

Mohawk Council of Kahnawà:ke
Consolidated Financial Statements
March 31, 2025

Mohawk Council of Kahnawà:ke

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For the year ended March 31, 2025

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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 "MCK"), which comprise the consolidated statement of financial position as at March 31, 2025, and the statements of consolidated operations and accumulated surplus, changes in net financial assets, remeasurement gains and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the MCK as at March 31, 2025, 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 Financial Statements section of our report. We are independent of the MCK in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 MCK'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 MCK'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 MCK 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 MCK 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 29, 2025

MNP LLP¹

¹ By CPA auditor, public accountancy permit No. A124849

Mohawk Council of Kahnawà:ke

Consolidated Statement of Financial Position

As at March 31, 2025

	2025	2024
Financial assets		
Cash resources (Note 3)	206,389,062	248,587,846
Term deposits (Note 4)	80,314,284	19,439,934
Portfolio investments (Note 5)	23,915,066	-
Accounts receivable (Note 6)	33,087,147	25,918,457
Loan receivable (Note 7)	27,190,936	28,427,543
Investment in loans (Note 8)	2,467,841	2,520,431
Investment in government partnerships and business entities (Note 9)	2,523,434	9,565,744
Mortgage and housing loans (Note 10)	9,445,560	9,535,336
Total financial assets	385,333,330	343,995,291
Liabilities		
Accounts payable and accruals (Note 12)	28,269,369	17,136,708
Deferred revenue (Note 13)	46,448,375	43,923,726
Loan payable - Financement Québec (Note 7)	27,190,936	28,427,543
Amounts held in trust (Note 14)	157,536	147,270
Long-term debt (Note 15)	688,316	1,006,055
Funding advance (Note 16)	1,697,604	4,717,760
Total financial liabilities	104,452,136	95,359,062
Net financial assets	280,881,194	248,636,229
Contingencies (Note 17)		
Non-financial assets		
Tangible capital assets (Note 18) (Schedule 1)	136,027,189	109,630,033
Fuel inventories	12,704	21,475
Prepaid expenses	1,201,938	1,360,883
Total non-financial assets	137,241,831	111,012,391
Accumulated surplus (Note 19)	418,123,025	359,648,620
Accumulated surplus is comprised of:		
Surplus (Note 19)	416,765,368	359,648,620
Accumulated Remeasurement Gains	1,357,657	-
	418,123,025	359,648,620

Approved on behalf of the Council

e-Signed by Cody Diabo

2025-07-29 14:09:35:35 EDT

Grand Chief

e-Signed by Paul Rice

2025-07-25 16:37:46:46 EDT

Council Chief

Mohawk Council of Kahnawà:ke

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2025

	Schedules	2025 Budget	2025	2024
Revenue				
Government funding (Note 22)				
Indigenous Services Canada (Note 24)		116,842,067	127,566,598	122,634,770
Provincial government funding		8,311,647	14,393,852	8,279,342
Federal government funding		4,738,342	7,814,133	9,669,042
		129,892,056	149,774,583	140,583,154
Investment income		13,269,198	11,336,836	8,785,802
Other community income		34,998,230	54,201,741	42,483,358
First Nations Quebec and Labrador Health and Social Services Commission		385,000	3,470,954	3,300,951
First Nations Human Resources Development Commission of Quebec		2,472,824	2,529,808	2,562,303
First Nations Education Council		318,735	319,091	320,538
National Aboriginal Capital Corporations		542,762	551,767	573,712
Share in gain (loss) from investment in government business entities		-	4,935,741	(81,971)
Recovery (repayment) of funding		-	504,493	(1,368,616)
Deferred revenue - prior year		29,715,358	43,923,726	42,632,043
Deferred revenue - current year		(695,693)	(46,448,375)	(43,923,726)
		210,898,470	225,100,365	195,867,548
Program expenses				
Government Operations	4	71,441,062	65,829,200	58,522,079
Economic Development	5	10,667,174	8,986,381	8,859,386
Health and Community Services	6	60,465,497	48,335,435	34,919,932
Education	7	33,589,663	36,525,147	27,357,092
Fire Services	8	1,445,748	1,944,659	1,509,187
Cultural Center	9	1,703,856	1,982,673	1,587,326
Kariwonoron	10	1,511,744	1,475,757	1,336,781
Ottawa Trust Funds	11	-	43,744	42,687
Total expenses (Schedule 2)		180,824,744	165,122,996	134,134,470
Surplus before other income (expense)		30,073,726	59,977,369	61,733,078
Other income (expense)				
Loss on disposal of portfolio investments		-	(5,768)	-
Gain (loss) on disposal of capital assets		-	(359,097)	2,200
Foreign exchange		513,061	908,652	534,732
Allocations to other community organizations		210,000	(3,404,408)	(2,607,443)
		723,061	(2,860,621)	(2,070,511)
Surplus		30,796,787	57,116,748	59,662,567
Accumulated surplus, beginning of year		359,648,620	359,648,620	299,986,053
Accumulated surplus, end of year		390,445,407	416,765,368	359,648,620

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

Mohawk Council of Kahnawà:ke
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2025

	2025	2024
Accumulated remeasurement gains, beginning of year	-	-
Unrealized gains attributable to:		
Portfolio investments	1,357,657	-
Accumulated remeasurement gains, end of year	1,357,657	-

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, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Annual surplus	30,796,787	57,116,748	59,662,567
Purchases of tangible capital assets	(29,250,803)	(35,333,128)	(17,991,629)
Amortization of tangible capital assets	1,262,904	8,556,375	7,661,149
Gain (loss) on sale of tangible capital assets	-	359,097	(2,200)
Acquisition of fuel inventories	-	(12,704)	(21,475)
Consumption of fuel inventories	-	21,475	26,083
Proceeds on disposal of tangible capital assets	-	20,500	2,200
Acquisition of prepaid expenses	-	(1,201,938)	(1,360,883)
Use of prepaid expenses	-	1,360,883	975,558
	(27,987,899)	(26,229,440)	(10,711,197)
Change in remeasurement gains for the year	-	1,357,657	-
Increase in net financial assets	2,808,888	32,244,965	48,951,370
Net financial assets, beginning of year	248,636,229	248,636,229	199,684,859
Net financial assets, end of year	251,445,117	280,881,194	248,636,229

