5 - Public Works - Capital Secondary	415,059	453,698
6 - Human Resources Development	477,495	371,662
7 - Social Assistance	2,061,108	2,121,999
8 - Economic Development	321,131	188,695
9 - Other Projects	1,480,834	1,385,241
Amortization of tangible capital assets	323,850	313,938
Transfer to capital fund	(60,725)	(127,367)
	<u>9,831,211</u>	<u>10,623,795</u>
Annual surplus	<u>206,158</u>	<u>66,397</u>

Mohawk Council of Kanesatake

Operations - Detail by Sector

Year ended March 31, 2015

				2015	2014
	Page	Revenues	Expenses	Surplus	Surplus
	#	\$	\$	(deficit)	(deficit)
				\$	\$
1 - Administration					
1001 Band support funding	25	1,295,569	786,691	508,878	(559,941)
1002 Professional development initiative	26				(3,701)
1004 Plan / Risk management	27	24,416	24,416		
1007 Governance capacity	28	65,000	67,948	(2,948)	
1020 Membership	29	31,980	30,488	1,492	
1031 Land management	30	74,769	71,588	3,181	4,305
1080 Band employee benefits	31	24,116	23,060	1,056	3,017
1081 Native benefits plan	32	85,197	85,197		
		<u>1,601,047</u>	<u>1,089,388</u>	<u>511,659</u>	<u>(556,320)</u>
2 - Education					
2010 Instructional services (main)	33	4,436	4,445	(9)	
2012 Ratihente High School	34	253,193	249,840	3,353	
2013 Rotiwennakehte School	35	254,784	304,873	(50,089)	12,245
2020 Student services	36	26,844	10,270	16,574	16,547
2021 Ancillary services	37	20,630	12,472	8,158	
2022 Advice and assistance	38	85,916	72,479	13,437	4,591
2023 Guidance and counseling	39	64,353	55,726	8,627	12,328
2024 Enhanced teacher salaries	40	30,130	30,130		
2030 Tuition fees	41	586,281	586,281		(91,794)
2034 FNEC membership	42	7,700	9,900	(2,200)	
2040 Transportation services	43	347,407	257,969	89,438	55,379
2050 Post-secondary services	44	547,113	551,583	(4,470)	7,346
2059 Special education	45	208,504	208,550	(46)	(1)
2061 FNEC New paths teacher recruitment	46	30,540	31,340	(800)	(421)
2065 FNEC New paths - school effectiveness	47	49,750	49,750		(3)
2067 FNEC Science and technology	48	5,094	4,407	687	(3)
2070 FNEC Youth employment	49	12,880	14,301	(1,421)	
2072 FNEC Career and promotion	50	5,533	5,533		
2073 FNEC Early literacy	51	15,847	16,301	(454)	(632)
2074 FNEC DSSLP	52	40,778	41,386	(608)	
2075 FNEC FNSSP	53	185,463	188,194	(2,731)	(927)
2001 Operations and maintenance Ratihente High School	54	96,912	72,999	23,913	13,767
2002 Operations and maintenance Rotiwennakehte and Aronhiatekha	55	103,662	92,281	11,381	1,745
2004 Operations and maintenance gymnasium	56	37,380	30,608	6,772	

