

Mohawk Council of Kahnawà:ke
Consolidated Financial Statements
March 31, 2022

Mohawk Council of Kahnawà:ke

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For the year ended March 31, 2022

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Management's Responsibility

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

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

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

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

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

MNP S.E.N.C.R.L, s.r.l is appointed by Council of Chiefs to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

July 28, 2022

e-Signed by Erica Delisle
2022-07-22 16:15:08:08 GMT

Director of
Financial Services

e-Signed by Karlie Marquis
2022-07-28 20:50:18:18 GMT

Executive Director

Independent Auditor's Report

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

Opinion

We have audited the Consolidated financial statements of Mohawk Council of Kahnawà:ke (the "First Nation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Montréal, Québec

July 28, 2022

MNP¹ SENCRL, s.r.l.

¹ CPA auditor, public accountancy permit no. A124849

Mohawk Council of Kahnawà:ke
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash resources (Note 4)	126,177,764	86,067,668
Term deposits (Note 5)	6,519,232	13,986,716
Accounts receivable (Note 6)	34,841,538	7,774,517
Loan receivable (Note 7)	30,898,789	30,573,267
Investment in loans (Note 8)	3,668,746	5,538,425
Investments in government partnerships and business entities (Note 9)	16,753,496	18,273,242
Mortgage and housing loans (Note 10)	10,806,568	12,163,055
Total financial assets	229,666,133	174,376,890
Liabilities		
Accounts payable and accruals (Note 12)	11,244,253	12,043,108
Deferred revenue (Note 13)	25,612,865	9,012,826
Loan payable - Des Cultures Renewable Energy LP (Note 14)	1,375,339	1,311,243
Loan payable (Note 7)	30,898,789	30,573,267
Amounts held in trust (Note 15)	177,644	138,153
Long-term debt (Note 16)	2,541,600	3,124,964
Total liabilities	71,850,490	56,203,561
Net financial assets	157,815,643	118,173,329
Contingencies (Note 17)		
Non-financial assets		
Tangible capital assets (Note 18) (Schedule 1)	95,552,211	94,209,491
Inventories held for use	14,492	59,280
Prepaid expenses	479,866	570,792
Total non-financial assets	96,046,569	94,839,563
Accumulated surplus (Note 19)	253,862,212	213,012,892

Approved on behalf of Council

e-Signed by Kahsennenhawe Sky-Deer
2022-07-29 14:28:17 GMT

Grand Chief

e-Signed by Lindsay Leborgne
2022-07-29 15:14:00:00 GMT

Chief, FAO Chairperson

Mohawk Council of Kahnawà:ke

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	Schedules	2022 Budget	2022	2021
Revenue				
Government funding				
Indigenous Services Canada (Note 22), (Note 24)		64,742,568	121,705,960	86,372,280
Federal government funding (Note 22)		4,347,107	5,278,187	5,863,849
Provincial government funding		7,620,319	5,627,548	5,835,217
		76,709,994	132,611,695	98,071,346
Other community income		15,739,852	21,836,596	14,622,804
Share in equity of government business entities		-	9,480,254	14,568,347
Investment income		7,438,447	1,270,403	1,441,967
First Nations Education Council		5,954,513	5,012,131	5,329,592
First Nations Human Resources Development Commission of Quebec		2,093,739	2,927,742	2,051,889
National Aboriginal Capital Corporations		650,557	336,514	631,864
First Nations Quebec and Labrador Health and Social Services Commission		81,114	770,399	242,851
First Nations of Quebec and Labrador Sustainable Development Institute		59,073	-	60,000
Grand Conseil de la Nation Waban-Aki		-	-	177,980
Deferred revenue - prior year (Note 13)		2,308,523	9,012,826	3,916,411
Deferred revenue - current year (Note 13)		(1,194,580)	(25,612,865)	(9,012,826)
Repayment of funding		36,999	1,881	(264,849)
		109,878,231	157,647,576	131,837,376
Expenses				
Government operations	4	59,789,845	57,227,692	65,446,220
Economic development	5	8,503,931	7,946,234	7,190,681
Health and community services	6	25,468,095	25,436,457	25,198,771
Education	7	18,768,904	21,283,442	18,851,946
Fire services	8	1,200,477	1,459,821	1,377,420
Cultural Center	9	919,864	1,004,604	828,111
Kariwonoron	10	-	951,437	625,982
Service Complex	11	232,130	246,299	313,696
Ottawa Trust Funds	12	-	23,709	-
Total expenses (Schedule 2)		114,883,246	115,579,695	119,832,827
Surplus before other items		(5,005,015)	42,067,881	12,004,549
Other income (expense)				
Foreign exchange gain (loss)		2,877,894	102,874	(1,351,758)
Distributions to other community organizations		(160,000)	(1,290,891)	(352,488)
Deferred expenses		-	-	144,834
Gain (loss) on disposal of capital assets		-	(47,588)	87,550
		2,717,894	(1,235,605)	(1,471,862)
Surplus before transfers		(2,287,121)	40,832,276	10,532,687

Continued on next page

Mohawk Council of Kahnawà:ke
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	<i>Schedules</i>	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Surplus before transfers <i>(Continued from previous page)</i>		(2,287,121)	40,832,276	10,532,687
Transfers		(281,687)	17,044	25,080
Surplus		(2,568,808)	40,849,320	10,557,767
Accumulated surplus, beginning of year		202,455,124	213,012,892	202,455,125
Accumulated surplus, end of year		199,886,316	253,862,212	213,012,892

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

Mohawk Council of Kahnawà:ke
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Annual surplus	(2,568,808)	40,849,320	10,557,767
Purchases of tangible capital assets	(4,898,182)	(8,179,869)	(9,239,739)
Amortization of tangible capital assets	-	6,782,761	6,732,768
Gain (loss) on sale of tangible capital assets	-	47,588	(87,550)
Acquisition of fuel inventory	-	44,788	(16,281)
Proceeds of disposal of tangible capital assets	-	6,800	87,550
	(4,898,182)	(1,297,932)	(2,523,252)
Acquisition of prepaid expenses	-	(479,866)	(570,792)
Use of prepaid expenses	-	570,792	935,599
	-	90,926	364,807
Increase in net financial assets	(7,466,990)	39,642,314	8,399,322
Net financial assets, beginning of year	118,173,329	118,173,329	109,774,007
Net financial assets, end of year	110,706,339	157,815,643	118,173,329