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, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	201,163,591	166,524,336
Cash paid to suppliers	(69,692,357)	(60,169,868)
Cash paid to employees	(77,915,020)	(65,283,847)
Investment income	10,980,074	8,411,515
Interest on long-term debt	(113,129)	(93,154)
	64,423,159	49,388,982
Financing activities		
Change in amounts held in trust	10,266	(38,069)
Repayment of long-term debt	(317,739)	(585,063)
	(307,473)	(623,132)
Capital activities		
Purchases of tangible capital assets	(35,333,128)	(17,991,629)
Proceeds on disposal of tangible capital assets	20,500	2,200
	(35,312,628)	(17,989,429)
Investing activities		
Purchase of term deposits	(80,314,284)	(19,439,934)
Proceeds on disposal of term deposits	19,439,934	22,047,603
Purchase of portfolio investments	(22,557,430)	-
Cash payments for new loans granted	(591,657)	(355,095)
Principal payments on loan collected	1,043,545	1,814,840
Dividends received from government business entities	10,521,609	-
Distributions from limited partnership	1,950,000	840,000
Capital contribution in limited partnership	(493,559)	-
	(71,001,842)	4,907,414
Increase (decrease) in cash resources	(42,198,784)	35,683,835
Cash resources, beginning of year	248,587,846	212,904,011
Cash resources, end of year	206,389,062	248,587,846

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, 2025

1. Operations

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

2. Significant accounting policies

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

Reporting entity

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

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

- Mohawk Council of Kahnawà:ke
- Kahnawà:ke Shakotia Takehnhas Community Services
- Tewatohnhi'saktha
- Kahnawà:ke Education Center
- Kanien'kehaka Onkwawen:na Raotiohkwa
- Kahnawà:ke Fire Brigade
- Karihwanoron Kanienkeha Owenna Tsi lonteriwaienstahkwa
- Kahnawà:ke Sustainable Energies Inc.
- Kahnawà:ke Sustainable Energies 2 Inc.

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.

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, inventories held for use and prepaid expenses.

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.

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

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.

The accounting policies used in these segments are consistent with those followed in the preparation of the 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 resources

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

Portfolio investments

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Marketable securities with prices quoted in an active market include marketable securities and bonds. Changes in fair value are recorded in the statement of remeasurement gains.

Loans receivable

Loans are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the loans' principal amount plus unamortized loan administration fees, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the effective interest method. Loan administration fees are amortized over the term of the loan using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

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. Interest revenue accrual is discontinued when collectability of either the loan's principal or interest is not reasonably assured.

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

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

2. 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 MCK's statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Tangible capital assets

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

When conditions indicate that a tangible capital asset no longer contributes to the MCK's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the MCK reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

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

	Method	Rate
Buildings	declining balance	4-5 %
Infrastructure	declining balance	4-5 %
Housing	declining balance	4 %
Land improvements	straight-line	50 years
Firetrucks	straight-line	20 years
Vehicles	straight-line	5-10 years
Equipment	straight-line	5 years
Computers	straight-line	3 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 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

Measurement uncertainty *(Continued from previous page)*

Accounts receivable, loans receivable and mortgages receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary and 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 estimates include the estimates of the funding deficit for 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the MCK to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the MCK reviews the carrying amount of the liability. The MCK recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The MCK continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Revenue from transactions with performance obligations is recognized when the MCK satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

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

Revenue recognition *(Continued from previous page)*

Investment income

Interest income is recorded on the accrual basis as it is earned. Dividend income is recorded when the dividend is declared.

Rental Income

Rental income is recorded on the straight line basis method 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 pension 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 on the date of hire of the eligible 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.

The MCK is part of a multi-employer plan for which there is insufficient information to apply defined benefit plan accounting. Accordingly, MCK is not able to identify its share of the plan assets and liabilities, and therefore, MCK uses defined contribution accounting for these plans.

MCK contributions to the defined benefit plan are expensed as incurred.

Funds held in Ottawa Trust Fund

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

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

Financial instruments

MCK recognizes its financial instruments when MCK becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, MCK may irrevocably elect to subsequently measure any financial instrument at fair value. MCK has not made such an election during the year.

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

Financial instruments *(Continued from previous page)*

MCK subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Fair value measurements

The MCK classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the MCK to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Statement of Remeasurement Gains

By presenting remeasurement gains separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a MCK's net assets in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

3. Cash resources

	2025	2024
Cash on hand and balances with banks	206,345,153	248,544,101
Ottawa Trust Fund	43,909	43,745
	206,389,062	248,587,846

Included in cash is approximately \$157,000 (2024 - \$147,000) of cash held in trust for community members for whom the First Nation collects their social assistance payments.

Included in cash is approximately \$131,000 (2024 - \$15,000) related to the Business Contribution Fund and \$Nil (2024 - \$99,000) related to the Indigenous Business Stabilization Program - Emergency Loan Program. The use of the cash is restricted for activities related to the operation of these programs and cannot be used for any other purposes.

Included in cash is approximately \$30,000,000 (2024 - \$46,000,000) of externally restricted cash and approximately \$136,000,000 (2024 - \$155,000,000) of internally restricted funds which have been set aside and designated by the 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.

4. Term deposits

Term deposits consist of various Canadian dollar term deposits which are interest bearing at rates ranging from 2.25% to 5.63% annually (2024 - 4.00% to 5.50%), and have maturity dates ranging from August 2025 to March 2026 (2024 - October 2024 to March 2025). The market value of the term deposits at March 31, 2025 approximates their carrying amount. Term deposits have been restricted as described in Note 19.