Mohawk Council of Kanasatake Operations - Detail by Sector

Year ended March 31, 2015

		2015			2014
		Revenues	Expenses	Surplus	Surplus
		\$	\$	(deficit)	(deficit)
2005 Operations and maintenance					
education center	57	39,047	46,718	(7,671)	11,809
		<u>3,060,177</u>	<u>2,948,336</u>	<u>111,841</u>	<u>41,976</u>
3 - Public Works					
5001 Maintenance management	58	118,788	186,482	(67,694)	10,990
5015 Community buildings	59	52,190	43,003	9,187	1,691
5020 Roads and bridges	60	83,945	71,193	12,752	
5021 Sanitation systems	61	43,545	27,692	15,853	(589)
5022 Water systems	62	18,252	14,817	3,435	(5,033)
5030 Community capital facility	63	44,080	54,407	(10,327)	(2,256)
		<u>360,800</u>	<u>397,594</u>	<u>(36,794)</u>	<u>4,803</u>
4 - Public Works - Capital Base					
5102 CMHC RRAP	64	79,450	77,708	1,742	666
5103 Housing renovation and repair	65	50,956	50,956		(2,200)
5104 Education capital	66	34,372	35,379	(1,007)	4,328
5105 Housing renovations - CEAP	67	102,412	102,412		(84,583)
5108 Well and septic tank 2 units	68				11,529
5109 Management consultant	69	13,600	23,100	(9,500)	(3,113)
5112 Tioweroton building	70				11,250
5124 Roads and bridges capital	71				2,186
5125 Roads and bridges network	72	2,860	2,860		37,800
5132 Emergency repairs	73	84,350	84,726	(376)	2,190
		<u>368,000</u>	<u>377,141</u>	<u>(9,141)</u>	<u>(19,947)</u>
5 - Public Works - Capital Secondary					
5201 Wastewater eco-flow	74				(28,883)
5203 Storage tank system	75	39	39		
5206 Water system rehabilitation	76	286,712	286,712		28,883
5209 Immersion school heating	77				(53,715)
5211 Radon	78	49,060	49,060		
5212 Water strategy	79	78,812	79,248	(436)	17,063
5220 Equipment service truck	80				(5,925)
		<u>414,623</u>	<u>415,059</u>	<u>(436)</u>	<u>(42,577)</u>

Mohawk Council of Kanesatake Operations - Detail by Sector

Year ended March 31, 2015

				2015	2014
	Revenues	Expenses	Surplus (deficit)	Surplus (deficit)	
	\$	\$	\$	\$	\$
6 - Human Resources Development					
9001 KHRO EIF	81	108,508	118,266	(9,758)	7,996
9002 KHRO CRF	82	247,217	284,640	(37,423)	33,084
9003 KHRO Skills link	83	17,753	18,450	(697)	1,758
9004 KHRO Youth	84	34,267	43,258	(8,991)	8,107
9006 Service Canada youth employment	85	12,279	12,881	(602)	139
		<u>420,024</u>	<u>477,495</u>	<u>(57,471)</u>	<u>51,084</u>
7 - Social Assistance					
3021 Basic needs social assistance	86	1,820,270	1,820,270		(225,925)
3022 Employability social assistance	87	95,775	95,775		
3023 Special needs social assistance	88	31,230	31,230		(6,668)
3030 Social assistance program delivery	89	77,680	73,827	3,853	(2,170)
3051 - 3057 Daycamp	90	11,919	10,254	1,665	2,357
3900 Family violence	91	30,000	29,752	248	
		<u>2,066,874</u>	<u>2,061,108</u>	<u>5,766</u>	<u>(232,406)</u>
8 - Economic Development					
4001 CEDO operation planning	92	186,082	183,440	2,642	35,916
4020 Forestry project	93	81,462	71,163	10,299	
4030 Laurentians orchards	94	59,850	66,528	(6,678)	
4055 Aboriginal initiatives	95				
		<u>327,394</u>	<u>321,131</u>	<u>6,263</u>	<u>35,916</u>
9 - Other Projects					
1045 AFSAR	96	17,130	17,062	68	
1050 Kanesatake's involvement in War of 1812	97		6,973	(6,973)	(1,173)
1500 Specific claim negotiation	98	(150,131)	143,627	(293,758)	
3058 FQIS Part 2	99	10,447	10,447		
5250 Council office flooding	100	31,609	21,849	9,760	
5300 CMHC - HASI renovations	101	7,000	7,000		
6000 Kanesatake Mohawk police	102		4,630	(4,630)	(4,630)
6500 Crime prevention	103	197,312	184,176	13,136	(12,282)
7001 Riverside elder's home	104	664,111	698,331	(34,220)	(150,548)
8000 Cultural resource center	105	51,809	67,746	(15,937)	(3,969)
9007 Pikwadin	106	171,468	144,928	26,540	(40,600)
9500 Daycare center construction	107	14,424	14,424		
9502 Child care services	108	77,484	102,237	(24,753)	(44,153)
9503 Headstart services	109	52,767	57,404	(4,637)	(7,660)
9990 Adjustments	110	273,000		273,000	1,235,454
		<u>1,418,430</u>	<u>1,480,834</u>	<u>(62,404)</u>	<u>970,439</u>

Mohawk Council of Kanesatake Operations - Detail by Sector

Year ended March 31, 2015

			2015	2014
	<u>Revenues</u>	<u>Expenses</u>	<u>Surplus (deficit)</u>	<u>Surplus (deficit)</u>
	\$	\$	\$	\$
Annual surplus - operating fund	10,037,369	9,568,086	469,283	252,968
Capital asset fund	60,725	323,850	(263,125)	(186,571)
Annual surplus	10,098,094	9,891,936	206,158	66,397

The accompanying notes are an integral part of the financial statements.