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

Mohawk Council of Kahnawà:ke Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	136,074,306	124,356,403
Cash paid to suppliers	(53,272,957)	(59,660,854)
Cash paid to employees	(56,755,588)	(53,255,715)
Investment income	864,512	968,141
Interest on long-term debt	(109,776)	(132,271)
	26,800,497	12,275,704
Financing activities		
Change in amounts held in trust	39,491	41,668
Advances of long-term debt	126,000	2,609,618
Repayment of long-term debt	(589,364)	(1,192,297)
Repayment of promissory note	-	(177,500)
	(423,873)	1,281,489
Capital activities		
Purchases of tangible capital assets	(8,179,869)	(9,239,739)
Proceeds of disposal of tangible capital assets	6,800	87,550
	(8,173,069)	(9,152,189)
Investing activities		
Purchase of term investments	(275,510)	(13,986,717)
Proceeds on disposal of term investments	7,742,987	13,854,181
Cash payment for new loans granted	(570,820)	(830,029)
Principal payments on loan collected	1,982,084	1,377,522
Repayment of loan receivable from government business entity	2,027,800	2,580,240
Investment in limited Partnership units	-	(1,594,136)
Dividends received from government business entity	11,000,000	4,000,000
	21,906,541	5,401,061
Increase in cash resources	40,110,096	9,806,065
Cash resources, beginning of year	86,067,668	76,261,603
Cash resources, end of year	126,177,764	86,067,668

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

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

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

2. Significant event

During the 2020 fiscal year, there was an outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, Provincial, Indigenous and municipal governments regarding travel, business operations and isolation / quarantine measures.

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

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

3. Significant accounting policies

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

Reporting entity

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

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

- Mohawk Council of Kahnawà:ke
- Kahnawà:ke Shakotiaa'Takehnhas Community Services
- Tewatohnhisaktha
- Kahnawà:ke Education Center
- Kanien'kehaka Onkwawen:na Raotitiohkwa
- Kahnawà:ke Fire Brigade
- Kahnawà:ke Service Complex
- Karihwanoron Kanienkeha Owenna Tsi Ionteriwaienstahkwa

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

Inter-entity transactions

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

Basis of presentation

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

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and inventories held for use.

Net financial assets

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

Segments

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

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

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

Foreign currency translation

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

Cash and cash equivalents

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

Temporary investments

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

Loans receivable

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

Allowance for loan impairment

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

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

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

Loan guarantees

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

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

Amortization

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

	Methods	Rates and periods
Land improvements	straight-line	5-50 years
Buildings	declining balance	4%
Social housing	declining balance	4%
Water treatment plant	declining balance	4%
Sports Complex	declining balance	4%
Roads and infrastructure	declining balance	5%
School buses	straight-line	10 years
Fire trucks	straight-line	5%
Vehicles	straight-line	5 years
Computer hardware and software	straight-line	3 years
Equipment	straight-line	5 years
Furniture and fixtures	straight-line	5 years

Long-lived assets

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

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

Measurement uncertainty

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

Accounts receivable, loans receivable and mortgages and loans 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.

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

Revenue recognition

Government Transfers

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

Externally restricted revenue

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

Funds held in Ottawa Trust Fund

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

Investment Income

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

Rental Income

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

Other Income

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

Employee future benefits

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

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

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

Contributions to the plan are expensed as incurred.

Funds held in Ottawa Trust Fund

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

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

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Cash resources

	2022	2021
Cash on hand and balances with banks	118,358,043	86,043,958
Ottawa Trust Fund	11,171	23,710
	118,369,214	86,067,668

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

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

5. Term deposits

Term deposits consist of various Canadian dollar term deposits which are interest bearing at rates ranging from 0.20% to 0.40% annually, and have maturity dates ranging from May 2022 to October 2022. The market value of the term deposits at March 31, 2022 approximates their carrying amount. Term deposits have been restricted as described in Note 19.

6. Accounts receivable

	2022	2021
Indigenous Services Canada	-	2,262,049
Trade receivables	40,692,215	5,769,832
Rent receivable	170,629	144,742
First Nations Education Council	-	562,633
Federal government	-	1,000,151
Provincial government	-	507,064
Fuel tax	74,328	83,481
Other Community organizations	(2,698,973)	2,310,702
Allowance for doubtful accounts	(4,911,476)	(4,866,137)
	33,326,723	7,774,517

7. Loan receivable (payable)

Mohawk Council of Kahnawà:ke (MCK) agreed to act as the signatory for the Capital Contribution Agreement signed on March 28, 2012 for the capital expansion of the Kateri Memorial Hospital Center (KMHC). A memorandum of understanding was signed whereby MCK transferred administrative and legal liability for the project to KMHC. However, MCK would, under the terms of funding provided by the Ministère de la Santé et des Services Sociaux (MSSS), continue in the capacity as the project manager. The total funding to be provided by the MSSS amounts to \$31,271,000. As part of this project, a term loan agreement was signed between Financement-Québec, Mohawk Council of Kahnawà:ke and MSSS for the purpose of financing the construction costs of the hospital expansion.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

As at March 31, 2022, total funding provided directly to KMHC by MSSS with respect to the project amounted to \$30,898,789 (2021 - \$30,573,267) including capitalized interest of \$1,962,046 (2021 - \$1,709,267). Therefore, this amount has been recorded as a loan receivable from KMHC.

Under the terms of the terms of the loan agreement, MCK has been identified as the borrower. Therefore, at March 31, 2022, an equal amount has been recognized as a liability due to Financement-Québec.

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

8. Investment in loans

Investment in loans consist of the following:

	<i>Principal</i>	<i>Provisions and allowances</i>	<i>2022 Net recoverable value</i>	<i>2021 Net recoverable value</i>
Onkwawista Holdings Limited ¹	2,499,200	-	2,499,200	4,527,000
Loans receivable - Youth and Business Fund ²	716,195	(51,441)	664,754	676,925
Loans receivable - Emergency Loan Program ³	504,792	-	504,792	334,500
	3,720,187	(51,441)	3,668,746	5,538,425

¹ The loan receivable from Onkwawista Holdings Limited ("OHL") of \$2,499,200 (US\$2,000,000) (2021 - \$4,527,000 (US\$3,600,000)) is unsecured, interest bearing at 2.5% per annum, and is repayable by way of annual principal payments of US\$400,000 until August 1, 2026.

² The primary purpose of the Business Loan Fund (BLF) and the Youth Business Fund (YBF) loans are to help the youth entrepreneurs and members of the business community of Kahnawà:ke to establish viable businesses. The general terms and conditions differ from conventional loan agreements in that they are unsecured. Amortization periods range from one to ten years depending on the size of the loan. Interest is charged at annual fixed rates ranging from 6.25% to 7.95% (YBF) and prime plus 4% (BLF) compounded monthly. In addition, Youth Business Fund borrowers have the option of paying interest only during the first year of the loan. Furthermore, the Organization will forgive the remaining 25% of the loan balance once 75% has been reimbursed and the borrower has met all the terms of the agreement to the date of forgiveness. Recovery of youth loans is dependent upon the success of the related borrowers' businesses as the youth loans require no equity or personal guarantees.

