

# Annual Report

15<sup>th</sup> Annual Report

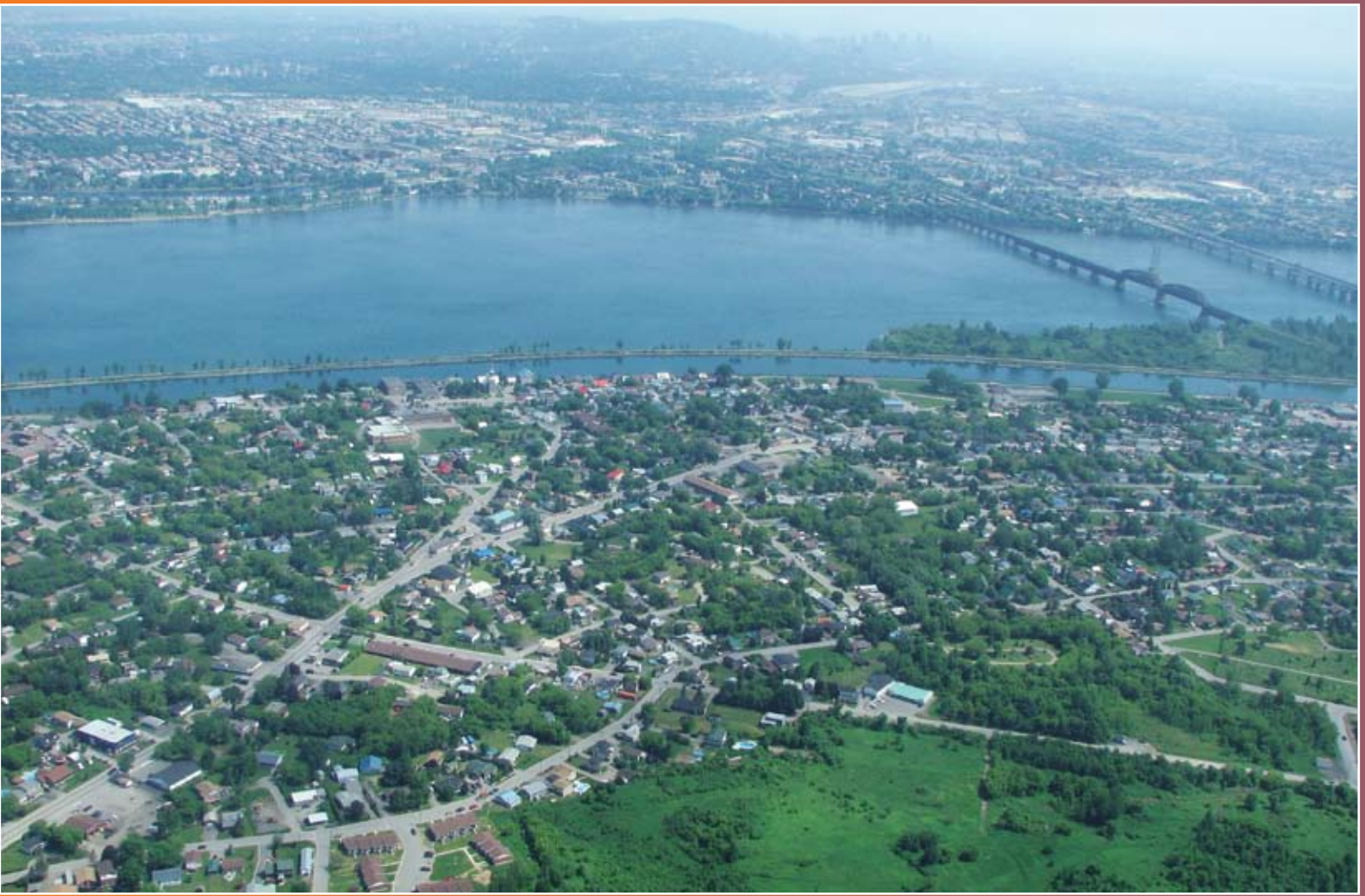
I Onerahtókha April 1, 2014 - 31 Enniskó:wa March 31, 2015



**2014**  

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**2015**



**Tewatohnni'saktha**  
**Kahnawà:ke's Economic Development Commission**

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## **Annual Report 2014 - 2015**

The information contained herein captures Tewatohnni'saktha's activities from April 1, 2014 to March 31, 2015

*Disclaimer:* Tewatohnni'saktha has made every effort to ensure the accuracy of the information contained in this annual report and on the digital copy posted to our website. However, Tewatohnni'saktha does not guarantee the appropriateness, accuracy, usefulness or any other matter whatsoever regarding this information.

### **ACKNOWLEDGEMENTS**

**Coordinator**  
Lisa Lahache

**Graphic Design**  
Cheryl Delaronde

**Photos**  
**Success Stories**  
Jessica Deer  
Jordan Standup

**Printing**  
Impression Expo

## BOARD CHAIRMAN'S MESSAGE : 2014-15



Lionel Jacobs

Dear Community Stakeholders,

On behalf of the Tewatohnhi'saktha Board of Directors I would like to give you an overview of the organization for the 2014-2015 fiscal year.

### Organizational Performance:

This year our goal was to generate \$2,078,438 in revenue, and we outperformed by nearly \$160,000, with a total of \$2,237,892 in revenues for the year. This was a combination of land leases for cell towers, billboard and other leases, office space and meeting room rentals, Tewatohnhi'saktha Business Loan Fund (TBLF) interest, and of course through Onkwawista dividends. The Small Business Services Division helped 12 businesses start or expand, thus creating 21 new jobs in the community, and the TBLF loaned out \$354,000 to support them. The Employment and Training Division, for its part, helped a total of 40.5 clients find employment, and served 629 individuals throughout the year by offering help and advice, résumé writing assistance, interview preparation and coaching, and other services.

### Projects:

In the beginning of the fiscal year Kahnawà:ke Sustainable Energies (KSE)

was in litigation with the city council of St-Cyprien-de-Napierville (St. Cyprien), over whether the municipality had the right to change their legislation to disallow wind turbines after KSE had already applied for a permit. The case was settled outside of court and in the end KSE was issued a certificate of compliance from St. Cyprien. Considerable work still lies ahead but the Board remains committed to seeing this project materialize for the benefit of both communities and the environment.

Locally, Tewatohnhi'saktha purchased a warehouse then renovated and leased it to the First Nations Regional Adult Education Centre to be used as the Kahnawà:ke campus.

Overall the organization had a lot of forward momentum throughout the year, and we would like to take this opportunity to thank the management and staff of Tewatohnhi'saktha for tirelessly working toward the betterment of the organization and of the community.

## EMPLOYMENT

Increase in number of clients that obtain full-time unsubsidized employment through the collaboration of all Tewatohnhi'saktha divisions\*

### **This Year (2014-2015)**

*Target: 35*

*Actual: 40.5*

### **Last year (2013-2014)**

*Target: 30*

*Actual: 34.1*

\*measured in full-time equivalents: total number of hours worked by all clients divided by 1,875 hours

## REVENUE GENERATION\*

Generate revenue in 2014-2015 through project investment and present business files\*

### **This Year (2014-2015)**

*Target: \$2,078,438*

*Actual: \$2,237,892*

### **Last year (2013-2014)**

*Target: \$2,320,388*

*Actual: \$2,427,583*

\*includes Onkwawista income, which is in US dollars



## CEO MESSAGE : 2014-15



**John Bud Morris**

This past year was a complicated year for Tewatohnni'saktha with a variety of challenges, some which we successfully overcame and others which remain longer term problems amidst calls for short-term solutions. More specifically, I believe there is a general misunderstanding about the nature of Kahnawà:ke's economic situation and about Tewatohnni'saktha's ability to fix the underlying structural problems.