Mohawk Council of Kanesatake Changes in Fund Balances

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Fund balance, beginning of year	3,657,151	3,590,754
Annual surplus	206,158	66,397
Fund balance, end of year	<u>3,863,309</u>	<u>3,657,151</u>

The accompanying notes are an integral part of the financial statements.

Mohawk Council of Kanesatake

Cash Flows

Year ended March 31, 2015

	2015	2014
	\$	\$
CASH PROVIDED FROM (USED FOR):		
OPERATING TRANSACTIONS		
Annual surplus	206,158	66,397
Items not requiring an outlay of cash:		
Amortization of tangible capital assets	323,850	313,938
Forgiveness of debt		(1,235,454)
Net change in non-cash components of operating working capital		
In-trust funds with AANDC	(645)	(562)
Accounts receivable - AANDC	(359,144)	681,763
Accounts receivable - other	(49,598)	29,701
Prepaid expenses	(21,003)	24,113
Accounts payable and accrued liabilities	(309,618)	233,868
Deferred revenue	(25,678)	109,314
Cash flows from operating activities	<u>(235,678)</u>	<u>223,078</u>
FINANCING TRANSACTIONS		
Long-term debt financing	344,350	
Reimbursement of long-term debt	(77,071)	(114,004)
Cash flows from (used in) financing activities	<u>267,279</u>	<u>(114,004)</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(60,725)	(127,367)
Net decrease in cash and cash equivalents	(29,124)	(18,293)
Bank indebtedness, beginning of year	(40,846)	(22,553)
Bank indebtedness, end of year	<u>(69,970)</u>	<u>(40,846)</u>

The accompanying notes are an integral part of the financial statements.

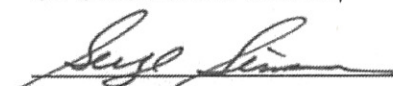
Mohawk Council of Kanesatake Financial Position

March 31, 2015

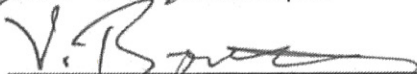
	2015	2014
	\$	\$
FINANCIAL ASSETS		
In-trust funds with AANDC	23,402	22,757
Accounts receivable - AANDC	780,652	421,508
Accounts receivable - other (Note 3)	262,103	212,505
Loans receivable (Note 4)	10,206	10,206
	<u>1,076,363</u>	<u>666,976</u>
LIABILITIES		
Bank indebtedness (Note 5)	69,970	40,846
Accounts payable and accrued liabilities (Note 6)	3,316,156	3,625,774
Deferred revenue (Note 7)	133,557	159,235
Long-term debt (Note 8)	692,657	425,378
	<u>4,212,340</u>	<u>4,251,233</u>
NET DEBT	<u>(3,135,977)</u>	<u>(3,584,257)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	99,772	78,769
Tangible capital assets (Note 10)	6,899,514	7,162,639
	<u>6,999,286</u>	<u>7,241,408</u>
ACCUMULATED SURPLUS (Note 14)	<u>3,863,309</u>	<u>3,657,151</u>
Commitments (Note 9)		
Contingencies (Note 11)		


The accompanying notes are an integral part of the financial statements.