³ Indigenous Business Stabilization Program - Emergency Loan Program (ELP) loans are unsecured, non-interest bearing with 25%-50% forgivable if repaid no later than 4 years following the date the loan was issued, payable monthly commencing no later than one year after the loan was issued. As at March 31, 2022, the total amounts of loans issued under this program amounted to \$846,000 of which \$271,500 has been recognized as grant and \$69,708 has been repaid to date.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Investments in government business partnerships and business entities

The First Nation has investments in the following business sectors:

	<i>Investment cost, beginning of year</i>	<i>Investment in shares or units</i>	<i>Share of earnings (loss)</i>	<i>Dividends</i>	<i>2021 Total investment</i>
Wholly-owned Businesses:					
Online Gaming	14,579,432	-	8,072,102	(11,000,000)	11,651,534
Business Partnership - Modified equity:					
Renewable energy	3,693,810	-	1,408,152	-	5,101,962
	18,273,242	-	9,480,254	(11,000,000)	16,753,496

	<i>Investment cost, beginning of year</i>	<i>Investment in shares or units</i>	<i>Share of earnings (loss)</i>	<i>Dividends</i>	<i>2020 Total investment</i>
Wholly-owned Businesses:					
Online gaming	5,981,132	-	12,598,300	-	(4,000,000)
Business Partnership - Modified equity:					
Renewable energy	129,627	1,594,136	1,970,047	-	-
	6,110,759	1,594,136	14,568,347	-	(4,000,000)
					18,273,242

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

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

	<i>Des Cultures Renewable Energy, LP As at December 31, 2021</i>	<i>Des Cultures Renewable Energy, LP [unaudited] As at March 31, 2021</i>
Assets		
Cash	3,351,000	1,592,000
Trade and other receivables	1,599,000	2,183,000
Prepaid expenses	-	519,000
Property, plant and equipment	65,686,000	66,733,000
Right-of-use-assets	3,489,000	3,468,000
Derivative financial instrument	4,625,000	10,061,000
Total assets	78,750,000	84,556,000
Liabilities		
Accounts payable and accruals	8,155,000	4,251,000
Lease obligation	3,324,000	3,361,000
Long-term debt	56,419,000	59,275,000
Asset retirement obligation	660,000	662,000
Total liabilities	68,558,000	67,549,000
Net assets	10,192,000	17,007,000

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Total revenue	89,000	2,063,000
Total expenses	129,000	275,000
Net loss	(40,000)	1,788,000
Other comprehensive income	4,234,000	5,024,000
Net income	4,194,000	6,812,000

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

	<i>Mohawk Online Limited As at December 31, 2021</i>	<i>Onkwawista Holdings Limited As at March 31, 2022</i>	<i>Mohawk Online Kahnawake As at March 31, 2022</i>
Assets			
Cash	8,024,673	857	56,844
Accounts receivable	2,860,848	41,612	100,128
Prepayments	10,902	-	4,480
Loans receivable	-	2,496,723	-
Tangible capital assets	-	-	5,132
financial assets at FVTPL	424,327	-	-
Total assets	11,320,750	2,539,192	166,584
Liabilities			
Accounts payable and accruals	989,458	130,253	110,261
Bank indebtedness	-	4,143	-
Loan payable	-	2,496,723	-
Total liabilities	989,458	2,631,119	110,261
Net assets excluding accumulated other comprehensive income	10,331,292	(91,927)	56,323
Total revenue	13,157,795	80,900	692,492
Total expenses	1,066,866	167,166	662,738
Net income (loss)	12,090,929	(86,266)	29,754
Comprehensive income (loss)	12,090,929	(86,266)	29,754

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

One of the First Nation's investee has a different year-end than March 31, 2022. The First Nation uses the investee's year-end financial statements to account for its investment in this investee.

Name of investee	Year-end	Significant events and transactions
Des Cultures Renewable Energy, LP	December 31, 2021	Financial income of \$5,024,000
Mohawk Online Limited	December 31, 2021	During the period of January 1, 2022 to March 31, 2022, the investee earned profits of \$1,351,271 which was included in the balance of the Organization's investment in the investee as at March 31, 2022.

10. Mortgage loans receivable and housing initiative loans

Mortgage loans receivable represent funds advanced for the construction of homes for community residents and are secured by the related properties. Initial terms of these mortgages vary, up to a maximum term of approximately thirty years. Old mortgages are repayable in monthly instalments and bear interest at 6% per annum. New mortgages are repayable in monthly blended instalments at various fixed rates of interest with terms to maturity ranging up to 10 years.

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

11. Revolving line of credit

MCK has access to various unsecured credit facilities amounting to \$3,220,000 (2021 - \$3,220,000) which remains unused as at March 31, 2022, which are renewable on an annual basis. Borrowings under these facilities bear interest at rates ranging from prime plus 0.5% to prime plus 3% per annum.

12. Accounts payable and accruals

	2022	2021
Trade payables and accrued liabilities	5,708,090	7,894,899
Salaries and vacations payable	4,761,168	3,946,185
Government funding payable	107,016	202,024
Accounts payable and accruals 10	(153,065)	-
	10,423,209	12,043,108

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
Indigenous Services Canada	5,438,438	28,732,489	15,612,178	18,558,749
Government of Quebec	846,186	3,775,647	2,807,044	968,603
Government of Canada	352,001	3,360,291	2,122,904	1,589,388
First Nations Education Council	777,377	4,992,685	4,619,063	1,150,999
National Aboriginal Capital Corporations Association	395,213	301,165	470,486	225,892
First nations of Quebec and Labrador Health and Social Services Commission	81,114	327,372	-	408,486
First Nations human resources development commission of Quebec	157,054	239,473	106,424	290,103
Health Canada	396,634	2,623,578	789,658	2,230,554
Other	568,809	914,571	1,293,289	190,091
	9,012,826	45,267,271	27,821,046	25,612,865

14. Loan payable - Des Cultures Renewable Energy LP

Loan payable - Des Cultures Renewable Energy LP (70% partner), is unsecured, bears interest at 5% per annum and is due September 2022.

15. Amounts held in trust

Mohawk Council of Kahnawà:ke holds funds in trust for several Community members and uses those funds to pay for their day to day essential needs. The balance represents the total amount being administered on behalf of those community members as at March 31, 2022. Use of these funds is restricted as described in Note 4.