Myth number one: Kahnawà:ke needs more jobs. Frankly, we estimate the ability of Kahnawà:ke's labour market to successfully attach itself to the jobs created in the private sector at approximately 5%, and this is being generous. The reasons are varied but they can be summarized into three elements: 1. Misalignment between skills required by private sector jobs (and many public sector jobs, particularly professionals) and skills available (including lack of French language). 2. Lack of supporting soft skills such as getting to work on time every day, every week, every month. 3. Unrealistic wage expectations. Some may think I am exaggerating, however, this analysis is supported by the data. At last count in 2011, we had approximately one thousand jobs in Kahnawà:ke that were being performed by non-Kahnawa'kehró:non and this is more than all of the Kahnawa'kehró:non who were looking for work but were unemployed

(302). Strictly from a numerical analysis, there are more jobs in Kahnawà:ke (3,422) than we have Kahnawa'kehró:non in the labour market (2,775, which includes the 302 looking for but unable to find work).

Myth number two: Things are not as good as they were but they are not so bad. The evidence shows declining household income and a growing disparity between top and bottom income earners. The worst of both worlds. If trends continue, some services such as social assistance will outstrip our ability to pay for them at some point in the future. Not tomorrow but in our lifetime. As these costs go up annually, paying for them exacts a price on other services which relied on annual surpluses for funding, and which may worsen the economic situation. Ultimately, the community gets less value from the public purse.

Myth number three: It is Tewatohnni'saktha's job to fix these problems. Of all the rhetoric one hears these days, this one has a most persistent echo. The reality is Tewatohnni'saktha can, should, and will do more but cannot solve a problem this complex on its own. As a community, we need to do better on so many fronts that it will take a sustained collective effort supported by community leaders over many years. We have to take the long-term position on solutions or the fixes will not be sustainable. For example, even if we could bring in a company who needs unskilled labour and is willing to pay \$15 per hour, and create hundreds of jobs, the likelihood of this company surviving in Kahnawà:ke over the long term are very slim. The reality is those jobs are going to underdeveloped countries where wages are much lower. Purely on a cost basis, if you were a manufacturer, why would you locate in Kahnawà:ke when:

"The absolute lowest federal minimum wage is in Sierra Leone, where workers can expect just \$0.03/hour. India is the lowest among larger economies with a \$0.28/hour rate. Australia is at the opposite end of the spectrum, with a whopping \$16.88 hourly mandated wage." Source: Business Insider - Here's How America's Minimum Wage Stacks Up Against Countries Like India, Russia, Greece, And France Aug 19, 2013

(<http://www.businessinsider.com/a-look-at-minimum-wages-around-the-world-2013-8?IR=T>)

Myth number four: The government owes us. Well, that is not really a myth but collecting has been and will likely continue to be. However, even if we were able to settle our grievances with the governments we would still have the challenge of matching the skills of our labour force with the demands of the market. The main difference would be that we would not be lacking resources to find and implement those long-term solutions. Becoming self-reliant again means we will have to work in an ever increasing global economy where business efficiencies know no geographic boundary and the competitive edge for a growing economy is technological knowledge.

Myth number five: I do not need to learn French because this is Kahnawà:ke. Well, you can avoid learning French but that will not help you become gainfully employed in this geographic area. My grandmother spoke and wrote in Kanien'kéha, English, and French. The first was her mother tongue and the other two were economic necessities of her time. That time has come again.

Going forward, how do we change the economic direction? Community members need to start talking about the issues and the conversation needs to be supported with facts and data. For example: why are our university completion rates below the national average (7% for Kahnawà:ke versus 27% for Canada)? What were the factors that contributed to successful completion of a Bachelor's degree in science, business, engineering or math? How do we replicate those conditions on a broader scale? What are the impediments and how do we overcome those? How does the public sector engage collectively with the community to find the problems and implement solutions? This is the type of approach we need to consider if we are going to bring about sustainable economic growth in our community that benefits everyone. It will not be easy, there will not be unanimity and it will take a sustained effort by many over a long period supported by strong leaders, but we can succeed.

# Business Services Division

## Business Services Success Story

### *Turning a hobby into a seasonal business*

By Jessica Deer

Frank 'Putsky' Rice turned his backyard hobby producing sweet treats into a successful seasonal businesses that many Kahnawà:kehrón:non anticipate each spring.

With some encouragement from his brother-in-law Tommy McComber, Rice started Kahnawà:ke Maple Syrup.

"I started four years ago, in my backyard. I would use an open fire and put the syrup in mason jars for my family," said Rice.

At the end of February, Rice begins tapping trees when the snow starts to melt. The weather has to be warm enough for the sap to run.

"The first time that we draw off it takes eight hours of boiling before we get one gallon of syrup. After that we'll get a gallon every two hours," said Rice.

In his first year, Rice produced almost 50 gallons of syrup, which was sold at a few local convenience and cigarette stores. "We've been selling out every year."

This year, with a small business loan from Tewatohnhi'saktha, Rice was able to expand his building that houses an evaporator and filter press. "The new room is going to be my finishing room. Rather than doing it in my daughter's house, it is going to be a complete room with cabinets and a finishing table," said Rice.

Now going into the business' fourth year, Rice said the business has some



*This past spring was successful for Frank 'Putsky' Rice's business Kahnawà:ke Maple Syrup.*

challenges, such as the amount of labour required to produce the growing demand for more jars of syrup and maple candies. "The more trees, the more hours you put into it, the more you'll get," said Rice.

The evaporator that the company uses to produce maple syrup and maple candies requires up to 300 trees worth of sap. "I tap at my daughter's - we have just under 200 trees and we have other places that we tap on other people's land in return for some syrup.

But the challenge is the land and the workers. There's only me and brother-in-law Tommy there every day," said Rice.

Despite the challenges, Rice said his main source of motivation is his grandchildren.

"I'm doing it for the kids," said Rice, pointing to pictures of his grandchildren helping him make maple candies at the kitchen table, "In the meantime the kids are learning and I'm there teaching them."



# Business Services Success Story

## Caughnawaga Golf Club

*A family-owned business passed down from generation to generation*



*GM James Patton, CFO Carrie Patton and Golf Operations Andrew Patton are the three siblings that run "The Caughnawaga Golf Club".*

By Jessica Deer

Located on Route 207 in Kahnawà:ke, The Caughnawaga Golf Club provides a stress-free environment for avid golfers in the Montreal area looking for a day on the links.

Angus Patton and his wife Mary started this local establishment in 1967.

"This originally was the family farm. It started with nine holes, the first Clubhouse was the farmhouse and the original Pro Shop was the chicken coop," said his son James Patton, General Manager.

Today James, along with his siblings Carrie and Andrew, are the second generation of Patton's to run the establishment, which has expanded to a 27-hole public golf facility.

"It's been improvement after improvement," said Patton.

The club now boasts a full-service Pro

Shop, snack bar, modern cart fleet, paved cart paths throughout the golf course, a practice range and practice facilities including a chipping/bunker green, and two putting greens. Their tournament hosting capabilities can accommodate up to 200 people in their banquet hall as well as a full restaurant for not only golfing customers, but also for people looking for a place to eat lunch or dinner.

"One of our goals is to have continued successful operation of the business for years to come. What we are all conscience of is that we want to provide for community members a place of employment where they can put their education and experience to use in a professional business environment," said Patton.

Running a small business in the community does have its challenges. Over the years, the club has faced issues, such as

with staffing due to operating as a seasonal business, dealing with the current business climate, and economy.

"There's a whole lot to it, but we're able to do it, continue to do it and do it well," said Patton.

External issues such as construction on the Mercier Bridge have had an impact on the local business, with less people wanting to cross the bridge during road closures; the club has attempted to expand their marketing to attract clientele on the south shore and throughout the Highway 30 corridor.

"One of the things we have to do is be more French-friendly and welcoming. We don't live in a bubble anymore, we need to become part of a larger business community if we all want to prosper" said Patton.

The Patton family said Tewatohnni'saktha has been an asset in terms of facilitating and aiding the management team recently with providing consultation services.

"We had to do a total internal makeover and reorganization of the way we operated, structured our operations and how we made decisions in every area of the business," said Patton, "We knew we needed help, we knew we needed to do something. We had a general idea of what we needed to do, but we didn't have the expertise and Tewatohnni'saktha was instrumental in helping us find the expertise that we needed to help us re-organize and continue to be competitive."





# Business Services Success Story

## ATD Manufacturing Technologies

### *One Kahnawà:kehró:non exploring a niche industry in manufacturing*

By Jessica Deer

American Tool & Die (ATD) Manufacturing Technologies may be one of Kahnawà:ke's newest businesses, but for owners Thawennontie Thomas and Leo Hurtubise, business is booming.