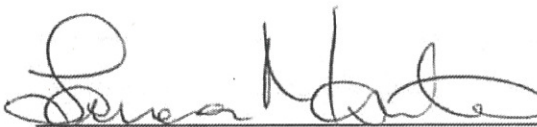
On behalf of the Council,



Grand Chief - Serge Simon


Chief - John Ganatonquin


Chief - Victor Bonspille


Chief - Gloria Ann Nelson


Chief - Lourena Montour


Chief - Bruce Montour


Chief - Patricia Meilleur

Mohawk Council of Kanesatake Statement of Changes in Net Debt

Year ended March 31, 2015

	2015	2014
	\$	\$
Annual surplus	206,158	66,397
Tangible capital assets:		
Acquisition of tangible capital assets	(60,725)	(127,367)
Amortization of tangible capital assets	323,850	313,938
Total tangible capital assets	469,283	252,968
Acquisition of prepaid expenses	(99,772)	(78,769)
Use of prepaid expenses	78,769	102,882
Changes in net debt	448,280	277,081
Net debt - beginning of year	(3,584,257)	(3,861,338)
Net debt - end of year	(3,135,977)	(3,584,257)

Mohawk Council of Kanesatake
Statement of In-Trust Funds with AANDC

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Operating fund		
Balance - beginning of year	1,593	1,031
Revenue		
Interest	645	562
Expense		
Payment from Trust		
Balance - end of year	<u>2,238</u>	<u>1,593</u>
Capital fund	<u>21,164</u>	<u>21,164</u>
Total	<u><u>23,402</u></u>	<u><u>22,757</u></u>

The In-Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust by AANDC. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

Mohawk Council of Kanesatake
Notes to Financial Statements
March 31, 2015

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

Mohawk Council of Kanesatake (the "Council") is the governing body of the Mohawk Territory of Kanesatake, having a mandate to provide and administer the legislation, policies, services and structures of governance of their community.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

Management is responsible for the preparation of the Council's financial statements, which have been prepared in accordance with Canadian public sector accounting standards in the CPA Canada Public Sector Accounting Handbook. The Council has elected not to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the CPA Canada Public Sector Accounting Handbook.

Fund accounting

These financial statements are prepared based upon the principles of fund accounting. The accrual method is followed for the recognition of revenues and expenses. Transactions are accounted for under the following funds, based upon its use:

- The Operating Fund accounts for the Council's program delivery and administrative activities. This Fund reports unrestricted resources and restricted operating funding.
- The Capital Assets Fund reports the assets, liabilities, revenues and expenses related to the Council's tangible capital assets.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's knowledge of current events and actions that the Council may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

Initial measurement

The Council recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

Mohawk Council of Kanesatake
Notes to Financial Statements
March 31, 2015

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

At each reporting date, the Council measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

The Council determines whether there is any objective evidence of impairment of the financial assets. Any financial asset impairment is recognized in the statement of operations.

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined within a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenue when authorized and when the Council has satisfied any eligibility criteria, unless the agreement stipulations create an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management.

Non-financial assets

By nature, the Council's non-financial assets are normally used to provide future services.

Tangible capital assets

Tangible capital assets acquired are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

When the Council receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date or to a nominal value of \$1 if the fair value cannot be reasonably determined.

Mohawk Council of Kanesatake

Notes to Financial Statements

March 31, 2015

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

In previous years up to and including 2006, tangible capital assets were either recorded on the statement of financial position at acquisition cost less amortization or expensed to the related program. For fiscal years 2007 and 2008, all tangible capital assets were expensed to their specific programs. Commencing in fiscal 2009, all newly acquired tangible capital assets have been capitalized in the statement of financial position.

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Roads	40 years
Buildings	40 years
Water and sewage	40 years
Machinery and vehicles	10 years
Computer hardware and software	3 years
Furniture and fixtures	10 years

Write-down

When conditions indicate that a tangible capital asset no longer contributes to the Council's ability to provide goods or services, or that the value of future economic benefits associated with the tangible capital asset is less than its net carrying amount, the cost of tangible capital asset is reduced to reflect the decline in value. Any write-down of tangible capital assets is accounted for as expenses in the statement of operations and any write-downs are not subsequently reversed.

Pension plan

The Council uses defined contribution plan accounting for multiemployer government plans because sufficient information to follow the defined benefit plan accounting is not available.

Net debt

The Council's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Council is determined by its financial assets less its liabilities.

Disclaimer

No reference to any expense or to any revenue, allocations, transfer, contributions or other income as being deferred or surplus constitutes an admission of any legal obligation by Council to any party for any reason. No reference to any account or liability as payable or accrued and no reference to any amount as a liability, as owing or as a debt of any kind constitutes an admission of any legal obligation by Council to any party for any reason. More particularly, such references are made only in order to comply with Canadian public sector accounting standards, and the preparation of the Council's financial statements by management does not include any authorization to make admissions as to legal obligations. For greater clarity, the approval of the financial statements by Council does not necessarily include an acknowledgement of any right enjoyed by any other party.