5. Portfolio investments

	2025	2024
Measured at fair value:		
Marketable securities	9,902,879	-
Bonds	14,012,187	-
	23,915,066	-

The portfolio investments are carried at fair value level 1 as described in Note 2.

6. Accounts receivable

	2025	2024
Trade receivables	18,081,008	16,703,897
Indigenous Services Canada	8,776,154	10,343,528
Federal government	4,988,974	3,929,131
Provincial government	3,715,976	843,633
Accrued interest receivable	3,270,381	2,623
	38,832,493	31,822,812
Less: Allowance for doubtful accounts	5,745,346	5,904,355
	33,087,147	25,918,457

Mohawk Council of Kahnawà:ke

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

7. Loan receivable (payable)

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 principal funding provided by the MSSS amounted to \$31,271,000 as of the completion date of the project. As part of this project, a term loan agreement was signed between Financement-Québec, MCK and MSSS for the purpose of financing the construction costs of the hospital expansion.

Under the terms of the agreement, MCK has been identified as the borrower. Therefore, at March 31, 2025, an equal amount has been recognized as a liability due to Financement-Québec by MCK.

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

The project was completed and payments began in fiscal year 2023. The balance payable to Financement-Québec and the balance due from Kateri Hospital are comprised of the following:

	2025	2024
Total funding provided	28,936,743	28,936,743
Capitalized interest	1,931,713	1,942,480
Total funding provided by MSSS	30,868,456	30,879,223
Repayments to date	(3,677,520)	(2,451,680)
	27,190,936	28,427,543

8. Investment in loans

Investment in loans consist of the following:

Investment in loans consist of the following.

	2025	2024		
	Principal	Provisions and allowances	Net recoverable value	Net recoverable value
Onkwawista Holdings Limited ("OHL")	1,726,557	-	1,726,557	1,757,895
Loans receivable - Youth and Business Fund	792,474	(51,190)	741,284	762,536
	2,519,031	(51,190)	2,467,841	2,520,431

The loan receivable from Onkwawista Holdings Limited ("OHL") of \$1,726,557 (US\$1,200,000) (2024 - \$1,757,895 (US\$1,200,000)) 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.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

8. Investment in loans *(Continued from previous page)*

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 6.45% to 11.20% (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 First Nation 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.

9. Investments in government partnerships and business entities

The First Nation has investments in the following business sectors:

	<i>Investment cost</i>	<i>Investment in shares or units</i>	<i>Cumulative share of earnings</i>	<i>Distributions</i>	<i>Cumulative dividends received</i>	<i>2025 Total investment</i>
Wholly-owned Businesses:						
Online Gaming	14,579,376	-	10,032,140	-	(24,521,630)	89,886
Business Partnership - Modified equity:						
Renewable energy	1,910,122	493,559	5,868,796	(5,838,929)	-	2,433,548
	16,489,498	493,559	15,900,936	(5,838,929)	(24,521,630)	2,523,434

	<i>Investment cost</i>	<i>Investment in shares or units</i>	<i>Cumulative share of earnings</i>	<i>Distributions</i>	<i>Cumulative dividends received</i>	<i>2024 Total investment</i>
Wholly-owned Businesses:						
Online gaming	14,579,476	-	5,118,779	-	(14,000,000)	5,698,255
Business Partnership - Modified equity:						
Renewable energy	1,910,122	-	5,846,296	(3,888,929)	-	3,867,489
	16,489,598	-	10,965,075	(3,888,929)	(14,000,000)	9,565,744

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

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

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

	<i>Des Cultures Renewable Energy, LP (audited) As at December 31, 2024</i>
Assets	
Cash	3,268,000
Trade and other receivables	1,339,000
Prepaid expenses and other assets	38,000
Property, plant and equipment	55,397,000
Right-of-use assets	3,281,000
Derivative financial instrument	9,304,000
Total assets	72,627,000
Liabilities	
Trade and other payables	879,000
Lease obligation	3,782,000
Long-term debt	61,094,000
Asset retirement obligation	408,000
Total liabilities	66,163,000
Net assets	6,464,000
Total revenue	12,309,000
Total expenses	5,320,000
Net income	6,989,000
Other comprehensive income	3,634,000
Net income	3,355,000

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

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

	<i>Onkwawista Holdings Limited As at March 31, 2025</i>
Assets	
Cash	798,026
Accounts receivable	45,749
Prepayments	7,663
Loans receivable	1,189,696
Total assets	2,041,134
Liabilities	
Accounts payable and accruals	127,548
Loans payable	1,749,753
Total liabilities	1,877,301
Net assets excluding accumulated other comprehensive income	163,833
Total revenue	108,120
Total expenses	128,120
Net loss	(20,000)
Comprehensive loss	(20,000)

Included in business partnerships is a renewable energy investment in Les Jardins Windfarm, LP for which the First Nation has made capital contributions in the amount of \$493,534.

The First Nation uses the year-end financial statements of its investees to account for its investments in government business enterprises when the investees have different fiscal year-ends.

<i>Name of investee</i>	<i>Year-end</i>	<i>Significant events and transactions</i>
Mohawk Online Limited	December 31, 2024	Mohawk Online Limited was dissolved on February 27, 2025 and final dividend payments in the aggregate of \$10,371,645 were paid to MCK.

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 totalling \$5,780,730 (2024 - \$6,080,957) are repayable in monthly instalments and bear interest at 6% per annum. New mortgages totalling \$3,093,924 (2024 - \$2,882,772) are repayable in monthly blended instalments with varying fixed rates of interest over a fixed term up to a maximum of 10 years.

Housing initiative loans receivable totalling \$570,906 (2024 - \$571,607) are unsecured loans which are repayable in monthly principal and interest instalments at 6% per annum, with terms of approximately five years.