The company, which has their shop located

mass production. We're at the source of what they need to do mass productions."

Hurtubise, an Anishinaabe from The Nipissing First Nation, has been a tool and die engineer since 1985. While Thomas has been working in machining since he graduated in December 2010 from the Numerical Control Machine Tool Operator program offered at

Business has been incredibly successful in the last year, attracting clients from across the country and even in the United States.

"It's been non-stop," said Thomas.

"We're having too much work. We're refusing customers right now," said Hurtubise.

Of course, owning a new business still comes with its challenges.

"It's a lot of work. I'm here more than I am at home. This is pretty much my home," said Thomas.

Thomas said Tewatohnhi'saktha has been incredibly supportive throughout the past year.

"It is a high capital investment type of industry, so they supplied with us with some money to help us get on our feet. Not just for capital costs, but for marketing, professional services, and the business assistance fund," said Thomas.

Through the Skills Link Program, Tewatohnhi'saktha also helped the company subsidize the salary of a Dawson College design graduate so that he could get some on the job training.

"Our goal is to one day employ at least 50 people from Kahnawà:ke in this type of industry," said Thomas.

Right now, the company has between eight to 10 staff depending on the demand and deadlines for projects. But in the long run, the two business partners feel like there is potential for the industry to expand in the community.

"I think it would be very beneficial for Kahnawà:ke. Not only is the pay pretty good for this type of industry, but it is extremely fulfilling. To see something start with a design concept for a part for a client and then to develop a whole tool around that part. To see it from start to finish is something else," said Thomas.



*Leo Hurtubise and Thawennontie Thomas are the men behind ATD Manufacturing Technologies.*

on Highway 138, specializes in producing tooling and fixtures, mold making and custom machine building for manufacturing clients.

"We make the machines that are needed to do all the manufacturing - whether it is metal or plastics," said Hurtubise, "It's a niche thing. There's not many of us. One company like us can supply 10 other companies that do the

Rosemount Technology Centre.

ATD Manufacturing Technologies was formed in June 2014 after the two decided to combine their expertise under one roof.

"He had his company and I had mine. We decided to put all our eggs in one basket. We were able to do a lot more work and it was a lot more efficient," said Thomas.

# Employment & Training Division

## Employment & Training Success Story

### *Young teacher has passion for language and culture*



Photos courtesy Kariwenhá:wi Emily Kane

Kariwenhá:wi Emily Kane

By Jordan Standup

Kariwenhá:wi Emily Kane is passionate about the Kanien'kéha language and culture. She is a strong-minded, young Kahnawa'kehró:non who cares deeply about the future generations.

Given her excellent work ethic and positive attitude, it seems only natural that she would pursue a career in education.

Kane landed the job of her dreams in August 2015 when she was named the Kanien'kéha Health Teacher for grades three to six at Karonhianónhnha Tsi lonterihwaiensthákwa.

"I think that it is very important to make sure

our future generations know who we are as Onkwehón:we, to know where we come from, to be familiar with our history and also be able to speak with our beautiful language," she explained.

"Being a part of that learning process is why I chose to pursue this career," she added.

Kane is the 24-year-old daughter of Tekahentákhwa Brown and Kirk Kane. She also has a younger sister, Ken'niwa'kerá:'a. Family, like teaching, means the world to Kane.

Her journey into teaching began when she decided to approach Tewatohnhi'saktha for guidance and support in the summer of 2015.

It was decision that would change her future.

"I met with Onawa Jacobs and she guided me in the right direction. She assisted me with updating my résumé and helped me prepare for the job interview of my dreams," Kane remembered.

She suggests that Kahnawa'kehró:non who are unsure about their future take the same route as her and inquire with Tewatohnhi'saktha.

"I would definitely recommend Tewatohnhi'saktha to anyone in the community; whether it's someone needing help with applying for a job, or which career path to take next," she asserted. "Tewatohnhi'saktha has many career cruising options to choose from and a friendly staff like Onawa waiting to help."

For Kane, the sky is the limit and this is only just the beginning of her teaching story. Her short time as a teacher already has her thinking about a lengthy future in the field.

In addition to teaching young Kahnawà:ke children, Kane also attends Montreal's McGill University, where she is taking the First Nations Aboriginal Teachers Certificate Program.

"I will continue taking this course for the next two years," she explained.

"After that, I plan on taking some time to start a family of my own, but until then I'm going to continue at McGill. Who knows? Maybe one day I will obtain my Bachelor's degree in education," Kane said.

## BUSINESS CREATION & EXPANSION

### **This Year (2014-2015)**

**Target: 13 (7 Micro, 3 Small, 1 Medium, 2 Expansions)**

**Actual: 12 (6 Micro, 4 Small, 2 Expansions)**

### **Last year (2013-2014)**

**Target: 9 (5 Micro, 3 Small, 1 Medium)**

**Actual: 11 (5 Micro, 5 Small, 1 Medium)**

## LOANS

### **This Year (2014-2015)**

**Target: \$225,000**

**Actual: \$354,265**

### **Last year (2013-2014)**

**Target: \$225,000**

**Actual: \$213,719**



# Employment & Training Success Story

## *Upgrading French skills to widen clientele*

By Jessica Deer

Jenny Lahache looked to Tewatohnni'saktha's Employment and Training team for funding assistance when she wanted to upgrade her French language skills to help her expand her business as an independent massage therapist.

Lahache graduated in February 2014 from a massotherapy program, but was having difficulty finding work outside of Kahnawà:ke.

"Since I graduated, I had a good five or six months of working - seeing people in their homes and working at Playground Poker as a therapist and then I moved a few times. So, that's kind of my little roadblock right now," said Lahache.

Finding work outside of the community was difficult.

"I'm having some trouble finding work in outside the community in the trade I chose. I feel that the only thing stopping me from working in the Old Port, for example, is my French," said Lahache.

Feeling like her French skills were weak, Lahache decided to enroll in a month-intensive French language course offered through the YMCA in Montreal.

"I took the first level of French courses - there are seven levels," said Lahache.

Now that she has completed the first level

of courses, Lahache said she's getting back into the swing of booking more clients and more shifts at Playground.

Overall, she said she is really enjoying the career path she has chosen.

"I really like what I'm doing. I really like the science part of it: the physiology and anatomy. That makes so much sense to me, and I like working with people one-on-one. I have a natural understanding for psychology and stuff like that, so I like the relation part with the client," said Lahache.

Lahache said she also enjoys how the job comes with an aspect of meditation and sometimes requires creativity on her part.

"You're dealing with muscles and everyone is different. Once I start massaging it is different with everybody. That's where a bit of creativity and meditation comes in," said Lahache.

In the future, Lahache plans on taking the higher-level French courses offered through the YMCA for more opportunities. In the long term, she'd like to work toward a position in kinesiology or physiotherapy.

"I don't think I want to stop at massage therapy. But right now, I just want to take more courses - like more different styles of massage and get more skills under my belt," said Lahache.



Photo courtesy Jessica Deer

*Jenny Lahache felt that upgrading her French speaking skills would open more doors with her career as a massage therapist.*

# Employment & Training Sucess Story



Mikael Leduc is currently working as a nurse at the Hôpital du Suroît in Salaberry-de-Valleyfield

By Jessica Deer

Mikael Leduc followed in his mother’s footsteps when he decided to pursue a career as a nurse. “My mother is a nurse’s aide, so she actually led me that way,” he said. The

23-year-old completed the two-year Health, Assistance and Nursing program at Centre de Formation Professionnelle de la Pointe-Du-Lac (CPPL) last December.

The program, which is taught in French, helped him land his current job as a nurse

in the surgery department of the Hôpital du Suroît in Salaberry-de-Valleyfield. “It helps because I have a lot of French patients,” said Leduc.

Leduc said without Tewatohni’saktha, he probably would not be working as a nurse today. “I couldn’t afford to go to school,” said Leduc, “They paid for everything and it really helped. They paid for my uniforms and all the stuff I needed.” The support from his Employment and Training Counselors Helen Watso and Onawa Jacobs were also encouraging. “They called me many times to ask me how it was going when I was in school,” said Leduc.