16. Long-term debt

	2022	2021
Mortgage payable, interest bearing at 3.54% (2021 - 3.54%), repayable in blended monthly installments of \$14,592, with the balance subject to renewal in August 2022, secured by a trust agreement in the lender's favour on the Business Complex having a net book value of \$2,899,374	444,977	562,698
Mortgage payable, interest bearing at 3.03% (2021 - 3.03%), repayable in blended monthly installments of \$4,332 with the balance subject to renewal in December 2022, secured by a \$1,000,000 first rank immovable hypothec on the Commercial Complex having a net book value of \$843,697	558,231	584,154
Indigenous Business Stabilization Program - Emergency Loan Program loans payable are unsecured, non-interest bearing with 25% - 50% forgivable if repaid no later than 4 years following the date the loan was issued, payable monthly, on the same basis the loans receivable are collected, commencing no later than one year after the loan was issued.	568,500	568,500
Term loan, unsecured, bearing interest at 3.13% per annum, repayable in monthly principal and interest payments of \$964, due December 2022	8,560	19,665

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Term loan, unsecured, bearing interest at 3.13% per annum, repayable in monthly principal and interest payments of \$600, due December 2022	5,333	12,251
Term loan, unsecured, bearing interest at 3.45% per annum, repayable in monthly principal and interest payments of \$2,657, due March 2024	59,246	88,620
Term loan, unsecured, bearing interest at 3.76% per annum, repayable in monthly principal and interest payments of \$1,593, due August 2022	7,890	26,329
Term loan, unsecured, bearing interest at 3.58% per annum, repayable in monthly principal and interest payments of \$1,401, due April 2023	16,493	32,411
Term loan, unsecured, bearing interest at 4.23% per annum, repayable in monthly principal and interest payments of \$732, due November 2022	5,051	13,425
Term loan, unsecured, bearing interest at 3.8% per annum, repayable in monthly principal and interest payments of \$643, due April 2023	6,250	15,434
Term loan, unsecured, bearing interest at 3.73% per annum, repayable in monthly principal and interest payments of \$1,422, due June 2025	52,160	66,980
Term loan, unsecured, bearing interest at 3.75% per annum, repayable in monthly principal and interest payments of \$3,070, due February 2026	134,012	165,193
Term loan, unsecured, bearing interest at 3.15% per annum, repayable in monthly principal and interest payments of \$6,789 maturing October 2026	347,255	416,593
Term loan, unsecured, bearing interest at 3.58% per annum, repayable in monthly principal and interest payments of \$2,285, maturing March 2026	103,961	125,342
Term loan, unsecured, bearing interest at 3.23% per annum, repayable in monthly principal and interest payments of \$5,886 maturing Mary 2024	147,615	212,342
Term loan, unsecured, bearing interest at 3.08% per annum, repayable in monthly principal and interest payments of \$3,701 maturing June 2026	176,701	215,027
	2,642,235	3,124,964

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

	Total
2023	722,936
2024	674,185
2025	458,363
2026	231,260
2027	95,856
	<hr style="border-top: 1px solid black;"/>
	2,182,600
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Thereafter	359,000
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Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

17. Contingencies

- (a) The Community has entered into contribution agreements with various government departments. Funding received under these contribution agreements may be subject to repayment upon final review and verification of the eligibility of the expenses by the funder.
- (b) Mohawk Council of Kahnawà:ke has been named as a defendant in several lawsuits as part of its ongoing operations with respect to various legal matters that are pending or are before the courts or other regulatory bodies. Damages in certain cases have either not been filed as yet or are not requested or cannot be awarded. Council is unable to accurately estimate the outcome of these actions. No provision has been recorded in the accounts. Any settlement resulting from these claims will be recorded as an expense in the year in which the settlement occurs.
- (c) Mohawk Council of Kahnawà:ke guarantees loans made to Kahnawà:ke residents by Canada Mortgage and Housing Corporation for renovations. As at March 31, 2022, such loans are not significant. Mohawk Council of Kahnawà:ke has also acted as co-signer on mortgage loans to residents from various lending institutions for an aggregate amount of approximately \$7,917,097 (2021 - \$9,260,005) for purchases of houses as part of the On-reserve loan guarantee program.
- (d) Mohawk Council of Kahnawà:ke has incurred certain financial obligations with respect to the research, development and negotiation of its specific claim relating to the Seigneurie of Sault St. Louis Claim (program 1917). ISC has provided MCK with an interim loan to assist them in meeting these obligations. As at March 31, 2022 the outstanding loan is \$4,481,536 (2021 - \$4,481,536). The advance is secured by a promissory note which is payable on the earlier of March 31, 2021 or the date on which the claim is settled.
- (e) Through the Business Loan Fund, Mohawk Council of Kahnawà:ke has guaranteed the Caisse Populaire Kahnawà:ke for a portion of the approved bank borrowings to a maximum of \$156,000 (2021 - \$156,000) for indigenous entrepreneurs under the loan guarantee program. As at March 31, 2022, the total guaranteed indebtedness amounted to \$136,400 (2021 - \$160,000).
- (f) The Organization has been named as co-defendant in a lawsuit on behalf of a previous tenant, seeking to recover \$1,795,303 in damages allegedly sustained by them as a result of construction work performed on or around the property leased. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of the lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable.

18. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include land improvements with a carrying value of \$3,346,207 (2021 - \$1,651,907). No amortization of this asset has been recorded during the year because the land is currently under development.

19. Accumulated Surplus

The accumulated surplus is comprised of the following:

	2022	2021
Tangible Capital Assets	93,661,176	91,786,874
Ottawa Trust Funds	11,170	23,710
Externally Restricted	15,788,361	11,587,770
Appropriated Reserves	142,702,645	110,249,172
Unappropriated	1,698,860	(634,634)
	253,862,212	213,012,892

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

20. CMHC replacement and operating reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC), MCK established a replacement reserve, funded by an annual allocation of \$105,600 (2021 - \$101,067) to ensure replacement of buildings financed by CMHC. At March 31, 2022, \$599,380 (2021- \$437,780) has been set aside to fully fund this reserve.

Under the terms of the agreement with CMHC, MCK has also established an operational reserve related to the on-reserve housing units funded by CMHC. During the current year, \$66,152 (2021- \$68,911) has been set aside to fully fund this reserve. As at March 31, 2022, \$468,754 (2021 - \$402,602) has been set aside to fully fund this reserve.