Total interest earned in the year on the mortgage and housing initiative loans amounted to \$445,587 and \$29,542 (2024 - \$454,052 and \$30,618) respectively.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

11. Revolving line of credit

The First Nation has access to various unsecured credit facilities amounting to \$3,220,000 (2024 - \$3,220,000) which remains unused as at March 31, 2025, and 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

	2025	2024
Trade payables and accrued liabilities	17,665,641	10,298,063
Salaries and vacations payable	9,727,922	4,864,236
Government funding payable	875,806	1,974,409
	28,269,369	17,136,708

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	25,622,260	38,781,085	(50,517,801)	13,885,544
Government of Quebec and other crown corporations	8,771,175	24,393,852	(12,524,644)	20,640,383
Federal funding	3,351,485	7,668,768	(8,314,630)	2,705,623
First Nations Education Council	75,069	319,091	(313,636)	80,524
National Aboriginal Capital Corporations Association	18,946	551,767	(501,535)	69,178
First Nations of Quebec and Labrador Health and Social Services Commission	1,445,224	3,760,894	(4,026,434)	1,179,684
First Nations Human Resources Development	486,620	2,529,808	(2,292,155)	724,273
Commission of Quebec	2,043,108	3,501,496	(4,022,019)	1,522,585
Health Canada	390,663	859,476	(1,024,621)	225,518
Other	42,204,550	82,366,237	(83,537,475)	41,033,312
Des Cultures Renewable Energy, Limited Partnership	144,093	-	(27,438)	116,655
Other donations related to the construction of the Kahnawà:ke Cultural Arts Center	1,575,083	3,723,325	-	5,298,408
	43,923,726	86,089,562	(83,564,913)	46,448,375

14. 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, 2025.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

15. Long-term debt

	2025	2024
Mortgage payable, interest bearing at 3.54% (2024 - 3.54%), repaid during the year	-	72,301
Mortgage payable, interest bearing at 3.03% (2024 - 3.03%), repayable in blended monthly installments of \$4,332 with the balance subject to renewal in December 2024, secured by a \$1,000,000 first rank immovable hypothec on the Commercial Complex having a carrying amount of \$747,973	438,568	476,642
Indigenous Business Stabilization Program - Emergency Loan Program loans payable are unsecured, non-interest bearing with 25% - 50% forgiveable if repaid no later than 4 years following the date the loan was issued, payable monthly, on the same basis the loans receivable are collected, commencing no later than one year after the loan was issued	5,417	5,417
Term loan, unsecured, bearing interest at 3.73% per annum, repayable in monthly principal and interest payments of \$1,422, due in June 2025	4,240	20,812
Term loan, unsecured, bearing interest at 3.75% per annum, repayable in monthly principal and interest payments of \$3,070, due in February 2026	33,148	68,036
Term loan, unsecured, bearing interest at 3.15% per annum, repayable in monthly principal and interest payments of \$6,789 maturing in October 2026	125,661	201,862
Term loan, unsecured, bearing interest at 3.58% per annum, repayable in monthly principal and interest payments of \$2,285, maturing in March 2026	26,892	52,839
Term loan, unsecured, bearing interest at 3.23% per annum and repaid during the year	-	11,725
Term loan, unsecured, bearing interest at 3.08% per annum, repayable in monthly principal and interest payments of \$3,701 maturing in June 2026	54,390	96,421
	688,316	1,006,055

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

	Total
2026	225,000
2027	98,000
2028	42,000
2029	43,000
2030	44,000
	452,000
Thereafter	236,000

16. Funding advance

The funding advance is comprised of funding authorized for fiscal year 2025 - 2026.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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) MCK has been named as a defendant in various legal claims, including employment related matters, which are pending or are before the courts or other regulatory bodies. Damages in certain cases have either not been filed as of yet or are not requested or cannot be awarded. In one of these claims brought by a local business and individuals, a bad faith breach of duty by the MCK in unlawfully terminating a royalty agreement has been alleged. The plaintiffs are seeking \$218,000,000 in compensatory damages and \$2,000,000 in punitive damages and other fees for an aggregate claim of \$220,000,000 in this claim. Council is unable to accurately estimate the outcomes of these legal claims. No provision has been recorded in the accounts. Any settlement resulting from any of these claims will be recorded as an expense in the year in which the settlement occurs.
- (c) MCK guarantees loans made to Kahnawà:ke residents by Canada Mortgage and Housing Corporation ("CMHC") for renovations. As at March 31, 2025, such loans are not significant. MCK has also acted as guarantor on mortgage loans to residents from various lending institutions for an aggregate amount of approximately \$6,100,000 (2024 - \$6,900,000) for purchases of houses as part of the On-reserve loan guarantee program.
- (d) MCK 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, 2025 the outstanding loan is \$4,481,536 (2024 - \$4,481,536). The advance is secured by a promissory note which is payable on 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 (2024 - \$156,000) for indigenous entrepreneurs under the loan guarantee program. As at March 31, 2025, the total guaranteed indebtedness amounted to \$66,000 (2024 - \$96,000).
- (f) MCK has been named as co-defendant in a lawsuit on behalf of a previous tenant, seeking to recover \$1,800,000 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.

The building category includes assets under construction which have a carrying value of \$20,711,684 (2024 - \$5,145,149). No amortization of these assets have been recorded during the year because the assets are currently under construction.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

19. Accumulated surplus

Accumulated surplus consists of the following:

	2025	2024
Invested in tangible capital assets	135,344,290	109,048,148
Investment in loans	2,467,841	2,520,431
Investment in government business enterprises and partnerships	2,523,434	9,565,744
Investment in mortgages and housing initiative loans	9,445,560	9,535,336
Externally restricted	46,600,838	45,338,829
Appropriated reserves	207,824,409	172,688,930
Unrestricted surplus	5,047,494	10,907,457
Ottawa Trust Funds	43,909	43,745
	409,297,775	359,648,620

20. CMHC replacement and operating reserves

Under agreements with CMHC, MCK established a replacement reserve, funded by an annual allocation of \$120,500 (2024 - \$116,000), to ensure replacement of buildings financed by CMHC. At March 31, 2025, \$980,346 (2024 - \$822,825) has been set aside to 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, \$149,239 (2024 - \$161,158) has been set aside to fully fund this reserve. As at March 31, 2025, \$1,082,453 (2024 - \$893,035) 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

MCK maintains a defined benefit pension plan covering the employees of MCK and other band empowered entities. According to the most recent actuarial valuation of the Plan dated March 31, 2025, the Plan had a funding surplus of approximately \$42,305,000 (2024 - \$44,499,000) on a going concern basis and a funding surplus of approximately \$24,334,000 (2024 - \$30,458,000) 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, 2025.