When he completed the program, he immediately began working at a retirement home, but soon left for his current position. He said the best part of his job is the opportunity to help people. “It feels great,” said Leduc.

The new job still has its challenges, though. “When you first start you’re always on call, so that can be a problem sometimes. Sometimes they call me early in the morning. I don’t know if I’m working tomorrow or today, or if they’re going to call me later,” said Leduc. “I just tell myself that one day I’ll have steady hours.”

Leduc said he hopes to be able to work at the Kateri Memorial Hospital Centre one day.

## CLIENTS SERVED

The number of clients who obtained services from Employment Counselors and/or Business Services Officers

### This Year 2014-2015

Target: **930**

Actual: **793**

### Last year (2013-2014)

Target: **985**

Actual: **923**

## DOLLAR VALUE OF PRODUCTS

Dollar value of products, tuition, and allowances administered to or utilized by clients

### This Year 2014-2015

Target: **\$1,595,000**

Actual: **\$1,581,189**

### Last year (2013-2014)

Target: **\$1,494,000**

Actual: **\$1,460,094**

## Independent Auditors' Report

To the Members and Board of Directors of Tewatohnhi'saktha:

We have audited the accompanying consolidated financial statements of Tewatohnhi'saktha, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tewatohnhi'saktha as at March 31, 2015 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Montréal, Québec

June 23, 2015



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

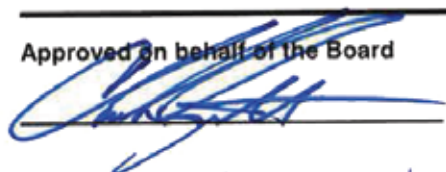


**Tewatohnhi'saktha**  
**Consolidated Statement of Financial Position**

*As at March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Financial assets</b>		
Cash (Note 3)	3,826,401	2,497,320
Temporary investments (Note 4)	3,351,307	5,426,538
Accounts receivable (Note 5)	2,602,947	2,495,840
Portfolio investments (Note 6)	12,556	12,556
Loans receivable (Note 7)	15,270,023	15,057,853
<b>Total financial assets</b>	<b>25,063,234</b>	<b>25,490,107</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	701,454	869,038
Deferred revenue (Note 9)	1,144,002	1,030,706
Long-term debt (Note 10)	2,678,218	2,254,880
<b>Total liabilities</b>	<b>4,523,674</b>	<b>4,154,624</b>
<b>Net financial assets</b>	<b>20,539,560</b>	<b>21,335,483</b>
<b>Commitments (Note 11)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	11,907,493	11,466,784
Development costs (Note 13)	590,404	590,404
Prepaid expenses	69,961	22,365
<b>Total non-financial assets</b>	<b>12,567,858</b>	<b>12,079,553</b>
<b>Accumulated surplus (Note 16)</b>	<b>33,107,418</b>	<b>33,415,036</b>

Approved on behalf of the Board



Director



Director



Grand Chief

# Tewatohnhi'saktha

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	Schedules	2015 Budget	2015	2014
<b>Revenue</b>				
Aboriginal Affairs and Northern Development Canada		1,828,532	1,542,557	1,529,747
Employment and Social Development Canada		462,712	176,960	445,543
Province of Quebec		289,966	187,458	178,916
Repayment of government funding		-	(94,931)	(41,295)
Cancellation of government funding		-	(80,440)	-
First Nations Human Resources Development Commission of Quebec		1,930,153	1,862,701	1,621,669
Rental income		1,640,957	1,674,894	1,556,779
Investment income		1,700,000	2,158,609	1,810,428
Interest income		88,540	132,536	138,233
Other revenue		901,656	245,397	102,556
Consulting income		-	36,682	318,029
Kahnawake Education Centre		57,844	52,189	57,908
Kahnawake Shakotiiia'Takehnhas Community Services		-	43,051	-
Deferred revenue - prior year		-	981,451	527,844
Deferred revenue - current year		-	(1,138,515)	(981,451)
		<b>8,900,360</b>	<b>7,780,599</b>	<b>7,264,906</b>
<b>Expenses (Schedule 2)</b>				
Employment and Training	4	2,560,470	2,066,670	2,128,025
Administrative Services	5	124,310	(54,254)	40,525
Economic Development	6	2,904,869	3,811,620	3,107,684
Small Business Services	7	2,714,736	1,613,236	1,222,804
Capital	8	490,000	634,183	495,527
<b>Total</b>		<b>8,794,385</b>	<b>8,071,455</b>	<b>6,994,565</b>
<b>Surplus (deficit) before other items</b>		<b>105,975</b>	<b>(290,856)</b>	<b>270,341</b>
<b>Other income (expense)</b>				
Gain (loss) on foreign exchange		100,000	(16,762)	200,294
<b>Surplus (deficit)</b>		<b>928,438</b>	<b>(307,618)</b>	<b>470,635</b>
<b>Accumulated surplus, beginning of year</b>		<b>-</b>	<b>33,415,036</b>	<b>32,944,401</b>
<b>Accumulated surplus, end of year</b>		<b>928,438</b>	<b>33,107,418</b>	<b>33,415,036</b>

The accompanying notes are an integral part of these financial statements

**Tewatohnhi'saktha**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2015*

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
<b>Annual surplus (deficit)</b>	<b>928,438</b>	<b>(307,618)</b>	470,635
Purchases of tangible capital assets	-	<b>(324,892)</b>	(1,697,949)
Amortization of tangible capital assets	<b>490,000</b>	<b>634,183</b>	495,527
Tangible capital assets financed through long-term debt	-	<b>(750,000)</b>	-
	<b>490,000</b>	<b>(440,709)</b>	(1,202,422)
Acquisition of prepaid expenses	-	<b>(69,961)</b>	(22,365)
Use of prepaid expenses	-	<b>22,365</b>	73,195
	-	<b>(47,596)</b>	50,830
<b>Decrease in net financial assets</b>	<b>1,418,438</b>	<b>(795,923)</b>	(680,957)
<b>Net financial assets, beginning of year</b>	-	<b>21,335,483</b>	22,016,440
<b>Net financial assets, end of year</b>	<b>1,418,438</b>	<b>20,539,560</b>	21,335,483

**Tewatohnhi'saktha**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

	<i>2015</i>	<i>2014</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash receipts from contributors	<b>7,652,431</b>	7,735,153
Interest income	<b>132,536</b>	138,233
Cash paid to suppliers	<b>(4,652,577)</b>	(3,553,009)
Cash paid to employees	<b>(2,904,981)</b>	(2,833,725)
Interest on long-term debt	<b>(109,835)</b>	(148,041)
	<b>117,574</b>	1,338,611
<b>Financing activities</b>		
Repayment of long-term debt	<b>(326,662)</b>	(290,482)
<b>Capital activities</b>		
Purchases of tangible capital assets	<b>(324,892)</b>	(1,697,949)
<b>Investing activities</b>		
Proceeds from temporary investments	<b>2,075,231</b>	1,805,145
Investment in loans receivable	<b>(296,567)</b>	(109,919)
Proceeds from collection of loans receivable	<b>84,397</b>	149,115
	<b>1,863,061</b>	1,844,341
<b>Increase in cash resources</b>	<b>1,329,081</b>	1,194,521
<b>Cash resources, beginning of year</b>	<b>2,497,320</b>	1,302,799
<b>Cash resources, end of year</b>	<b>3,826,401</b>	2,497,320

The accompanying notes are an integral part of these financial statements



**1. Nature of the organization**

Tewatohnni'saktha was established in 1999 and is the economic development commission of Kahnawake. It was created by a Band Council Resolution of Mohawk Council of Kahnawake with a mandate to create jobs, wealth and self-sufficiency for the Community. The Organization focuses on new and existing resources, both human and financial, as well as integrated approach to business development and human resource investment.

**2. Significant accounting policies**

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

***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 rental properties, tangible capital assets, development costs and prepaid expenses.

***Cash and cash equivalents***

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

At year end, the Organization does not hold any short term investments.

***Portfolio investments***

Long-term investments in entities that are not owned, controlled, or significantly influenced by the Organization are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Loans***

Loans are recorded at principal amounts, less any allowance for anticipated losses, provisions for debt forgiveness plus accrued interest and unamortized loan fees. Interest revenue is recorded on the accrual basis. Loan and administration fees are amortized over the term of the loan.