Mohawk Council of Kanesatake
Notes to Financial Statements
 March 31, 2015

3 - ACCOUNTS RECEIVABLE - OTHER

	<u>2015</u>	<u>2014</u>
	\$	\$
Accounts receivable - other (a)	228,392	195,584
Commodity taxes receivable	33,711	16,921
	<u>262,103</u>	<u>212,505</u>

(a) As at March 31, 2015, the gross carrying amount of impaired accounts receivable - other is \$78,249 (\$78,249 as at March 31, 2014). These accounts receivable - other are presented in the financial statements net of an allowance for impairment of \$78,249 (\$78,249 as at March 31, 2014). The amount of the impairment loss related to accounts receivable is \$Nil (\$50,587 as at March 31, 2014) and the reversal of a previously recognized loss on the accounts receivable is \$Nil (\$Nil in 2014).

4 - LOANS RECEIVABLE

Loans receivable are business loans to community members provided by the Community Economic Development Program (CEDP). These loans are 50% forgiven on issuance with the remainder repayable in equal instalments over a 5 year term. Interest on the loans are based on 10.25% of the opening balance and are repayable in equal instalments over the term of the loans.

5 - BANK INDEBTEDNESS

The Council has an authorized credit facility of \$200,000 of which \$55,176 (2014 - \$64,134) was used as at March 31, 2015. Advances bear interest at prime plus 2.5% (2014 - prime plus 2.5%) (prime 2015 - 2.85%; prime 2014 - 3%). The credit line is secured by a first rank moveable hypothec on all receivables and is renewable on an annual basis.

6 - ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Trade payables	2,440,742	2,734,045
Accrued liabilities	675,735	601,328
Salaries payable	199,679	290,401
	<u>3,316,156</u>	<u>3,625,774</u>

Mohawk Council of Kanesatake
Notes to Financial Statements
 March 31, 2015

7 - DEFERRED REVENUE

Deferred revenue consists of government transfers received under various programs as described below which Council did not expend during the year. The total unexpended contributions relate to the following programs:

	Balance March 31, 2014	Funding received 2015	Funding repaid 2015	Revenue recognized 2015	Balance March 31, 2015
	\$	\$	\$	\$	\$
AANDC programs					
Plan / Risk management (1004)		35,000		(24,416)	10,584
Water system rehabilitation (5206)	28,063	300,000	(41,351)	(286,712)	.
Radon (5211)		100,000		(49,060)	50,940
Water strategy (5212)	26,654	78,812	(26,654)	(78,812)	
	<u>54,717</u>	<u>513,812</u>	<u>(68,005)</u>	<u>(439,000)</u>	<u>61,524</u>
Other					
AFSAR (1045)	130	17,000		(17,130)	
Specific claim negotiation (1500)	53,319		(53,319)		
Daycamp (3051)	1,665	10,254		(11,919)	
FQIS Part 2 (3058)		35,390		(10,446)	24,944
Aboriginal initiatives (4055)	37,625				37,625
Crime prevention (6500)	7,324	189,988		(197,312)	
Daycare center construction (9500)		19,433		(14,424)	5,009
New KHRO project	4,455				4,455
	<u>104,518</u>	<u>272,065</u>	<u>(53,319)</u>	<u>(251,231)</u>	<u>72,033</u>
Total	<u><u>159,235</u></u>	<u><u>785,877</u></u>	<u><u>(121,324)</u></u>	<u><u>(690,231)</u></u>	<u><u>133,557</u></u>

Mohawk Council of Kanesatake
Notes to Financial Statements
 March 31, 2015

8 - LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
	\$	\$
2.61% Elder's Home CMHC mortgage, matured during the year		8,286
4.49% GMAC loan payable, matured during the year		4,447
AANDC loan payable, claim negotiation expenses of 2012 to 2015, repayable without interest on various dates from March 31, 2016 to March 31, 2019	590,716	246,366
Loans from Canada Mortgage and Housing Corporation (R.R.A.P.), no defined terms of repayment		34,416
7.95% Caisse Populaire term loan, repayable in blended monthly instalments of \$3,278, maturing February 14, 2018, secured by vehicles with a total net book value of \$113,291	101,941	131,863
	<u>692,657</u>	<u>425,378</u>

The instalments on long-term debt for the next four years are \$278,761 in 2016, \$35,067 in 2017, \$237,929 in 2018 and \$140,900 in 2019.