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

21. Defined benefit pension plan

Mohawk Council of Kahnawà:ke maintains a defined benefit pension plan covering the employees of Mohawk Council of Kahnawà:ke and other band empowered entities. According to the most recent actuarial valuation of the Plan dated March 31, 2022, the Plan had a funding surplus of approximately \$73,744,000 (2021 - \$69,950,000) on a going concern basis and a funding surplus of approximately \$48,358,231 (2021 - excess of \$23,491,000) on a solvency basis. The Pension Benefits Standards Act requires that Council fund the benefits determined under the Plan. The determination of the value of these benefits was made on the basis of an actuarial valuation on March 31, 2022.

Under the Pension Benefits Standards Act, a Plan sponsor is permitted to use a letter of credit to reduce any solvency special payments otherwise required to be paid under the Act. In this regard, on July 27, 2015, the Plan sponsor entered into a letter of guarantee agreement with Bank of Montreal, whereby Bank of Montreal provided the sponsor with letters of guarantee. Letters of guarantee outstanding at March 31, 2022 totalled \$12,373,231 (2021 - \$12,373,231) and expire on September 30, 2022.

Other accounts receivable includes an amount of \$1,757,362 (2021 - \$1,581,045), net of a provision of \$1,757,362 (2021 - \$1,581,045) due from the Pension plan for the employees of Mohawk Council of Kahnawà:ke. This comprises administrative expenses paid by Mohawk Council of Kahnawà:ke on behalf of the Plan for current and prior years. Expenses for the current year are \$176,317 (2021 - \$181,537) and these amounts are charged at cost.

22. Government transfers

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

Federal government transfers

	<i>Operating and capital</i>	<i>Deferrals and repayments</i>	2022	2021
Indigenous Services Canada	103,649,098	(17,818,696)	85,830,402	82,603,705
Public Safety Canada	3,611,328	(69,418)	3,541,910	3,700,919
Department of Justice Canada	58,750	(31,516)	27,234	52,500
Fisheries and Oceans Canada	327,723	(92,736)	234,987	32,919
Canadian Heritage	-	(17,022)	(17,022)	123,795
Canada Mortgage Housing Corporation	334,766	-	334,766	375,846
Employment and Social Development Canada	18,900	172,032	190,932	430,077
Health Canada	-	-	-	1,100,862
Canada Revenue Agency	212,049	-	212,049	252,931
Canadian Environment Assessment Agency Canada	32,880	-	32,880	27,129
Canada Environmental Agency	-	-	-	41,498
Transport Canada	108,304	35,000	143,304	149,403
Economic Development Agency of Canada	23,759	-	23,759	-
Minister of Environment and Climate Change	136,028	(6,914)	129,114	-
	108,513,585	(17,829,270)	90,684,315	88,891,584

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

22. Government transfers (Continued from previous page)

Provincial government transfers

	Operating and capital	Deferrals and repayments	2022	2021
Transports Québec	2,425,972	(45,573)	2,380,399	2,410,267
Sécurité publique Québec	2,631,116	-	2,631,116	2,715,306
Province of Québec	187,799	-	187,799	28,637
Développement durable, Environnement et Lutte contre les changements climatiques	279,171	(57,866)	221,305	201,857
Département de la justice du Québec	-	-	-	60,742
Secrétariat à l'action communautaire autonome et aux initiatives sociales	-	60,000	60,000	-
Secrétariat aux affaires autochtones	-	-	-	42,312
Ministère de la Justice				
Ministère de la Culture et des Communications				
	5,627,548	(43,439)	5,584,109	5,504,121
Total government transfers	114,141,133	(17,872,709)	96,268,424	94,395,705

23. Economic dependence

Mohawk Council of Kahnawà:ke receives 84% (2021 - 79%) of its revenue from Indigenous Services Canada and other agencies of the Government of Canada. The ability of MCK to continue operations is dependent upon the Government of Canada's continued financial commitments.

24. ISC funding reconciliation

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

	2022	2021
Balance per confirmation	102,786,244	71,558,288
ISC Health funding received for Health and Community Services not included in confirmation	18,919,716	14,813,992
Balance per financial statements	121,705,960	86,372,280

25. Budget information

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

26. Loan offer

The Organization has available a loan offer, signed with Investissement Québec, in the amount of \$5,700,000 which bears interest at 5% per annum. As of March 31, 2022, no amount has been drawn.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

27. Comparative figures

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

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Land and land improvement</i>	<i>Buildings</i>	<i>Social Housing</i>	<i>Water Treatment Plant</i>	<i>Roads and Infrastructure</i>	<i>Sports Complex</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	4,858,467	65,239,148	8,308,237	11,100,940	61,807,718	2,162,747	153,477,257
Acquisition of tangible capital assets	1,694,347	871,820	1,020,126	-	3,319,488	-	6,905,781
Write down of tangible capital assets	-	(84,272)	-	-	-	-	(84,272)
Balance, end of year	6,552,814	66,026,696	9,328,363	11,100,940	65,127,206	2,162,747	160,298,766
Accumulated amortization							
Balance, beginning of year	67,031	37,511,591	2,342,952	3,406,680	21,687,914	573,484	65,589,652
Annual amortization	15,069	2,107,680	259,014	307,770	2,107,890	59,685	4,857,108
Write down of capital assets	-	(29,884)	-	-	-	-	(29,884)
Balance, end of year	82,100	39,589,387	2,601,966	3,714,450	23,795,804	633,169	70,416,876
Net book value of tangible capital assets	6,470,714	26,437,309	6,726,397	7,386,490	41,331,402	1,529,578	89,881,890
2021 Net book value of tangible capital assets	4,791,436	27,727,557	5,965,285	7,694,260	40,119,804	1,589,263	87,887,605

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Subtotal</i>	<i>School Buses</i>	<i>Vehicles</i>	<i>Firetrucks</i>	<i>Equipment</i>	<i>Computer Hardware and Software</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	153,477,257	2,694,555	5,968,553	2,501,181	5,119,013	3,009,037	172,769,596
Acquisition of tangible capital assets	6,905,781	-	512,102	-	693,254	38,917	8,150,054
Write down of tangible capital assets	(84,272)	-	-	-	-	-	(84,272)
Balance, end of year	160,298,766	2,694,555	6,480,655	2,501,181	5,812,267	3,047,954	180,835,378
Accumulated amortization							
Balance, beginning of year	65,589,652	1,844,728	3,861,975	1,283,234	3,749,506	2,454,451	78,783,546
Annual amortization	4,857,108	198,586	739,725	85,909	537,444	313,388	6,732,160
Write down of capital assets	(29,884)	-	-	-	-	-	(29,884)
Balance, end of year	70,416,876	2,043,314	4,601,700	1,369,143	4,286,950	2,767,839	85,485,822
Net book value of tangible capital assets	89,881,890	651,241	1,878,955	1,132,038	1,525,317	280,115	95,349,556
2021 Net book value of tangible capital assets	87,887,605	849,827	2,106,578	1,217,947	1,369,507	554,586	93,986,050