***Allowance for loan impairment***

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

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

In addition, a general allowance may be established where, in management's opinion, it is required to absorb losses inherent in the loan portfolio, for which a specific allowance cannot yet be determined. A general provision is established when doubt exists within groups of loans but is not sufficient to allow identification of individually doubtful loans.

Provisions for loss 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)*

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records for rental properties, office equipment, land, computer hardware and software and furniture and fixtures. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

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

	<b>Methods</b>	<b>Rates and period</b>
Building	declining balance	5%
Office equipment	declining balance	20%
Furniture and fixtures	declining balance	20%
Computer hardware	declining balance	33.3%
Computer software	straight-line	5 years

***Long-term debt***

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

***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.

The Organization 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 group of long-lived assets is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from their use and disposal. Impairment is measured as the amount by which the assets' carrying amount exceeds their fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

***Net financial assets***

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

***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 and loans receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Youth business loans are stated after an allowance for debt forgiveness representing the forgivable portion of these loans. Amortization is based on the estimated useful lives of tangible capital assets.

***Revenue recognition***

The Organization 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, the Organization recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

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

The Organization 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, the Organization records externally restricted inflows in deferred revenue.

***Rental income***

Revenue from multi-year leases is recorded based on the average annual revenue earned over the term of the lease on a straight line basis. The difference between the revenue recognized and the amounts contractually due are recorded in other assets on the balance sheet.

***Consulting Income***

Consulting revenue is recognized when a price is agreed, all significant contractual obligations have been satisfied, and collectability is reasonably assured. Management assesses the business environment, customers' financial condition, historical collection 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, the Organization does not recognize revenue until collection occurs.

***Investment Income***

Interest income is recorded on the accrual basis as it is earned. Dividends are recorded as income when they are declared.

***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.

***Recent accounting pronouncements***

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Organization does not expect the adoption of these new standards to have a material impact on its financial statements.

**3. Cash**

Included in cash is \$985,501 (2014 - \$846,855) related to the Business Contribution Fund. These funds have been restricted by Aboriginal Affairs and Northern Development Canada for activities related to the operation of the fund and for the disbursement of grants as follows:

	<b>2015</b>	<b>2014</b>
Cash restricted for operational activities	<b>23,993</b>	18,274
Cash restricted for grant disbursement	<b>961,508</b>	828,581
	<b>985,501</b>	846,855



**Tewatohnni'saktha**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**4. Temporary investments**

Temporary investments bear interest at rates varying from 1.05% to 1.3% with maturity dates ranging from April 2015 to January 2016. The market value of the investments at March 31, 2015 is \$3,351,307 (2014 - \$5,426,538). Included in temporary investments is \$1,171,513 (2014 - \$1,158,773) designated for loans to small businesses under the Business Loan Fund.

**5. Accounts receivable**

	<b>2015</b>	<b>2014</b>
Accounts receivable	<b>252,289</b>	476,718
Portfolio investment company	-	5,353
Commodity tax receivable	<b>165,154</b>	90,393
Dividend receivable	<b>2,153,220</b>	1,879,026
Accrued interest	<b>32,284</b>	44,350
	<b>2,602,947</b>	2,495,840

Included in accounts receivable is \$13,524 (2014 - \$Nil) from Mohawk Internet Technologies, \$Nil (2014 - \$58,498) from Kahnawake Education Centre and \$146,248 (2014 - \$53,516) from Mohawk Council of Kahnawake. These balances are subject to normal terms of trade.

**6. Portfolio investments**

	<b>2015</b>	<b>2014</b>
<b>Measured at cost:</b>		
Investment in 50% of the issued ordinary shares of Onkwawista Holdings Limited, a private company incorporated under the provisions of the Isle of Man Companies Act	<b>56</b>	56
Investment in Regional Economic Investment Fund (REIF) - First Nations L.P.	<b>12,500</b>	12,500
	<b>12,556</b>	12,556

The Organization has signed a commitment to invest an aggregate sum of \$50,000 in the REIF project which participates in the growth of Quebec First Nations controlled businesses.

**7. Loans receivable**

Loans receivable consist of the following:

	<b>2015</b>	<b>2014</b>
Loan receivable - Onkwawista Holdings Limited, unsecured, non-interest bearing with no specific terms of repayment	<b>14,559,888</b>	14,559,888
<b>Small Business Services Loans</b>		
Business Loan Fund	<b>665,658</b>	453,294
Youth Business Fund	<b>35,625</b>	32,406
	<b>701,283</b>	485,700

**Tewatohnni'saktha**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**7. Loans receivable** *(Continued from previous page)*

	<b>2015</b>	<b>2014</b>
<b>Other</b>		
Loan receivable, employee, non-interest bearing and due October 2017	<b>8,796</b>	12,209
Loan receivable - Mohawk Council of Kahnawake, non-interest bearing with no fixed terms of repayment	<b>56</b>	56
	<b>8,852</b>	12,265
	<b>15,270,023</b>	15,057,853

The primary purpose of the Business Loan Fund (BLF) and the Youth Business Fund (YBF) loans are to help the youth and community of Kahnawake to establish viable businesses. The general terms and conditions differ from conventional loan agreements 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 of 7% (YBF) and prime plus 4% (BLF) compounded monthly. In addition, Youth Business Fund borrowers have the option of paying interest only during the first year of the loan and the Organization will forgive the remaining 25% of the loan once 75% is reimbursed and the borrower has met all the terms of the agreement.

Recovery of youth loans is dependent upon the success of the related borrowers' businesses as the youth loans require no equity or personal guarantees.

**8. Bank line of credit**

The Organization has available an unsecured bank line of credit of \$100,000 which bears interest at an annual rate of prime plus 1% and is renewable annually. There were no borrowings on this line of credit during the year.

**9. 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>Recognized as revenue</i>	<i>Balance, end of year</i>
<b>Deferred revenue</b>				
Business Contribution Fund	<b>821,149</b>	<b>651,555</b>	<b>498,655</b>	<b>974,049</b>
Strategic Opportunity Advancement Realization (SOAR)	<b>133,163</b>	<b>155,288</b>	<b>288,451</b>	-
Pikwadin	<b>27,139</b>	<b>57,571</b>	<b>84,710</b>	-
First Nations Job Fund	-	<b>210,000</b>	<b>139,708</b>	<b>70,292</b>
Kahnawake Social Policy Project	-	<b>176,806</b>	<b>82,632</b>	<b>94,174</b>
	<b>981,451</b>	<b>1,251,220</b>	<b>1,094,156</b>	<b>1,138,515</b>
<b>Rental income and other</b>				
Rental Income	<b>49,255</b>	-	<b>47,101</b>	<b>2,154</b>
Other	-	<b>3,333</b>	-	<b>3,333</b>
	<b>49,255</b>	<b>3,333</b>	<b>47,101</b>	<b>5,487</b>
	<b>1,030,706</b>	<b>1,254,553</b>	<b>1,141,257</b>	<b>1,144,002</b>

**Tewatohnhi'saktha**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**10. Long-term debt**

	2015	2014
Mortgage payable, interest bearing at 3.7% (2014 - 6.85%), repayable in blended monthly instalments of \$17,520, with the balance subject to renewal in July 2015, secured by a trust agreement in the lender's favour on the Business Complex having a net book value of \$3,764,460	1,658,972	1,795,388
Mortgage payable, interest bearing at 4.35% (2014 - 4.305%), repayable in blended monthly instalments of \$16,711 with the balance subject to renewal in October 2015, secured by a trust agreement in the lender's favour on the Office Complex having a net book value of \$4,411,454	275,091	459,492
Mortgage payable, interest bearing at 4.65%, repayable in 60 blended monthly instalments of \$4,806 with the balance subject to renewal in December 2019, secured by a \$1,000,000 first rank immovable hypothec on the Commercial Complex having a net book value of \$1,065,935	744,155	-
	<b>2,678,218</b>	<b>2,254,880</b>