9 - COMMITMENTS

The Council has entered into long-term lease agreements for the rental of equipment used in daily operations.

These leases expire on various dates between August 31, 2015 and August 31, 2018.

Minimum lease payments for the next four years are \$32,699 in 2016, \$29,767 in 2017, \$25,622 in 2018 and \$5,823 in 2019.

Mohawk Council of Kanesatake
Notes to Financial Statements
 March 31, 2015

10 - TANGIBLE CAPITAL ASSETS

	Opening balance, Apr 1, 2014			Cost	Opening balance, Apr 1, 2014			Accumulated amortization		Net book value, Mar 31, 2015
	Opening balance, Apr 1, 2014	Additions	Disposals	Closing balance, Mar 31, 2015	Opening balance, Apr 1, 2014	Amortization	Disposals, write-offs and adjustments	Closing balance, Mar 31, 2015		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Roads	4,668,060			4,668,060	3,545,320	32,376		3,577,696	1,090,364	
Buildings	8,513,669	7,285		8,520,954	3,435,570	212,877		3,648,447	4,872,507	
Water and sewage	1,222,960			1,222,960	532,896	30,574		563,470	659,490	
Machinery and vehicles	992,029			992,029	755,034	32,193		787,227	204,802	
Computer hardware and software	154,108	17,605		171,713	141,097	7,416		148,513	23,200	
Furniture and fixtures	187,302	35,835		223,137	165,572	8,414		173,986	49,151	
	15,738,128	60,725		15,798,853	8,575,489	323,850		8,899,339	6,899,514	

	Opening balance, Apr 1, 2013			Cost	Opening balance, Apr 1, 2013			Accumulated amortization		Net book value, Mar 31, 2014
	Opening balance, Apr 1, 2013	Additions	Disposals	Closing balance, Mar 31, 2014	Opening balance, Apr 1, 2013	Amortization	Disposals, write-offs and adjustments	Closing balance, Mar 31, 2014		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Roads	4,668,060			4,668,060	3,512,944	32,376		3,545,320	1,122,740	
Buildings	8,446,437	67,232		8,513,669	3,223,326	212,244		3,435,570	5,078,099	
Water and sewage	1,222,960			1,222,960	502,322	30,574		532,896	690,064	
Machinery and vehicles	944,900	47,129		992,029	724,295	30,739		755,034	236,995	
Computer hardware and software	141,102	13,006		154,108	139,684	1,413		141,097	13,011	
Furniture and fixtures	187,302			187,302	158,980	6,592		165,572	21,730	
	15,610,761	127,367		15,738,128	8,261,551	313,938		8,575,489	7,162,639	

Mohawk Council of Kanasatake

Notes to Financial Statements

March 31, 2015

11 - CONTINGENCIES

- a) The Council has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Council fails to comply with the terms and conditions of the agreements.
- b) During the normal course of operations, the Council is subject to legal claims. The total of these claims as at March 31, 2015 is undeterminable. Additionally, the Council is unable to accurately estimate the outcome of these claims and therefore no provision has been recorded in the financial statements. Any settlement resulting from these claims will be recorded as an expense in the year in which the settlement occurs.

12 - ECONOMIC DEPENDENCE

The Council receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada. The nature and extent of this revenue is of such significance that they are economically dependent on this source of revenue.

13 - FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Council is exposed to various financial risks resulting from both its operating and financing activities. The Council's management manages financial risks. The Council does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

During the year, there were no changes to the financial instrument risk management policies, procedures and practices. The means used by the Council to manage each of the financial risks are described in the following paragraphs.

Financial risks

The Council's main financial risk exposure and its financial risk management policies are as follows.

Credit risk

The Council is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Council has determined that the financial assets with more credit risk exposure are accounts receivable - AANDC, accounts receivable - other, and loans receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Council. Credit risk relating to these accounts is generally low since the Council negotiates with large government organizations.

The accounts receivable - AANDC, accounts receivable - other, and loans receivable balances are managed and analyzed on an ongoing basis and, accordingly, the Council's exposure to doubtful accounts is not significant.