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Furniture and Fixtures</i>	<i>2022</i>	<i>2021</i>
Cost				
Balance, beginning of year	172,769,596	944,985	173,714,581	164,474,842
Acquisition of tangible capital assets	8,150,054	29,815	8,179,869	9,239,739
Write down of tangible capital assets	(84,272)	-	(84,272)	-
Balance, end of year	180,835,378	974,800	181,810,178	173,714,581
Accumulated amortization				
Balance, beginning of year	78,783,546	721,544	79,505,090	72,772,322
Annual amortization	6,732,160	50,601	6,782,761	6,732,768
Write down of capital assets	(29,884)	-	(29,884)	-
Balance, end of year	85,485,822	772,145	86,257,967	79,505,090
Net book value of tangible capital assets	95,349,556	202,655	95,552,211	94,209,491
2021 Net book value of tangible capital assets	93,986,050	223,441	94,209,491	

Mohawk Council of Kahnawà:ke
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2022

	<i>2022</i> <i>Budget</i>	<i>2022</i>	<i>2021</i>
Consolidated expenses by object			
Administration	379,618	162,858	119,810
Amortization	1,495,692	1,639,233	6,732,768
Bad debts	363,707	120	573,244
Bank charges and interest	49,688	222,240	203,472
Funeral	-	15,980	541,974
Infrastructure costs	12,542,211	8,688,482	3,321,209
Uniforms	51,703	34,920	80,070
Contracted services	-	6,476	40,190
Economic	238,568	1,479,061	1,349,648
Education and culture	3,042,007	3,706,018	3,252,570
Elders fees	267	-	-
Employment and training	1,451,994	1,371,587	871,319
Foster and group home care	2,930,358	3,506,976	4,317,819
Health costs	6,725,830	8,284,365	6,945,556
Honoraria	105,300	101,842	49,833
Dental	59,171	61,855	55,427
Insurance	414,051	263,211	235,885
Interest on long-term debt	144,195	109,776	132,271
Professional fees	3,928,989	4,493,798	4,125,262
Stop loss	282,037	55,431	22,712
Management fees	-	-	357,000
Materials	98,000	98,000	-
Office expenses and supplies	2,113,059	2,036,756	2,208,101
Other expense 2	-	25,500	-
recovery of expenses	1,135,925	(403,494)	(714,679)
Pension	2,931,218	4,504,721	4,045,538
Training	1,139,373	358,268	332,742
Advertising	1,090,646	758,697	660,966
Renovations	82,225	-	-
Rent	1,133,896	1,356,606	1,695,889
Repairs and maintenance	1,933,713	2,246,363	1,991,464
Covid Support programs	2,550,000	2,615,986	12,149,210
Salaries and benefits	58,347,659	57,696,581	53,255,715
Social assistance	6,213,666	6,796,059	6,294,540
Support staff	1,014,884	-	-
Travel	524,625	439,277	145,215
Tuition	2,484,750	2,332,543	2,421,434
Utilities	1,415,268	1,356,593	1,240,076
Automotive	1,059,548	1,078,072	778,577
	119,473,841	117,500,757	119,832,827

Mohawk Council of Kahnawà:ke
Schedule 3 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2022

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Segment Schedules									
Government Operations	4	64,979,481	26,943,109	(2,046,247)	89,876,343	59,175,749	(373,862)	30,326,732	(501,397)
Economic Development	5	2,074,766	5,076,082	1,108,830	8,259,678	7,435,705	1,255,110	2,079,083	2,951,368
Health and Community Services	6	31,734,613	1,165,440	(3,179,377)	29,720,676	25,615,282	-	4,105,394	1,613,202
Education	7	20,130,868	5,702,501	1,985,194	27,818,563	21,625,250	-	6,193,313	6,641,100
Fire Services	8	586,377	68,053	-	654,430	1,457,261	697,470	(105,361)	(63,431)
Cultural Center	9	94,125	326,453	41,585	462,163	1,011,984	444,337	(105,484)	120,504
Kariwonoron	10	1,592,852	348,953	-	1,941,805	950,199	-	991,606	(223,323)
Service Complex	11	-	349,606	-	349,606	180,118	-	169,488	8,040
Ottawa Trust Funds	12	-	11,170	-	11,170	23,709	-	(12,539)	11,704
		121,193,082	39,991,367	(2,090,015)	159,094,434	117,475,257	2,023,055	43,642,232	10,557,767

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022</i> <i>Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	24,491,898	64,979,481	37,225,030
Federal government funding			
Fisheries and Oceans	-	168,976	32,919
Justice Canada	102,192	58,750	52,500
Economic Development Agency of Canada	-	23,759	451,000
Environment Canada	-	76,550	61,102
Canadian Heritage	-	-	62,866
Canada Mortgage Housing Corporation	495,944	334,766	375,846
Transport Canada	-	-	167,044
IMpact assessment Agency of Canada	-	32,880	11,103
Other government revenue	-	3,890	-
Provincial government funding			
Transports Quebec	2,442,415	2,674,790	2,410,267
Securite publique quebec	2,614,172	2,631,116	2,762,879
Developpement durables	100,000	279,171	280,128
Departement de la justice	52,500	89,000	108,500
Secretariat aux affaire autochtones	71,200	71,200	98,806
Other provincial funding	2,340,032	-	-
Public Safety Canada	3,592,971	3,611,328	3,700,919
Investment income	7,265,212	490,122	1,279,399
Other revenues	1,683,537	4,170,636	3,577,624
MSI	2,064,494	2,542,999	2,072,562
Kahnawà:ke Gaming Commission	1,036,472	1,185,634	864,688
Tickets and fines	603,412	475,677	797,239
Rental income	1,255,797	1,140,785	680,894
Royalties	475,760	283,493	268,369
User fees	136,852	141,999	139,315
Snack bar	54,999	40,479	-
Registration fees	-	43,575	-
Poker room	-	64,653	139,104
EGD revenue	2,000,000	6,939,948	988,609
Advertising revenue	18,461	31,530	-
Deferred revenue - prior year	1,606,345	5,067,447	1,949,088
Deferred revenue - current year	(831,884)	(7,113,694)	(5,067,447)
First Nations Quebec and Labrador Health and Social Services Commission	-	443,027	161,737
Repayment of funding	-	(8,656)	8,149
Share in equity of government business entities	-	-	12,598,300
Grand Conseil de la Nation Waban-Aki	-	-	177,980
First Nations of Quebec and Labrador Sustainable Development Institute	59,073	-	60,000
Total revenue	53,731,854	90,975,311	68,496,519