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

2016	368,667
2017	263,974
2018	188,899
2019	196,263
2020	818,542

**11. Commitments and contingencies**

- a) The Organization has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if Tewatohnhi'saktha fails to comply with the terms and conditions of these agreements.
- b) Tewatohnhi'saktha Business Loan Fund has guaranteed the Caisse Populaire Kahnawake for a portion of the approved bank borrowings to a maximum of \$98,000 (2014 - \$201,288) for native entrepreneurs under the loan guarantee program. As at March 31, 2015, the total guaranteed indebtedness amounted to \$90,982 (2014 - \$99,662).
- c) The Organization entered into an agreement with a service provider with respect to its investment in Kahnawake Sustainable Energies Inc. The agreement calls for a commitment to pay \$2,976,000 for specific services (of which \$1,056,000 had been paid prior to the year-end). The payments are based on achieving certain milestones and providing specific services. In the event that the project is not completed, or is terminated, the Organization is committed to pay a break-up fee of \$500,000 in the event that certain specific circumstances occur.
- d) The Organization has also entered into an agreement with another contractor/supplier for a commitment to pay CND\$35,453,379 to construct a wind-farm facility on behalf of its subsidiary, Kahnawake Sustainable Energies Inc. The commitment is conditional upon signature of a purchase contract which is presently subject to negotiation and other approvals.
- e) The Organization has also entered into agreements with a distributor of wind energy as follows:
  - \$150,000 to secure a commitment to produce a feasibility study report on the grid interconnection
  - \$240,000 to secure a commitment to begin delivery of contractual energy

The Organization has letters of credit in the aggregate amount of \$1,130,000 to secure the provisions of these contracts.

**12. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include non-cash acquisitions of \$750,000 (2014 - \$Nil) which were financed through long-term debt (see Note 10).

**13. Development costs**

Deferred development costs relate to payments made on the wind energy project representing specific project milestones and costs directly related to the project.

**14. Investment in commercial ventures**

Investment in commercial ventures consists of the following:

- a) The Organization has a 50% investment in the issued ordinary shares of Onkwawista Holdings Limited (OHL), an investment holding company. This investment is being carried at cost, being \$56. OHL has a 100% interest in Onkwawista Limited (OL), whose primary asset is a 40% interest in an operating company, Continent 8 Technologies, Plc. (Continent 8). OHL, OL and Continent 8 are incorporated under the provisions of the Isle of Man Companies Act. Tewatohnhi'saktha does not exercise effective control or significant influence with respect to its 20% investment in Continent 8, a portfolio investment company, without the cooperation of the majority shareholders. During the year, Tewatohnhi'saktha recorded a dividend receivable and income of US\$1,700,000 (2014 - US\$1,700,000).
- b) The Organization exercises operational control and management of Mohawk Internet Technologies (MIT), a band empowered entity. This investment is carried at cost, being \$Nil, since Tewatohnhi'saktha does not exercise effective control over MIT's assets, liabilities and surplus without the cooperation of the other significant stakeholders.
- c) The Organization has an investment in the Kahnawake Service Complex which houses commercial tenants.

**15. Financial instruments**

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

**Currency risk**

The Canadian dollar equivalent of financial instruments denominated in US dollars and included in the financial assets and liabilities in the statement of financial position are as follows:

	<b>2015</b>		<b>2014</b>	
	<b>US\$</b>	<b>CND\$</b>	<b>US\$</b>	<b>CND\$</b>
Cash	5,575	7,061	1,702	1,882
Dividend receivable	1,700,000	2,153,220	1,700,000	1,879,026
Temporary investments	-	-	737,124	814,891



**15. Financial instruments** *(Continued from previous page)*

**Interest 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. The Organization is exposed to interest rate cash flow risk and price risk with respect to loans receivable (BLF) and long-term debt. The interest rate for loans receivable is a function of the prime rate. Interest rates for long-term debt are renewed annually. A variation of 1% of the prime rate or of the rate charged on long-term debt will not result in a significant effect on the accumulated surplus and financial position of the Organization.

**16. Accumulated surplus**

Accumulated surplus consists of the following:

	2015	2014
Externally Restricted Funds:		
Balance, beginning of year	2,064,271	2,247,745
Deficit	58,838	(183,474)
	2,123,109	2,064,271
Internally Restricted Funds:		
Balance, beginning of year	22,138,862	22,977,657
Deficit	(383,827)	(838,795)
	21,755,035	22,138,862
Capital Fund:		
Balance, beginning of year	9,211,903	7,718,999
Purchases of tangible capital assets	1,074,892	1,697,949
Tangible capital assets purchased through long-term debt	(750,000)	-
Amortization	(634,183)	(495,527)
Principal repayments of long-term debt	326,662	290,482
	9,229,274	9,211,903
	33,107,418	33,415,036

**17. Restricted fund balances**

Restricted fund balances consist of the following:

	2015	2014
<b>Externally restricted funds</b>		
Employment and training	(9,255)	(46,074)
Business Loan Fund	2,132,364	2,110,345
	2,123,109	2,064,271

**Tewatohnni'saktha**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**17. Restricted fund balances** *(Continued from previous page)*

	2015	2014
<b>Internally restricted funds</b>		
Administration	179,929	67,432
Economic development	9,925,612	9,025,042
Small business services	56,474	329,635
Kahnawake Business Complex	176,840	87,218
Kahnawake Office Complex	171,275	(22,320)
Kahnawake Commercial Complex	(129,264)	-
Kahnawake Sustainable Energies	(3,368,858)	(2,091,172)
Investment fund	14,550,027	14,550,027
Operational reserve	193,000	193,000
	<b>21,755,035</b>	22,138,862
	<b>23,878,144</b>	24,203,133

**18. Related party transactions**

During the year, the Organization conducted the following transactions with related entities. All transactions were conducted at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All balances are subject to normal terms of trade.

	2015	2014
Revenue received from Kahnawake Education Centre	52,189	57,908
Revenue received from Kahnawake Shakotia'takehnhas Community Services	43,051	-
<b>Included in Accounts Payable:</b>		
Kahnawake Education Centre	2,144	-
Mohawk Council of Kahnawake	5,007	1,210
Kahnawake Service Complex	-	1,349

**19. Government transfers**

	Operating	Capital	2015	2014
<b>Federal government transfers</b>				
Aboriginal Affairs and Northern Development Canada	1,542,557	-	1,542,557	1,529,747
Employment and Social Development Canada	176,960	-	176,960	445,543
	1,719,517	-	1,719,517	1,975,290
<b>Provincial government transfers</b>				
Province of Quebec	187,458	-	187,458	178,916
	1,906,975	-	1,906,975	2,154,206

**20. Budget information**

The disclosed budget information has been approved by the Board of Directors of Tewatohnhi'saktha on April 1, 2014.

**21. Comparative figures**

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

**Tewatohnhi'saktha**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

	Land	Buildings	Office equipment	Furniture and fixtures	Computer hardware	Subtotal
<b>Cost</b>						
Balance, beginning of year	1,830,000	13,621,611	133,976	161,859	140,209	15,887,655
Acquisition of tangible capital assets	-	1,074,892	-	-	-	1,074,892
Balance, end of year	1,830,000	14,696,503	133,976	161,859	140,209	16,962,547
<b>Accumulated amortization</b>						
Balance, beginning of year	-	4,899,342	116,984	139,985	138,849	5,295,160
Annual amortization	-	445,070	3,398	4,375	453	453,296
Balance, end of year	-	5,344,412	120,382	144,360	139,302	5,748,456
<b>Net book value of tangible capital assets</b>	<b>1,830,000</b>	<b>9,352,091</b>	<b>13,594</b>	<b>17,499</b>	<b>907</b>	<b>11,214,091</b>
2014 Net book value of tangible capital assets	1,830,000	8,722,269	16,992	21,874	1,360	10,592,495



**Tewatohnhi'saktha**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

	<i>Subtotal</i>	<i>Computer software</i>	<i>2015</i>	<i>2014</i>
<b>Cost</b>				
Balance, beginning of year	15,887,655	904,437	16,792,092	15,094,143
Acquisition of tangible capital assets	1,074,892	-	1,074,892	1,697,949
Balance, end of year	16,962,547	904,437	17,866,984	16,792,092
<b>Accumulated amortization</b>				
Balance, beginning of year	5,295,160	30,148	5,325,308	4,829,781
Annual amortization	453,296	180,887	634,183	495,527
Balance, end of year	5,748,456	211,035	5,959,491	5,325,308
<b>Net book value of tangible capital assets</b>	<b>11,214,091</b>	<b>693,402</b>	<b>11,907,493</b>	<b>11,466,784</b>
2014 Net book value of tangible capital assets	10,592,495	874,289	11,466,784	