Mohawk Council of Kanesatake

Notes to Financial Statements

March 31, 2015

13 - FINANCIAL INSTRUMENTS (Continued)

The credit risk related to cash and cash equivalents is considered to be negligible because it is held by a reputable financial institution with an investment grade external credit rating.

The carrying amount on the statement of financial position of the Council's financial assets exposed to credit risk represents the maximum amount exposed to credit risk.

The Council's management considers that all financial assets that are not impaired or past due are of good credit quality at the date of the financial statements.

Market risk

The Council's financial instruments expose it to market risk, in particular to interest rate risk:

The Council's debt is at fixed interest rates. Accordingly, there is limited exposure to interest rate risk.

The Council does not use derivative financial instruments to reduce its interest rate risk exposure.

Liquidity risk

The Council's liquidity risk represents the risk that the Council could encounter difficulty in meeting obligations associated with its financial liabilities. The Council is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Council has financing sources for a sufficient authorized amount. The Council establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

As at March 31, 2015, the Council's contractual maturities for financial liabilities (including any interest payments) are as follows:

	Less than 6 months	6 months to 1 year	1 to 5 years	Non-interest bearing
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,316,156			
Long-term debt	15,877	16,518	69,546	590,716
	<u>3,332,033</u>	<u>16,518</u>	<u>69,546</u>	<u>590,716</u>

Carrying amount of financial assets and liabilities by category

The Council's financial assets, totalling \$1,042,652 (\$650,055 as at March 31, 2014), have all been classified as financial assets measured at amortized cost, less any reduction for impairment.

The Council's financial liabilities, totalling \$4,212,340 (\$4,251,233 as at March 31, 2014), have all been classified as financial liabilities measured at amortized cost.

Mohawk Council of Kanesatake
Notes to Financial Statements

March 31, 2015

14 - ACCUMULATED SURPLUS

	<u>2015</u>	<u>2014</u>
	\$	\$
Restricted		
Capital asset fund	21,164	21,164
Operating fund	<u>2,238</u>	<u>1,593</u>
	<u>23,402</u>	<u>22,757</u>
Unrestricted		
Capital asset fund	6,899,514	7,162,639
Operating fund	<u>(3,059,607)</u>	<u>(3,528,245)</u>
	<u>3,839,907</u>	<u>3,634,394</u>
	<u>3,863,309</u>	<u>3,657,151</u>

15 - BUDGETED FIGURES

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

16 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Mohawk Council of Kanesatake
Notes to Financial Statements
 March 31, 2015

17 - EXPENDITURES BY NATURE

	2015	2014
	\$	\$
Amortization of tangible capital assets	323,850	313,938
Bad debt		50,587
Bank charges and interest	110,789	124,468
Books and supplies	30,746	28,794
Computer equipment and software	24,067	
Contracts	89,275	198,237
Employability measures (KHRO)	421,120	317,871
Fuel	33,260	35,661
Graduation allowances	2,000	2,600
In-kind expenses	144	6,445
Insurance	62,816	67,734
Internal billing - auxiliary expense	69,316	158,468
Internal billing - MCK administration fees	264,624	256,348
Judgement debt expense		288,153
Maintenance and repairs	299,010	229,894
Management fees	154,896	278,809
Material and other supplies	119,355	202,230
Membership fees	11,125	8,689
Nutritional supplies	43,581	31,676
Office space and equipment rental	52,756	39,868
Office supplies	13,851	18,696
Payroll service fees	9,676	8,091
Pension plan and insurance benefits	115,828	125,666
Postal fees	12,085	11,686
Professional fees - legal	108,279	252,334
Professional fees - other	502,716	474,902
Rent, utilities and heating	214,662	202,164
Salaries and fringe benefits	3,242,658	3,134,194
Snow removal	2,000	2,535
Social assistance allowances	1,947,275	1,985,256
Special education	39,961	41,228
Specialized equipment	5,133	
Student allowances and living expenses	419,782	396,701
Telecommunications	37,670	41,007
Travel	46,880	29,207
Tuition fees	643,617	841,183
Vehicle expenses	35,140	34,926
Workshops	3,237	5,052
Other expenses	318,031	378,497
	<u>9,831,211</u>	<u>10,623,795</u>