

CONTINUING TO BUILD ON OUR STRENGTHS FOR FUTURE GROWTH

Tsonkwatahsonterátie ne sénha aonsaiakwatate'shatstenhserahnirátsheke
né:'e tsi ní:ioht tsi aionkwaio'tenhseriióhake.



7TH ANNUAL REPORT

Teiotonhontsóhon tsóhsera akwé:kon aietewaka'én:ion nahó:ten ionkwaio'tén:'en tsi niiohseres tsi nonkwá: ne aohiatonhsera'shón:'a

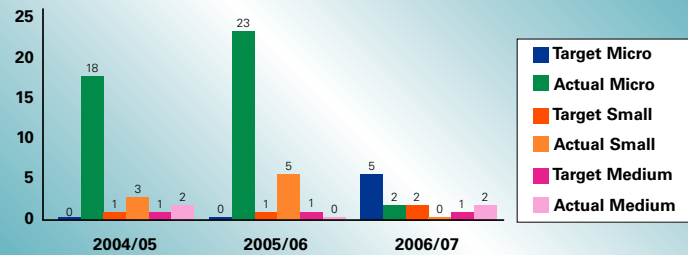
Onerahókha / APRIL 1, 2006 - Enniskó:wa / MARCH 31, 2007



RESULTS AT A GLANCE

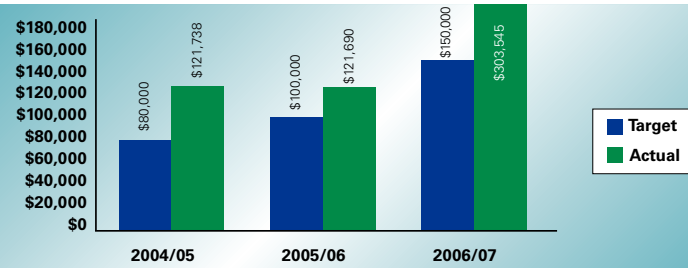
BUSINESS CREATION & EXPANSION

To increase the number of new start-up businesses and or business expansions.



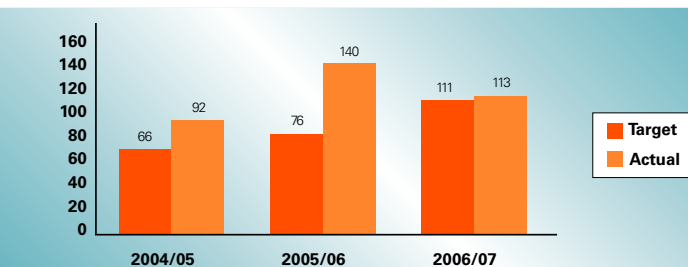
LEGEND:
 Micro Business: 1 Employee Small Business: 2-5 Employees Medium Business: 5-10 Employees Large Business: 10+ Employees

To increase the number of new loans under the Tewaohnhisaktha Business Loan Fund.



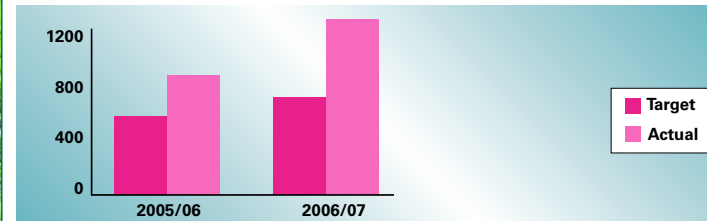
EMPLOYMENT

To increase the number of clients that obtain full-time employment through the collaboration with all Tewaohnhisaktha Divisions.



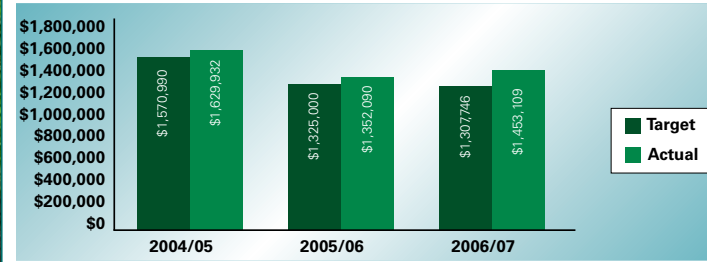
CLIENT SERVICES

Increase the number of clients who obtained services from Employment Counselors and/or Business Services Officers. Measured through client contacts (clients may have visited more than once).