Other accounts receivable includes an amount of \$1,940,997 (2024 - \$1,907,517), net of a provision of \$1,555,002 (2024 - \$1,907,517) due from the Pension plan for the employees of MCK. This comprises administrative expenses paid by MCK on behalf of the Plan for current and prior years. Expenses for the current year are \$33,480 (2024 - \$42,308) and these amounts are charged at cost.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

22. Government transfers

During the year, the First Nation recognized the following government transfers:

	<i>Operating and capital</i>	<i>Deferrals and repayments</i>	2025	2024
<i>Federal government transfers</i>				
Indigenous Services Canada	108,022,483	11,736,716	119,759,199	105,995,375
Health Canada	19,544,115	371,583	19,915,698	16,758,274
Public Safety Canada	5,211,392	184,172	5,395,564	4,162,528
Department of Justice Canada	92,267	(39,096)	53,171	(481,140)
Fisheries and Oceans Canada	1,249,491	(252,379)	997,112	500,745
Canadian Heritage	130,881	-	130,881	91,240
Canada Mortgage Housing Corporation	241,459	-	241,459	1,276,784
Canada Revenue Agency	145,365	-	145,365	180,924
Impact Assessment Agency of Canada	41,296	-	41,296	5,479
Transport Canada	91,425	-	91,425	271,377
Minister of Environment and Climate Change	290,993	127,918	418,911	96,477
Employment and Social Development Canada	319,564	(1,833)	317,731	390,057
Economic Development Agency of Canada	-	-	-	558,844
	135,380,731	12,127,081	147,507,812	129,806,964
<i>Provincial government transfers</i>				
Transports Québec	3,575,311	-	3,575,311	2,569,304
Sécurité publique Québec	4,081,445	(558,212)	3,523,233	2,467,934
Département de la justice du Québec	150,000	(143,600)	6,400	60,633
Développement durable, Environnement et Lutte contre les changements climatiques	420,248	(101,016)	319,232	84,518
Ministère de la Culture et des Communications	95,000	-	95,000	76,250
Secrétariat aux relations avec les Premières Nations et les Inuit	6,071,848	(6,066,381)	5,467	529,537
	14,393,852	(6,869,209)	7,524,643	5,788,176
Total government transfers	149,774,583	5,257,872	155,032,455	135,595,140

23. Economic dependence

MCK receives 60% (2024 - 68%) of its revenue from Indigenous Services Canada and other agencies of the Government of Canada. The ability of MCK to deliver services is dependent upon the Government of Canada's continued financial commitments.

Mohawk Council of Kahnawà:ke
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

24. ISC funding reconciliation

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

	2025	2024
Balance per confirmation	108,022,467	105,043,808
ISC Health funding received for Health and Community Services not included in confirmation	19,544,131	17,568,329
Kahnawà:ke Shakotia'Takehnhas Community Services - Recovery of prior year's deficit	-	22,633
Balance per financial statements	127,566,598	122,634,770

25. Budget information

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

26. Financial Instruments

The MCK as part of its operations carries a number of financial instruments. It is management's opinion that the MCK is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The MCK manages its credit risk by performing regular credit assessments and providing allowances for potentially uncollectible accounts and other receivables.

Foreign currency risk

The First Nation enters into transactions to purchase portfolio investments denominated in USD currency for which the related revenues, expenses and loans are subject to exchange rate fluctuations. As at March 31, 2025, the following items are denominated in USD currency:

	2025	2024
	CAD\$	CAD\$
Cash	815,813	3,085,702
Loan receivable from government business entity	1,725,120	1,626,000
Marketable securities	6,664,340	-
	9,205,273	4,711,702

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the First Nation monitors the foreign exchange rates regularly and maintains its investments in liquid assets.

26. Financial Instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Interest rate risk sensitivity analysis

The First Nation is exposed to price risk with respect to their long-term loans receivable, loans payable and long-term debt which bear interest at various fixed rates. As at March 31, 2025, a 1% change in interest rates would result in a \$110,000 increase or decrease in potential cash flow from the underlying investment.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. MCK is exposed to other price risk with respect to its portfolio investments.

As at March 31, 2025 a change in market prices of 10%, with all other variables held constant, would result in an increase or decrease in marketable securities of approximately \$2,400,000 (2024 - \$Nil) and result in a change in remeasurement gains for a corresponding amount. There is no guarantee that the market price of portfolio investments will not vary by more than this amount.

27. Comparative figures

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

Mohawk Council of Kahnawà:ke
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2025