**Tewatohnhi'saktha**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2015*

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b>
<b>Consolidated expenses by object</b>			
Advertising	99,252	97,114	56,069
Amortization	490,000	634,183	495,527
Bad debts	-	1,821	25,001
Bank charges and interest	60,080	34,904	29,423
Board travel, training and honoraria	19,800	12,530	17,544
Business assistance	193,405	206,369	88,020
Computer expenses	165,445	101,524	44,175
Consulting	607,562	500,686	554,536
Employment and training costs	1,271,215	1,128,505	1,273,326
Fundraising	-	86,290	73,451
Grant disbursements	1,365,966	493,962	288,412
Insurance	31,045	29,887	26,995
Interest on long-term debt	132,927	109,835	148,041
K-103 project costs	250,000	-	250,000
Loan forgiveness	-	6,734	586
Meetings	12,904	21,102	12,432
Miscellaneous	47,346	48,103	37,393
Office supplies	67,590	59,935	51,505
Overhead costs and recoveries	(663,954)	(490,622)	(420,385)
Permit fees	-	26,544	-
Professional fees	310,397	1,209,199	324,549
Rent	228,947	206,993	205,457
Repairs and maintenance	174,082	201,290	127,837
Salaries and benefits	3,448,477	2,904,981	2,833,725
Strategic plan implementation	4,000	-	-
Teaming fees	88,939	89,417	172,509
Telephone	36,905	34,908	30,632
Training	86,204	44,324	37,289
Travel	77,364	64,950	44,543
Utilities	188,487	205,987	165,973
	<b>8,794,385</b>	<b>8,071,455</b>	<b>6,994,565</b>

**Tewatohnhi'saktha**  
**Schedule 3 - Consolidated Schedule of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	Schedule #	Budget	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Operating Surplus (Deficit)	Prior Year Operating Surplus (Deficit)
<b>Segment schedules</b>										
Employment and Training	4	(104,811)	4,550	2,008,929	90,010	2,103,489	2,066,670	-	36,819	(191,553)
Administrative Services	5	(83,700)	4,351	53,892	-	58,243	(54,254)	-	112,497	(49,193)
Economic Development (Grouping)	6	1,410,413	12,831	4,321,354	(94,174)	4,240,011	3,811,620	(651,554)	(223,163)	(823,455)
Small Business Services	7	(828,864)	1,520,825	(5,831)	(152,900)	1,362,094	1,613,236	-	(251,142)	41,932
Capital	8	824,434	-	-	-	-	634,183	651,554	17,371	1,492,904
<b>Surplus (Deficit)</b>										
Accumulated surplus, beginning of year		1,217,472	1,542,557	6,378,344	(157,064)	7,763,837	8,071,455	-	(307,618)	470,635
									33,415,036	32,944,401
Accumulated surplus, end of year									33,107,418	33,415,036

**Tewatohnhi'saktha**  
**Employment and Training**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus**  
**(Deficit)**

*For the year ended March 31, 2015*

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	4,550	-
Employment and Social Development Canada	462,712	176,960	445,543
Repayment of government funding	-	(94,931)	(41,295)
First Nations Human Resources Development Commission of Quebec	1,930,153	1,862,701	1,621,669
Kahnawake Education Centre	57,844	52,189	57,908
Other revenue	4,950	12,010	12,949
Deferred revenue - prior year	-	160,302	-
Deferred revenue - current year	-	(70,292)	(160,302)
	<b>2,455,659</b>	<b>2,103,489</b>	<b>1,936,472</b>
<b>Expenses</b>			
Allowances	514,143	608,777	664,501
Dependant care	44,700	13,202	29,147
Employee benefits	108,202	88,602	79,922
Miscellaneous	3,500	581	3,849
Office supplies	31,226	(17,341)	31,094
Overhead costs and recoveries	(33,000)	(75,000)	(75,000)
Professional services	559,457	489,904	470,783
Rent	30,825	25,000	30,000
Salaries	1,141,324	845,549	782,051
Training	121,689	33,963	77,801
Travel	23,904	40,289	25,527
Utilities	14,500	13,144	8,350
	<b>2,560,470</b>	<b>2,066,670</b>	<b>2,128,025</b>
<b>Deficit</b>	<b>(104,811)</b>	<b>36,819</b>	<b>(191,553)</b>
<b>Accumulated surplus (deficit), beginning of year</b>	<b>-</b>	<b>(46,074)</b>	<b>145,479</b>
<b>Accumulated deficit, end of year</b>	<b>(104,811)</b>	<b>(9,255)</b>	<b>(46,074)</b>



**Tewatohnhi'saktha**  
**Administrative Services**

**Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus**

*For the year ended March 31, 2015*

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	4,122	4,351	2,794
Interest income	14,000	31,952	37,748
Rental income	22,488	21,940	22,917
Other revenue	-	-	784
	<b>40,610</b>	<b>58,243</b>	<b>64,243</b>
<b>Expenses</b>			
Advertising	52,970	43,787	45,142
Bank charges and interest	10,948	8,728	8,483
Board travel, training and honoraria	3,000	3,680	2,496
Computer expenses	151,050	92,285	36,806
Consulting	12,000	5,120	27,815
Employee benefits	64,923	105,916	163,346
Insurance	2,700	-	1,805
Meeting	1,180	949	1,075
Miscellaneous	20,025	13,877	16,635
Office supplies and expenses	37,000	29,969	34,173
Overhead costs and recoveries	(1,128,992)	(1,178,992)	(1,102,461)
Professional fees	7,900	30,561	4,529
Rent	171,429	171,380	168,926
Repairs and maintenance	2,650	2,454	2,203
Salaries	649,367	568,181	597,866
Strategic plan implementation	4,000	-	-
Telephone	13,760	13,431	12,653
Training	31,300	28,832	11,958
Travel	17,100	5,588	7,075
	<b>124,310</b>	<b>(54,254)</b>	<b>40,525</b>
<b>Surplus before transfers</b>	<b>(83,700)</b>	<b>112,497</b>	<b>23,718</b>
<b>Transfers</b>			
Transfer to capital asset fund	-	-	(211,321)
Transfer from KEDC	-	-	138,410
<b>Surplus (deficit)</b>	<b>(83,700)</b>	<b>112,497</b>	<b>(49,193)</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>67,432</b>	<b>116,625</b>
<b>Accumulated surplus, end of year</b>	<b>(83,700)</b>	<b>179,929</b>	<b>67,432</b>

# Tewatohnhi'saktha

## Economic Development (Grouping)

### Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015 Budget	2015	2014
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	100,264	12,831	62,855
Province of Quebec	185,754	187,458	24,119
Rental income	1,618,469	1,652,954	1,533,862
Investment income	1,700,000	2,153,220	1,807,780
Interest income	24,977	41,637	51,806
Consulting income	-	36,682	318,029
Other revenue	888,755	223,114	74,376
Kahnawake Shakotiaa'Takehnhas Community Services	-	43,051	-
Deferred revenue - current year	-	(94,174)	-
	<b>4,518,219</b>	<b>4,256,773</b>	<b>3,872,827</b>
<b>Expenses</b>			
Advertising	5,632	18,845	6,297
Bank charges and interest	48,931	26,020	20,735
Board travel, training and honouraria	16,800	8,850	15,048
Business assistance	-	1,995	-
Computer expenses	12,467	6,783	5,272
Consulting	478,766	469,328	495,044
Employee benefits	103,391	114,158	131,249
Fundraising	-	86,290	73,451
Insurance	28,345	29,602	25,190
Interest on long-term debt	132,927	109,835	148,041
K-103 Project costs	250,000	-	250,000
Meeting	10,524	19,538	9,209
Miscellaneous	17,062	30,156	16,810
Office supplies and expenses	22,930	21,490	9,425
Overhead costs and recoveries	214,810	495,140	480,927
Professional fees	249,062	1,125,782	273,417
Property tax	-	26,544	-
Rent	18,113	10,613	6,531
Repairs and maintenance	169,572	196,723	124,912
Salaries	776,093	686,491	646,184
Teaming fees	88,939	89,417	172,509
Telephone	18,554	18,032	15,555
Training	43,404	15,386	18,039
Travel	27,560	14,201	8,050
Utilities	170,987	190,401	155,789
	<b>2,904,869</b>	<b>3,811,620</b>	<b>3,107,684</b>
<b>Surplus before other items</b>	<b>1,613,350</b>	<b>445,153</b>	<b>765,143</b>
<b>Other income (expense)</b>			
Gain on foreign exchange	100,000	(16,762)	200,294
<b>Surplus before transfers</b>	<b>1,713,350</b>	<b>428,391</b>	<b>965,437</b>
<b>Transfers</b>			
Transfer to capital asset fund	-	(324,892)	(1,360,000)
Transfers between programs	-	-	(138,410)
Transfer principal payment on mortgages	(302,937)	(326,662)	(290,482)
<b>Deficit</b>	<b>1,410,413</b>	<b>(223,163)</b>	<b>(823,455)</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>21,548,795</b>	<b>22,372,250</b>
<b>Accumulated surplus, end of year</b>	<b>1,410,413</b>	<b>21,325,632</b>	<b>21,548,795</b>

**Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus***For the year ended March 31, 2015*

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	1,724,146	1,520,825	1,464,098
Province of Quebec	104,212	-	154,797
Cancellation of government funding	-	(80,440)	-
Interest income	49,563	58,947	48,679
Investment income	-	5,389	2,648
Other revenue	7,951	10,273	14,447
Deferred revenue - prior year	-	821,149	527,844
Deferred revenue - current year	-	(974,049)	(821,149)
	<b>1,885,872</b>	<b>1,362,094</b>	<b>1,391,364</b>
<b>Expenses</b>			
Advertising	40,650	34,482	4,630
Bad debts	-	1,821	25,001
Bank charges and interest	201	156	205
Business assistance	193,405	204,374	88,020
Computer expenses	1,928	2,456	2,097
Consulting	116,796	26,238	31,677
Employee benefits	142,846	66,791	52,139
Grant disbursements	1,365,966	493,962	288,412
Insurance	-	285	-
Loan forgiveness	-	6,734	586
Meeting	1,200	615	2,148
Miscellaneous	6,759	3,489	99
Office supplies and expenses	7,660	8,476	7,907
Overhead costs and recoveries	283,228	268,230	276,149
Professional fees	53,435	52,856	46,603
Rent	8,580	-	-
Repairs and maintenance	1,860	2,113	722
Salaries	462,331	429,293	380,968
Telephone	4,591	3,445	2,424
Training	11,500	106	7,292
Travel	8,800	4,872	3,891
Utilities	3,000	2,442	1,834
	<b>2,714,736</b>	<b>1,613,236</b>	<b>1,222,804</b>
<b>Surplus (deficit) before transfers</b>	<b>(828,864)</b>	<b>(251,142)</b>	<b>168,560</b>
<b>Transfers</b>			
Transfer to capital asset fund	-	-	(126,628)
<b>Surplus (deficit)</b>	<b>(828,864)</b>	<b>(251,142)</b>	<b>41,932</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>2,439,980</b>	<b>2,398,048</b>
<b>Accumulated surplus, end of year</b>	<b>(828,864)</b>	<b>2,188,838</b>	<b>2,439,980</b>

**Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus***For the year ended March 31, 2015*

	<b>2015 Budget</b>	<b>2015</b>	<b>2014</b>
<b>Expenses</b>			
Amortization	490,000	634,183	495,527
<b>Deficit before transfers</b>	<b>(490,000)</b>	<b>(634,183)</b>	<b>(495,527)</b>
<b>Transfers</b>			
Transfer to capital asset fund	1,025,400	324,892	1,697,949
Transfer principal payment on mortgages	289,034	326,662	290,482
<b>Surplus</b>	<b>824,434</b>	<b>17,371</b>	<b>1,492,904</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>9,211,903</b>	<b>7,718,999</b>
<b>Accumulated surplus, end of year</b>	<b>824,434</b>	<b>9,229,274</b>	<b>9,211,903</b>



# Mohawk Internet Technologies



## BALANCE SHEET

(in thousands of dollars)

AS AT MARCH 31 (In Canadian Dollars)	2015	2014
<b>ASSETS</b>		
Current		
Cash	\$ 415	\$ 467
Accounts receivable (Note 2)	316	75
Prepaid expenses and deposits	177	180
	908	722
Prepaid rent	-	59
Capital assets (Note 3)	3,755	5,741
Intangible asset (Note 4)	314	628
	4,069	6,428
	\$ 4,977	\$ 7,150
<b>LIABILITIES AND EQUITY</b>		
Current		
Accounts payable and accrued liabilities	\$ 601	\$ 691
Current portion of loans payable (Note 5)	1,484	1,490
	2,085	2,181
Loans payable (Note 5)	2,091	3,269
	4,176	5,450
Equity	801	1,700
	\$ 4,977	\$ 7,150

## OUR TEAM

### **Board of Directors**

Lionel Jacobs, Chairperson  
Dwayne Kirby, Vice President/Secretary-Treasurer  
Peter Lafleur, Member  
Wayne Rice, Member  
Charles Barnett, Member  
Greg Horn, Member

### **CEO**

John Bud Morris

### **Employment & Training**

Steven Horne, Director  
Sandra Jacco, Administrative Clerk  
Coreen Delormier, Monitoring and Support Officer  
Gene Montour, Employment & Training Counselor  
Onawa K. Jacobs, Employment & Training Counselor  
Angie Marquis, Employment & Training Counselor/  
Youth Programs Coordinator  
Kiera Beauvais, Administrative Assistant,  
CBS/SOAR Program  
Kara Paul, Career Programming Coordinator

### **Human Resources/ Finance and Administration**

Nancy Stacey, Director  
Kristy Kennedy, Executive Assistant  
Lisa Lahache, PR/Communications Officer  
Marcy Delisle, Director  
So:se Canadian, Information Systems Manager  
Aidan Alfred, Information Systems Assistant  
Penny Kane, Secretary/Receptionist  
Cathy Diabo, Accounting Manager  
Wahsontaha:wi Stacey, Financial Clerk

### **Business Services**

Barbara McComber, Director  
Daryl Leclaire, Business Services Officer - Heads Up Coordinator  
Tammy Delaronde, Business Services Officer/  
Facilities Manager  
Angela Deer, Loans Officer  
Ron Murray, Project Development Officer  
Kimberly Cross, Tourism Development Agent (maternity leave)  
Allison Jacobs, Interim Tourism Development Agent

### **Revenue Generation**

Kyle Delisle, Director  
Marissa Leblanc, Executive Assistant  
Amy Rice, Business Development Officer/  
Internal Consultant

### **Building Maintenance**

Marvin McComber, Building Maintenance Supervisor  
Carrie-Layne Diabo Marquis, Office Cleaner  
Michael Quinones, Building Maintenance Superintendent  
Carl Gilbert, On-Call Building Maintenance

### **Security – Kahnawà:ke Office Complex**

Wayne Rice, Security Supervisor  
Travis Rice, Security Guard  
Wilbert Standup, Security Guard  
Peter Diabo, Security Guard  
Rickey Rice, Security Guard

\*Michael Rice was a Board Member until Feb 16, 2015.

\*Peter Diabo retired on November 20, 2014 and sadly, he passed away on January 11, 2015.



The Kahnawà:ke Business Complex is home to Tewatohnhi'saktha's operations. The building offers a total of 31,500 square feet of rental space for office and retail tenancy. It features contemporary architecture, terraces, green space, parking lots, and a scenic view of the St. Lawrence Seaway. Situated in the heart of Kahnawà:ke, it offers convenient access to the Caisse Populaire Kahnawà:ke and the Canada Post Office.

## VISION

Our vision is a self-sufficient community that fosters quality of life for Kanien'kehá:ka ne Kahnawa'kehró:n and creates collective prosperity for future generations consistent with our cultural values

## MISSION

The mission of Tewatohnhi'saktha is to stimulate and enhance Kahnawà:ke's Economic Growth by investing in people and businesses, as well as other economic opportunities