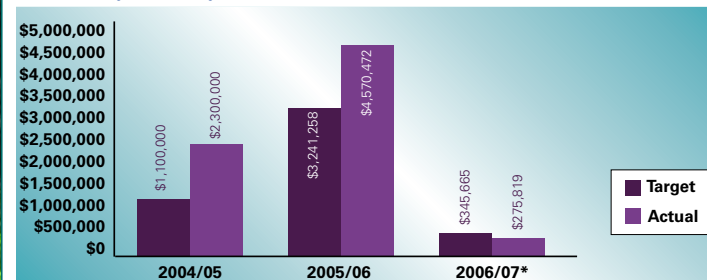
NOTE: THE ABOVE RESULTS FOR 2006/07 ARE REPRESENTATIVE OF 3,750 ACTUAL CLIENT CONTACTS (SITE VISITS, TELEPHONE CALLS, E-MAILS, IN-HOUSE APPOINTMENTS) FOR WHICH THE TARGET WAS 2,440.

Increase the dollar value of products, tuition, and allowances administered to or utilized by clients.



REVENUE GENERATION

Generate revenue through project investment through the present business files: Kahnawake Business Complex - Mohawk Internet Technologies - Consulting Fees - Land Leases, Office Leases, and Rentals




*NOTE: FOR 2006/07 REVENUE PROJECTIONS WERE DECREASED TO EXCLUDE REVENUE FROM CONTINENT 8 WHICH IS PICKED UP BY ONKAWAWISTA, AN ISLE OF MAN COMPANY HELD JOINTLY BETWEEN MCK AND TEWATOHNHISAKTHA. FOR 2006/07, ONKAWAWISTA WILL BE PAYING MCK \$1.7 MILLION CDN.

In 2003 Tewaohnhisaktha began measuring its effectiveness towards achieving its vision, mission and values on a yearly basis. As a result, the organization created a scoreboard for continuous improvement and success. Presented here are the specific objectives we measure and their results for the 2004-2007 strategic planning period.



OUR VISION IS A SELF-SUFFICIENT COMMUNITY THAT FOSTERS A QUALITY OF LIFE FOR KANIEN'KEHÁ:KA NE KAHNAWA'KEHRÖ:NON AND CREATES COLLECTIVE PROSPERITY FOR FUTURE GENERATIONS CONSISTENT WITH OUR CULTURAL VALUES.

È:NON I'ATEIAKWAKÁ:NERE NE TSI TEWANÁKERE TAIKWATATENIAHESÉNHAKÉ.
NÉ:'E AONTATIATÉN:ROHWE NE TSI NIIONKWARIHÖ:TEN NE ONKWEHONWEHNÉHA.
TÁNON' THO NÉNTEWE NE SÉNHA AIONKWAIANERÁHSTENNÍHAKÉ TSI TIÓHNHNE
NE AKWÉ:KON KANIEN'KEHÁ:KA KAHNAWA'KEHRÖ:NON, TÁNON' NE TAHOTIKONHSOTÁTIE. 

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BOARD OF DIRECTORS



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Chairperson
Term expires July 2009



Lionel Jacobs
Vice-Chairperson
Term expires July 2007



Cissy Lafleur
Treasurer
Term expires July 2009



Tammy Beauvais
Board Member
Term expires July 2007



Terry Diabo Sr.
Board Member
Term expires July 2007



Charles Barnett
Board Member
Term expires July 2009

Message from Wayne Delormier, Chairperson of Board of Directors

Another momentous year has passed and, as Chairperson for the Board of Directors, I am extremely pleased to report on the successes that were achieved. I would also like to take this opportunity to extend my utmost gratitude to my fellow board members for their dedication and hard work over the past 12 months.

The Board held eight regular meetings and two special meetings this fiscal year overseeing and supporting the direction of Tewatohnhi'saktha in its effort to realizing its vision. Last year, we celebrated the fulfillment of the strategic objectives for the May 1, 2003 to April 30, 2006 period. Through the hard work and dedication of the management and staff, Tewatohnhi'saktha has been able to accomplish many of the strategic objectives it set out to achieve during Year One of the Strategic Plan 2006 – 2009.

(See Results at a Glance).

The highlight of the year was the successful international expansion for Tewatohnhi'saktha and its related entities. Over time, the community will reap the rewards for efforts in this area. As a Board, we continue to offer support to the Tewatohnhi'saktha team in its efforts to build a strong economic base for Kahnawake, both internationally and locally.

Each year, the Board participates in the Tewatohnhi'saktha Annual Business Golf Challenge. In addition, we select a community organization to enable them to raise funds during the tournament. Past tournaments have raised over \$81,000 for Team Kahnawake and Skawennio:io Tsi Iewennahnotáhkwa Kahnawake Library. This year, the Turtle Island Theatre Company raised over \$32,000. Earlier in the year, the Board selected the Kahnawake Schools Diabetes Prevention Project (KSDPP) as the recipient of proceeds from the 2007 tournament. We wish them the best of luck in their efforts.