	Land and land improvements	Buildings	Housing	Infrastructure	Vehicles	Firetrucks	Equipment	Computers	2025	2024
Cost										
Balance, beginning of year	7,624,934	65,881,583	15,084,361	88,825,391	14,557,041	2,595,795	12,098,773	3,822,782	210,490,660	192,499,031
Acquisition of tangible capital assets	-	22,575,584	16,609	5,061,370	2,829,507	-	3,783,959	1,066,099	35,333,128	17,991,629
Disposal of tangible capital assets	-	(631,681)	-	-	-	-	-	-	(631,681)	-
Balance, end of year	7,624,934	87,825,486	15,100,970	93,886,761	17,386,548	2,595,795	15,882,732	4,888,881	245,192,107	210,490,660
Accumulated amortization										
Balance, beginning of year	148,483	41,180,018	3,261,293	36,123,817	8,799,935	1,646,415	6,469,801	3,230,865	100,860,627	93,199,478
Annual amortization	75,437	2,159,323	322,440	2,838,849	1,516,922	107,599	1,110,100	425,705	8,556,375	7,661,149
Accumulated amortization on disposals	-	(252,084)	-	-	-	-	-	-	(252,084)	-
Balance, end of year	223,920	43,087,257	3,583,733	38,962,666	10,316,857	1,754,014	7,579,901	3,656,570	109,164,918	100,860,627
Net book value of tangible capital assets	7,401,014	44,738,229	11,517,237	54,924,095	7,069,691	841,781	8,302,831	1,232,311	136,027,189	109,630,033
2024 Net book value of tangible capital assets	7,476,451	24,701,565	11,823,068	52,701,574	5,757,106	949,380	5,628,972	591,917	109,630,033	

Mohawk Council of Kahnawà:ke
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Consolidated expenses by object			
Advertising and public relations	1,032,906	1,239,168	1,176,788
Amortization	1,262,904	8,556,375	7,661,149
Automotive	1,392,967	1,531,688	1,301,830
Bad debts (recovery)	290,557	(155,346)	423,899
Bank charges and interest	302,397	350,471	237,657
Covid Support programs	10,000	9,627	8,200
Economic	3,567,369	742,537	429,167
Education and culture	4,296,084	5,373,744	4,031,262
Employment and training	1,156,160	1,492,977	1,626,798
Health costs	32,951,050	22,043,575	16,498,331
Honouraria(um)	251,909	224,425	184,649
Infrastructure costs	9,106,634	1,926,037	2,462,287
Insurance	609,257	1,250,621	487,979
Interest on long-term debt	97,601	113,129	93,154
Meeting	335,290	512,499	345,225
Miscellaneous	46,900	186,843	27,254
Office expenses and supplies	3,235,949	2,195,353	2,047,281
Overhead costs and recoveries	214,675	558,896	220,575
Pension	1,300,000	2,208,725	95,024
Post majority, foster and group home	2,003,000	1,421,048	1,554,898
Professional fees	10,848,117	11,399,187	9,612,669
Recovery of expenses	(283,968)	(865,150)	(614,699)
Rent	2,060,025	1,865,249	1,867,404
Repairs and maintenance	5,371,951	3,070,920	2,822,373
Salaries and benefits	81,765,341	82,778,706	65,276,422
Social assistance	6,271,989	6,460,791	6,118,381
Telephone and IT	1,036,812	971,324	762,655
Training	1,716,550	1,116,841	1,157,986
Travel	1,367,724	1,075,379	1,074,108
Tuitions and Student Allowances	5,551,921	3,892,412	3,694,743
Uniforms	118,575	138,078	61,836
Utilities	1,536,098	1,436,867	1,387,185
	180,824,744	165,122,996	134,134,470

Mohawk Council of Kahnawà:ke
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>Sch</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenues</i>	<i>Total Expenses</i>	<i>Transfers between programs</i>	<i>Schedule Surplus (Deficit)</i>	<i>Prior Year Schedule Surplus (Deficit)</i>
Segment Schedules								
Government Operations	4	38,597,379	82,846,165	121,443,544	65,829,200	2,046,180	57,660,524	38,329,719
Economic Development	5	2,091,756	5,544,283	7,636,039	8,986,381	1,928,829	578,487	(4,367,107)
Health and Community Services	6	55,465,340	3,157,581	58,622,921	48,335,435	(7,467,593)	2,819,893	19,299,822
Education	7	28,710,088	2,046,757	30,756,845	36,525,147	94,589	(5,673,713)	4,250,844
Fire Services	8	464,851	26,591	491,442	1,944,659	1,309,216	(144,001)	230,468
Cultural Center	9	43,868	467,755	511,623	1,982,673	1,889,713	418,663	562,099
Kariwonoron	10	2,193,316	540,106	2,733,422	1,475,757	199,066	1,456,731	1,355,664
Ottawa Trust Funds	11	-	43,908	43,908	43,744	-	164	1,058
		127,566,598	94,673,146	222,239,744	165,122,996	-	57,116,748	59,662,567

Mohawk Council of Kahnawà:ke
Government Operations
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada	33,105,772	38,597,379	36,483,428
Provincial government funding	8,266,647	14,298,852	7,676,238
Federal government funding	4,458,113	7,220,975	8,913,552
	45,830,532	60,117,206	53,073,218
Investment income	9,196,306	8,170,058	6,285,286
Share in equity of government business entities	-	4,935,741	(81,971)
Repayment of funding	-	659,208	(798,192)
Other revenues	3,540,376	4,953,546	5,727,556
User fees	141,791	-	143,533
Rental income	1,690,704	1,627,822	1,642,891
Kahnawake Gaming Commission	2,332,584	2,119,099	2,015,295
Contributions - Multi-Purpose Building	-	11,851,654	3,058,537
Tickets and fines	500,772	583,245	505,311
Royalties	369,767	463,002	461,893
MSI	2,506,400	3,084,541	2,397,267
EGD revenue	20,042,504	25,357,837	22,137,060
Deferred revenue - prior year	26,897,510	38,809,611	34,665,755
Deferred revenue - current year	(695,693)	(42,197,707)	(38,809,611)
First Nations Quebec and Labrador Health and Social Services Commission	350,000	3,470,954	3,300,951
	112,703,553	124,005,817	95,724,779