Continued on next page

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 <i>Budget</i>	2022	2021
Total revenue <i>(Continued from previous page)</i>	53,731,854	90,975,311	68,496,519
Expenses			
Administration	308,303	129,642	142,874
Amortization	-	-	4,530,241
Bad debts	363,707	-	573,084
Bank charges and interest	9,358	181,720	121,087
Funeral	-	15,980	541,974
Infrastructure costs	9,089,014	8,606,472	3,321,209
Uniforms	48,203	25,148	72,024
Elders fees	267	-	-
Honouraria(um)	40,077	19,783	18,990
Insurance	325,602	169,207	149,714
Interest on long-term debt	71,732	75,182	83,800
Professional fees	2,319,007	2,636,058	2,523,901
Stop loss	282,037	55,431	22,712
Management fees	-	-	357,000
Office expenses and supplies	1,307,846	1,189,087	1,209,032
Other expense 6	1,014,884	-	-
Overhead charges and cost recoveries	1,063,155	25,442	(200,084)
Pension	2,931,218	4,504,721	4,045,538
Training	792,254	237,903	151,312
Advertising	209,870	183,916	108,575
Rent	620,614	859,586	1,202,341
Repairs and maintenance	1,020,594	1,154,597	880,989
Covid Support programs	2,550,000	2,615,986	12,149,210
Salaries and employee benefits	27,293,884	27,823,457	25,764,878
Social assistance	6,213,666	6,796,059	6,294,540
Travel	181,553	84,189	26,757
Utilities	808,513	771,860	614,676
Automotive	924,487	1,014,323	705,562
Contracted services	-	-	34,284
	59,789,845	59,175,749	65,446,220
Surplus before other income	(6,057,991)	31,799,562	3,050,299
Other income (expense)			
Gain on disposal of capital assets	-	6,800	85,350
Deferred expenses	-	-	144,834
Foreign exchange	2,878,244	102,583	(1,346,036)
Allocations to other community organizations	(160,000)	(1,208,351)	(352,488)
	2,718,244	(1,098,968)	(1,468,340)
Surplus before transfers	(3,339,747)	30,700,594	1,581,959
Transfers			
Transfers to restricted funds	-	311,502	-
Transfers between programs	-	-	(11,670)
Transfer to/from capital asset fund	-	-	11,670
Fire Services segment	(697,470)	(697,470)	(669,706)
Cultural Services segment	(400,000)	(431,093)	(415,000)
Economic Development segment	(1,303,968)	(1,303,968)	(998,650)
Transfer of principle payments	-	1,795,010	-

Kahnawà:ke Education Center	-	(21,093)	-
Transfer of surety fees	(200,000)	(26,750)	-
Surplus (deficit)	(5,941,185)	30,326,732	(501,397)

Mohawk Council of Kahnawà:ke
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	966,673	2,074,766	2,147,069
Employment and skills development Canada	-	-	574,497
Provincial government funding			
Secretariat aux affaire autochtones	-	82,781	128,637
First Nations Quebec and Labrador Health and Social Services Commission	81,114	81,114	81,114
Rental income	886,121	913,270	1,042,609
Other revenues	675,390	496,899	743,375
Investment income	48,293	74,766	40,484
Management fee income	-	-	357,000
National Aboriginal Capital Corporations	650,557	459,734	631,864
Deferred revenue - prior year	307,144	-	528,556
Deferred revenue - current year	-	1,108,830	(1,108,830)
Share in equity of government business entities	-	-	1,970,047
Repayment of funding	-	-	(207,798)
Other Community Organizations	225,016	49,307	162,886
First Nations Human Resources Development Commission of Quebec	2,093,739	2,918,211	2,051,889
	5,934,047	8,259,678	9,143,399
Expenses			
Administration	4,140	4,136	7,652
Amortization	-	-	231,664
Bad debts	-	120	1,798
Bank charges and interest	12,063	10,257	55,635
Infrastructure costs	269,000	82,010	-
Economic	238,568	1,479,061	1,349,648
Employment and training	1,451,994	1,371,587	871,319
Honouraria(um)	17,900	18,588	12,028
Dental	59,171	61,855	55,427
Insurance	16,619	-	16,765
Interest on long-term debt	72,463	34,594	48,471
Professional fees	443,809	598,216	439,474
Office expenses and supplies	378,127	193,649	228,143
Overhead charges and cost recoveries	72,770	(428,936)	(514,595)
Training	104,655	22,105	38,606
Advertising	834,328	539,308	506,854
Rent	205,975	208,048	237,552
Repairs and maintenance	120,612	138,015	250,521
Salaries and employee benefits	4,004,262	2,906,017	3,197,523
Travel	89,211	99,570	16,385
Utilities	108,264	97,505	139,811
	8,503,931	7,435,705	7,190,681
Surplus before transfers	(2,569,884)	823,973	1,952,718
Transfers	-	1,255,110	998,650
Surplus	(2,569,884)	2,079,083	2,951,368

Mohawk Council of Kahnawà:ke
Health and Community Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Government funding			
Indigenous Services Canada	20,065,938	31,734,613	25,428,057
Canada Revenue Agency	156,000	212,049	252,931
Investment income	59,977	64,940	56,958
Other revenues	771,100	397,174	1,035,946
Rental income	298,250	267,997	245,916
Deferred revenue - prior year	38,351	495,494	287,659
Deferred revenue - current year	211,290	(3,674,871)	(495,494)
Repayment of funding	-	(22,978)	-
First Nations Quebec and Labrador Health and Social Services Commission	-	246,258	-
	21,600,906	29,720,676	26,811,973
Expenses			
Administration	15,312	(9,725)	(59,296)
Amortization	-	-	253,133
Bank charges and interest	25,200	23,815	23,785
Foster and group home care	2,930,358	3,506,976	4,317,819
Health costs	6,725,830	8,284,365	6,945,556
Honouraria(um)	30,000	14,029	8,206
Insurance	12,149	18,219	13,296
Professional fees	89,000	95,051	136,545
Office expenses and supplies	153,595	161,039	243,963
Training	181,357	52,656	39,070
Rent	189,224	164,137	145,530
Repairs and maintenance	409,500	220,615	180,492
Salaries and employee benefits	14,179,959	12,786,005	12,765,325
Travel	210,648	80,198	59,757
Utilities	87,377	88,037	78,837
Automotive	48,361	31,865	46,753
Non-dedicated funding	82,225	-	-
Materials	98,000	98,000	-
	25,468,095	25,615,282	25,198,771
Surplus	(3,867,189)	4,105,394	1,613,202