As a community, if you want to develop your business, shop Kahnawake, seek employment opportunities or increase your skills through training and education, Tewatohnhi'saktha is here to assist you. A strong economy helps us to realize our commitment to a self-sufficient community that ensures a better quality of life now and for future generations. Tewatohnhi'saktha is committed to fulfill that vision.

On behalf of the Board of Directors, I reaffirm our assurance to you to make decisions that benefit **you**, our clients and the community, as we move closer to realizing collective prosperity.



PLEASE RECYCLE THIS REPORT

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John Bud Morris
CHIEF EXECUTIVE OFFICER



OFFICE OF THE C.E.O.



The wind generated electricity project is still in a waiting mode for a policy change at Hydro Quebec that would result in a private purchase agreement by them of electricity produced in Kahnawake



ORGANIZATIONAL SERVICES DIVISION



Nancy Stacey
DIRECTOR

Major Highlight

Highlighting fiscal year 2006-2007 was the international expansion for Tewaohnni'saktha and its related entities. A sizeable amount of work went into restructuring Mohawk Internet Technologies and establishing Continent 8 in the Isle of Man. In addition we established a Kahnawake owned holding company, Onkwawista Holdings Limited (Tewaohnni'saktha and the Mohawk Council of Kahnawake both hold 50% of Onkwawista Holdings) and a subsidiary, Onkwawista Limited, to hold the community's shares of Continent 8.

industry and infrastructure suppliers.

In consequence, Continent 8's market value declined about \$100 million US. We could not justify a public offering based on the new numbers as we knew this was undervaluing the company. The market has since settled down somewhat and there still may be an opportunity for us to go public in the future but building value in a profitable private company is our first priority. Though it has placed some cash flow restrictions on its operations, Continent 8 has been able to establish data center operations in Malta and has made 2007 data center plans for the Isle of Man and Singapore. Despite the cash requirements of these expansion plans, it did declare a distribution to Onkwawista Limited for \$1.7 million and these funds will be transferred to the Mohawk Council of Kahnawake in fiscal year 2007-2008.

Our first foray into the international business scene has been a success and it is without question something the community can be proud of. Over time, our investments should accrue the value in excess of \$150 million and we will have presence in at least three continents. And yes, the community, through the Mohawk Council of Kahnawake and Tewaohnni'saktha, will receive annual distributions to help finance the cost of services in Kahnawake.

Other Highlights

- The year 2006-2007 also saw the completion of a new, community owned, 42,000 square foot office building which is detailed elsewhere in this report.
- Tewaohnni'saktha Consulting continues to grow its focus on

generating revenues by selling consulting services and the hiring of a new team member, Amy Rice. Louie John Diabo was seconded to the Education Center where he is applying his talents as a project manager on the new Kahnawake Survival School.

• A planned acquisition of the Beauvais Quarry with the Mohawk Council of Kahnawake was not carried out after new bore hole studies indicated the quality of the stone was lower than expected and could materially affect the value of the quarry. We were unable to satisfy ourselves that the quarry was a viable acquisition at the proposed price within the time frame required by the owner and consequently, the quarry was sold to another buyer.

• The wind generated electricity project is still in a waiting mode for a policy change at Hydro Quebec that would result in a private purchase agreement by them of electricity produced in Kahnawake.

• A feasibility study was carried out on a private diabetes clinic. The results are inconclusive – while there is significant potential for this business on the market side, there are several legal hurdles that must be crossed before we can consider a community investment.

Lastly, Tewaohnni'saktha continues to refine its focus on what the Board of Directors tell us is important, measuring progress and reporting results. All of our indicators, from helping people get into the labour market to small business assistance to revenue generation, give evidence that we are making significant progress in helping the community develop. ♦

Organizational Services Division (OSD) is made up of a number of service functions:

- Office of the Chief Executive Officer (CEO)
- Human Resources
- Communications
- Office Administration
- Accounting
- Reception
- Information Technology

Our Mission Statement is to support Tewaohnni'saktha's strategic direction and priorities by providing timely, efficient and essential support services to our internal and external clients. Through collaboration and determination, our work and learning comes together to help us stay focused, efficient and productive.

As you will note from the following, our Team was engaged in a challenging and exciting year in 2006-07.

ANNUAL WORK PLANS provide the link between our organizational strategies and PRIORITIES and our employees' day-to-day actions.

Strategic & Operational Plan

Every "successful" organization has a clear vision of where they want to be and a mission that states how they will get there. They also have measurable indicators so they can monitor progress towards their goals.