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, 2025

	2025	2024
<i>(Continued from previous page)</i>	112,703,553	124,005,817
		95,724,779
Expenses		
Advertising and public relations	490,893	292,948
Amortization	-	5,657,029
Automotive	1,303,815	1,364,603
Bad debts (recovery)	290,557	(156,488)
Bank charges and interest	256,558	307,591
Covid Support programs	10,000	9,627
Health costs	-	-
Honouraria(um)	41,133	35,464
Infrastructure costs	9,106,634	1,892,101
Insurance	418,237	1,099,019
Interest on long-term debt	70,712	98,574
Meeting	233,480	416,991
Office expenses and supplies	1,786,827	1,291,315
Overhead charges and cost recoveries	(295,968)	(865,150)
Overhead costs and recoveries	227,730	515,332
Pension	1,300,000	2,208,725
Professional fees	6,364,250	7,036,916
Rent	1,313,214	1,143,490
Repairs and maintenance	1,783,138	1,175,925
Salaries and employee benefits	37,887,847	33,871,378
Social assistance	6,271,989	6,460,791
Telephone and IT	164,658	163,261
Training	976,168	572,675
Travel	496,619	308,160
Uniforms	103,575	110,337
Utilities	838,996	818,586
	71,441,062	65,829,200
		58,522,079
Surplus before other items	41,262,491	58,176,617
Other income (expense)		
Loss on disposal of portfolio investments	-	(5,768)
Gain (loss) on disposal of capital assets	-	(359,097)
Foreign exchange	513,411	893,094
Allocations to other community organizations	(10,000)	(3,090,502)
	503,411	(2,562,273)
		(2,190,570)
Surplus before transfers	41,765,902	55,614,344
Transfers	(1,177,969)	2,046,180
		3,317,589
Surplus	40,587,933	57,660,524
		38,329,719

Mohawk Council of Kahnawà:ke
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	2025 Budget	2025	2024
Revenue			
Government funding			
Indigenous Services Canada	983,703	2,091,756	2,066,634
Provincial government funding	-	-	526,854
Federal government funding	-	319,564	444,722
	983,703	2,411,320	3,038,210
Investment income	1,524,834	294,524	235,248
Repayment of funding	-	177,089	(126,308)
Other revenues	623,503	512,324	1,295,723
Rental income	968,835	978,345	943,352
Deferred revenue - prior year	1,552,425	2,367,265	724,896
Deferred revenue - current year	-	(1,863,346)	(2,367,265)
First Nations Human Resources Development Commission of Quebec	2,472,824	2,529,808	2,562,303
National Aboriginal Capital Corporations	542,762	551,767	573,712
	8,668,886	7,959,096	6,879,871

Continued on next page

Mohawk Council of Kahnawà:ke
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	2025	2024
<i>(Continued from previous page)</i>	8,668,886	7,959,096
	6,879,871	
Expenses		
Overhead costs and recoveries	(25,317)	(180)
Amortization	-	254,837
Bad debts (recovery)	-	-
Bank charges and interest	10,321	2,400
Economic	3,567,369	742,537
Honouraria(um)	16,875	13,338
Employment and training	1,156,160	1,492,977
Insurance	59,083	20,802
Interest on long-term debt	26,889	14,555
Meeting	50,330	45,202
Miscellaneous	8,094	2,223
Office expenses and supplies	216,789	176,148
Professional fees	819,120	584,387
Rent	184,756	204,696
Repairs and maintenance	352,461	311,696
Salaries and employee benefits	3,165,230	3,864,383
Telephone and IT	198,345	128,782
Training	110,372	57,536
Travel	216,599	119,969
Utilities	172,678	133,025
Advertising and public relations	349,020	817,068
Overhead charges and cost recoveries	12,000	-
	10,667,174	8,986,381
	8,859,386	
Deficit before other items	(1,998,288)	(1,027,285)
Other income (expense)		
Allocations to other community organizations	220,000	(323,057)
	126,336	
Deficit before transfers	(1,778,288)	(1,350,342)
Transfers	765,799	1,928,829
	(2,513,928)	
Surplus (deficit)	(1,012,489)	578,487
	(4,367,107)	

Mohawk Council of Kahnawà:ke
Health and Community Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada	47,268,686	55,465,340	56,036,243
Federal government funding	152,000	145,365	161,924
	47,420,686	55,610,705	56,198,167
Investment income	1,576,000	1,783,507	1,293,174
Repayment of funding	-	(148,940)	(307,089)
Other revenues	426,131	391,385	272,859
Rental income	475,419	421,843	429,627
Deferred revenue - prior year	1,265,423	2,638,740	2,797,822
Deferred revenue - current year	-	(2,074,319)	(2,638,740)
First Nations Quebec and Labrador Health and Social Services Commission	35,000	-	-
	51,198,659	58,622,921	58,045,820
Expenses			
Amortization	-	686,863	530,278
Automotive	70,296	158,204	52,480
Bad debts (recovery)	-	-	1,449
Bank charges and interest	30,000	34,422	27,353
Health costs	32,951,050	22,043,575	16,480,331
Honouraria(um)	40,000	29,790	41,222
Insurance	41,269	40,410	47,557
Office expenses and supplies	620,629	354,755	176,071
Post majority, foster and group home	2,003,000	1,421,048	1,554,898
Professional fees	360,000	332,952	678,271
Rent	340,320	313,447	271,940
Repairs and maintenance	2,455,450	865,638	676,221
Salaries and employee benefits	20,122,943	20,893,513	13,429,921
Telephone and IT	386,614	373,443	234,627
Training	487,708	283,365	268,497
Travel	329,634	264,316	236,557
Utilities	161,584	155,768	149,955
Advertising and public relations	65,000	83,926	62,304
	60,465,497	48,335,435	34,919,932
Surplus (deficit) before transfers	(9,266,838)	10,287,486	23,125,888
Transfers	-	(7,467,593)	(3,826,066)
Surplus (deficit)	(9,266,838)	2,819,893	19,299,822