Mohawk Council of Kahnawà:ke
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	18,711,528	20,130,868	20,232,837
Investment income	62,465	87,798	61,240
Other revenues	203,912	178,949	193,953
Deferred revenue - prior year	356,683	-	946,639
Deferred revenue - current year	(573,986)	1,985,194	(1,985,194)
Repayment of funding	36,999	-	39,653
First Nations Education Council	5,954,513	5,012,131	5,329,592
Rental income	30,600	64,575	30,000
Other Community Organizations	573,146	359,048	644,326
	25,355,860	27,818,563	25,493,046
Expenses			
Administration	28,113	4,427	2,964
Amortization	1,447,172	1,386,965	1,418,480
Bank charges and interest	(390)	2,565	(405)
Education and culture	2,951,567	3,311,339	2,989,033
Honouraria(um)	12,723	23,350	10,391
Insurance	47,831	58,535	46,857
Professional fees	1,036,672	1,137,515	1,007,385
Office expenses and supplies	382,144	362,963	379,091
Training	50,407	24,908	48,994
Advertising	46,448	35,280	45,537
Rent	118,083	109,835	110,466
Repairs and maintenance	297,397	417,911	434,125
Salaries and employee benefits	9,502,719	11,925,380	9,581,798
Travel	43,213	175,320	42,316
Tuition	2,484,750	2,332,543	2,421,434
Utilities	320,055	316,414	313,480
	18,768,904	21,625,250	18,851,946
Surplus before transfers	6,586,956	6,193,313	6,641,100
Transfers between programs			
Transfers to restricted funds	(6,120,000)	-	-
Transfer to/from capital asset fund	(81,687)	-	-
	385,269	6,193,313	6,641,100
Surplus	385,269	6,193,313	6,641,100

Mohawk Council of Kahnawà:ke
Fire Services
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Indigenous Services Canada	436,531	586,377	504,967
Other revenues	-	1,100	50,904
Investment income	1,300	812	1,287
Other Community Organizations	82,915	74,394	74,099
	520,746	662,683	631,257
Expenses			
Amortization	-	176,365	178,114
Bad debts	-	-	(1,638)
Bank charges and interest	3,457	3,789	3,563
Uniforms	3,500	9,772	8,046
Insurance	3,250	3,845	3,298
Professional fees	14,000	14,470	15,594
Office expenses and supplies	98,870	50,987	46,752
Training	10,700	17,419	54,630
Repairs and maintenance	30,250	238,090	141,672
Salaries and employee benefits	934,691	890,865	881,889
Utilities	15,059	19,775	19,238
Automotive	86,700	31,884	26,262
	1,200,477	1,457,261	1,377,420
Deficit before other items	(679,731)	(794,578)	(746,163)
Other items			
Foreign exchange	(350)	(8,253)	(5,722)
Gain (loss) on disposal of capital assets	-	-	2,200
	(350)	(8,253)	(3,522)
Deficit before transfers	(680,081)	(802,831)	(749,685)
Transfers	300,000	697,470	686,254
Deficit	(380,081)	(105,361)	(63,431)

Mohawk Council of Kahnawà:ke
Cultural Center
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 <i>Budget</i>	2022	2021
Revenue			
Indigenous Services Canada	70,000	94,125	124,152
Canadian Heritage	-	273,706	121,122
Provincial government funding			
Ministere de la culture et des communications	-	14,490	46,000
Investment income	-	535	494
Other revenues	419,390	72,063	160,502
Deferred revenue - prior year	-	125,949	176,969
Deferred revenue - current year	-	(84,364)	(125,949)
Other Community Organizations	-	20,047	21,793
	489,390	516,551	525,083
Expenses			
Amortization	2,000	18,817	9,478
Bank charges and interest	-	(248)	(193)
Education and culture	90,440	300,948	226,317
Honoraria	4,600	1,351	218
Insurance	1,600	-	1,749
Professional fees	26,500	12,488	2,363
Office expenses and supplies	44,564	59,354	31,878
Repairs and maintenance	13,000	30,495	32,912
Salaries and employee benefits	718,160	570,904	508,893
Utilities	19,000	2,875	14,496
Rent	-	15,000	-
	919,864	1,011,984	828,111
Deficit before other items	(430,474)	(495,433)	(303,028)
Other income (expense)			
Gain (loss) on disposal of capital assets	-	(54,388)	-
Deficit before transfers	(430,474)	(549,821)	(303,028)
Transfers	365,000	444,337	423,532
Surplus (deficit)	(30,474)	(105,484)	120,504

Mohawk Council of Kahnawà:ke
Kariwonoron
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 <i>Budget</i>	2022	2021
Revenue			
Government funding			
Indigenous Services Canada	-	1,592,852	710,168
Federal government funding			
Canadian Heritage	-	123,185	-
	-	1,716,037	710,168
Investment income	-	1,290	(244)
Repayment of funding	-	-	(104,853)
Other revenues	-	81,049	-
Other Community Organizations	-	143,429	-
Deferred revenue - prior year	-	-	27,500
Deferred revenue - current year	-	-	(229,912)
	-	1,941,805	402,659
Expenses			
Bank charges and interest	-	342	-
Contracted services	-	6,476	5,906
Honouraria(um)	-	24,741	-
Insurance	-	-	967
Office expenses and supplies	-	11,035	11,447
Education and culture	-	93,731	37,220
Repairs and maintenance	-	11,269	10,210
Training	-	3,277	130
Utilities	-	5,182	4,693
Advertising	-	193	-
Salaries and employee benefits	-	793,953	555,409
	-	950,199	625,982
Surplus (deficit)	-	991,606	(223,323)

Mohawk Council of Kahnawà:ke
Service Complex
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue			
Rental income	342,985	341,684	319,580
Investment income	1,200	3,282	2,156
Other revenues	-	4,640	-
	344,185	349,606	321,736
Expenses			
Administration	23,750	10,669	25,616
Amortization	46,520	57,086	111,658
Insurance	7,000	13,405	3,239
Office expenses and supplies	55,500	8,642	57,795
Repairs and maintenance	42,360	35,371	60,543
Utilities	57,000	54,945	54,845
	232,130	180,118	313,696
Surplus	112,055	169,488	8,040

**Mohawk Council of Kahnawà:ke
Ottawa Trust Funds**

**Schedule 12 - Consolidated Schedule of Revenue and Expenses and Accumulated
Surplus**

*For the year ended March 31, 2022
(Unaudited)*

	2022 Budget	2022	2021
Revenue			
Investment income	-	384	193
Rental income	-	10,786	11,511
	-	11,170	11,704
Expenses			
Administration	-	23,709	-
Surplus (deficit)	-	(12,539)	11,704
Accumulated surplus, beginning of year	-	23,710	12,006
Accumulated surplus, end of year	-	11,171	23,710