Mohawk Council of Kahnawà:ke
Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada	32,789,964	28,710,088	25,396,889
Investment income	962,658	946,812	871,552
Repayment of funding	-	(25,541)	(125,475)
Other revenues	294,039	446,139	387,412
Rental income	-	34,791	33,942
Step by Step	530,062	530,062	330,000
Deferred revenue - prior year	-	101,445	4,392,428
Deferred revenue - current year	-	(306,042)	(101,445)
First Nations Education Council	318,735	319,091	320,538
	34,895,458	30,756,845	31,505,841
Expenses			
Overhead costs and recoveries	12,262	-	-
Amortization	1,260,904	1,766,899	1,574,360
Bad debts (recovery)	-	-	12,821
Bank charges and interest	1,962	1,363	1,134
Honouraria(um)	46,901	43,973	29,944
Insurance	71,000	67,605	62,007
Meeting	47,716	45,527	31,972
Miscellaneous	38,806	184,620	27,254
Office expenses and supplies	457,254	149,912	227,256
Professional fees	3,250,747	3,370,151	2,232,858
Education and culture	4,037,394	4,764,468	3,438,127
Tuitions and Student Allowances	5,551,921	3,892,412	3,694,743
Rent	191,585	173,616	122,489
Repairs and maintenance	666,210	549,299	426,951
Salaries and employee benefits	16,887,093	20,433,846	14,485,443
Telephone and IT	278,945	273,900	224,953
Training	104,052	99,606	106,430
Travel	307,372	366,718	360,350
Utilities	342,781	307,434	283,924
Advertising and public relations	34,758	33,798	14,076
	33,589,663	36,525,147	27,357,092
Surplus (deficit) before transfers	1,305,795	(5,768,302)	4,148,749
Transfers between programs	94,589	94,589	102,095
Surplus (deficit)	1,400,384	(5,673,713)	4,250,844

Mohawk Council of Kahnawà:ke
Fire Services
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada	456,758	464,851	494,098
Investment income	3,400	10,933	8,064
Other revenues	-	100	12,996
Deferred revenue - prior year	-	-	16,351
	460,158	475,884	531,509
Expenses			
Amortization	-	179,987	186,561
Automotive	18,856	8,881	12,655
Bad debts (recovery)	-	1,142	61
Bank charges and interest	3,457	4,649	4,008
Insurance	15,718	20,627	22,441
Meeting	3,200	4,221	2,591
Office expenses and supplies	27,000	116,490	56,910
Uniforms	15,000	27,741	15,719
Professional fees	14,000	42,745	27,487
Repairs and maintenance	73,692	115,387	87,940
Salaries and employee benefits	1,127,531	1,253,574	932,333
Telephone and IT	5,750	5,435	5,438
Training	33,750	99,149	91,545
Travel	2,500	6,499	15,427
Utilities	13,059	16,019	19,999
Advertising and public relations	92,235	8,177	28,072
Infrastructure costs	-	33,936	-
	1,445,748	1,944,659	1,509,187
Deficit before other items	(985,590)	(1,468,775)	(977,678)
Other income (expense)			
Foreign exchange	(350)	15,558	(11,088)
Deficit before transfers	(985,940)	(1,453,217)	(988,766)
Transfers	985,940	1,309,216	1,219,234
Surplus (Deficit)	-	(144,001)	230,468

Mohawk Council of Kahnawà:ke
Cultural Center
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada	43,868	43,868	62,560
Provincial government funding			
Ministere de la culture et des communications	45,000	95,000	76,250
Federal government funding			
Canadian Heritage	128,229	128,229	114,454
Environment Canada	-	-	15,390
Canada Revenue Agency	-	-	19,000
	217,097	267,097	287,654
Investment income	-	6,866	3,793
Repayment of funding	-	(142,001)	(11,552)
Other revenues	150,000	379,957	307,910
Deferred revenue - prior year	-	6,665	34,791
Deferred revenue - current year	-	(6,961)	(6,665)
	367,097	511,623	615,931
Expenses			
Amortization	2,000	10,760	8,125
Honouraria(um)	7,000	2,695	1,385
Insurance	2,500	695	1,192
Meeting	564	558	756
Office expenses and supplies	87,500	70,085	28,390
Professional fees	15,000	14,150	6,195
Education and culture	187,690	531,454	528,209
Rent	30,000	30,000	30,000
Repairs and maintenance	1,000	8,550	18,395
Salaries and employee benefits	1,354,602	1,275,795	942,391
Telephone and IT	-	24,963	8,659
Travel	15,000	9,717	11,721
Advertising and public relations	1,000	3,251	1,908
	1,703,856	1,982,673	1,587,326
Deficit before transfers	(1,336,759)	(1,471,050)	(971,395)
Transfers	1,889,713	1,889,713	1,533,494
Surplus	552,954	418,663	562,099

Mohawk Council of Kahnawà:ke
Kariwonoron
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Government funding			
Indigenous Services Canada			
Block funding	2,193,316	2,193,316	2,094,918
Investment income	6,000	121,807	86,621
Repayment of funding	-	(15,322)	-
Other revenues	74,675	95,056	85,696
Step by Step	330,668	329,414	252,817
	2,604,659	2,724,271	2,520,052
Expenses			
Bank charges and interest	100	46	117
Honouraria(um)	100,000	99,165	57,411
Insurance	1,450	1,463	1,368
Office expenses and supplies	39,950	36,648	34,574
Professional fees	25,000	17,886	18,375
Education and culture	71,000	77,822	64,926
Rent	150	-	150
Repairs and maintenance	40,000	44,425	56,299
Salaries and employee benefits	1,220,094	1,186,217	1,088,904
Telephone and IT	2,500	1,540	2,998
Training	4,500	4,510	3,864
Utilities	7,000	6,035	7,795
	1,511,744	1,475,757	1,336,781
Surplus before other items	1,092,915	1,248,514	1,183,271
Other income	-	9,151	4,811
Surplus before transfers	1,092,915	1,257,665	1,188,082
Transfers	224,370	199,066	167,582
Surplus	1,317,285	1,456,731	1,355,664

Mohawk Council of Kahnawà:ke
Ottawa Trust Funds
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Investment income	-	2,329	2,064
Rental income	-	41,579	41,681
	-	43,908	43,745
Expenses			
Overhead costs and recoveries	-	43,744	42,687
Surplus	-	164	1,058