I am proud to inform you that Tewaohnni'saktha has been creating and implementing a strategic plan since its inception in 1999. Our current plan is a 3-year plan and covers the period 2006-2009. It includes 7 Organizational Strategies, 7 Key Success Measure Areas, and Annual Top Priorities for each of the three years.

Last year, OSD created its first ever **3-year strategic and operational plan** in alignment with the organization's plan. It was a very challenging and exciting process for the Team. Together, we developed a shared mission statement and identified the annual top priorities that we would focus on in year one.

This year, building off of year one, we updated our plan and identified the annual top priorities for year two. Our annual top priorities translated into strategic action items with an annual work plan created for each to assure that we focus our required resources in those areas that will help move Tewaohnni'saktha toward its vision. Simply put, it is OSD's blueprint for action.

Our inclusive planning process and collaborative effort helped create a meaningful and effective plan. It reassures that we have buy-in from the Team and that we are aligned and working towards the goals that contribute most to the long-term success of our organization.

As we move forward into year two, we are focused, inspired and driven toward a positive future for the organization and the community.

Core Values

Our **core values** reflect who we are and what we strive to become. At Tewaohnni'saktha, we strive to be:

- Results oriented
- Accountable
- Progressive and Innovative
- Professional
- Customer focused
- Employee focused
- Teamwork oriented
- Open and honest

Employees have more positive feelings about themselves and their work and demonstrate greater loyalty when they work for an organization they view as having good values and ethical practices. The OSD Team remains focused on ensuring their behavior is always ethical and reflects Tewaohnni'saktha's values.

Employer Of Choice

Tewaohnni'saktha remains committed to being an **Employer of Choice** by creating and sustaining the right work climate and conditions, and by developing and offering a variety of programs and services to its employees.

Bottom line... if you take care of your employees, they'll take care of you; and they'll do it with a positive attitude!

Employee Satisfaction

Employee satisfaction, employee engagement, and a solid performance management process are absolutely critical to the on-going success of Tewaohnni'saktha.

Continued on page 4



London 2007 - Our first foray into the international business scene has been a success and it is without question something the community can be proud of.

The principal objective for all this restructuring was to prepare for an international expansion of Continent 8's data center services which was to be financed through an Initial Public Offering (IPO) on London's Alternative Investment Market. Then, after months of preparation and just before the actual IPO, the United States passed the Unlawful Internet Gaming Enforcement Act which had a major impact on the on line gaming



Staff enjoying Christmas luncheon and a little putting practice!

Becoming an Employer of Choice doesn't happen by chance, it happens by design! *John Bud Morris, CEO*

We are proud to share that we continue to measure **employee satisfaction** on a regular basis in four key areas: employee benefits; employer of choice; level of engagement; performance management process.

Surveying employee satisfaction on a regular basis enables us to reassess satisfaction levels in all factors, compare results against previous years, and determine key priority areas to address in the year ahead. Simply put, our survey results allow us to gain a better understanding of what we are doing well and what we might do better.

Employee Retention Strategies

At Tewaohnni'saktha, we also understand the importance of having **retention strategies** and programs to retain our talent. We remain focused on creating an environment that fosters a capable, competitive, content, and ultimately long-term employee base. Keeping our best and brightest is not only smart; it is good for the organization and the bottom line.

Creating the right conditions and implementing the right people-practices helps us recruit, manage, retain, and develop a high-performance workforce.

Professional Upgrading

- STATISTICS CANADA TRAINING "SURVEYS FROM START TO FINISH"
- LUNCH & LEARN WORKSHOP ON HIRING RIGHT
- CUSTOMER SERVICE
- PROJECT OFFICE DEVELOPMENT

- ABORIGINAL TOURISM IN CANADA CONFERENCE
- SELECTING THE RIGHT CANDIDATE – A QUESTION OF FIT
- CARISM
- GROUP FACILITATION
- VIDEO CONFERENCING AND SMART BOARD TECHNOLOGY
- HOW THE GOVERNMENT WORKS
- RED HAT LINUX ESSENTIALS
- FUNDAMENTALS OF BUSINESS WRITING
- HIGH PERFORMANCE BUSINESS WRITING
- EMPLOYMENT COUNSELOR TRAINING
- BASIC ECONOMIC DEVELOPMENT COURSE
- PRIORITY MANAGER TRAINING
- ECONOMIC IMPACT ANALYSIS
- CHANCE, CHANGE & CHALLENGE: A FORUM FOR RECONSTRUCTING VALUE IN CAREER SERVICES
- GENERATING OPPORTUNITY & WEALTH CONFERENCE
- WEBSITE TRAINING
- BASIC INTRODUCTORY TO SUCCESSION PLANNING
- MANAGING A PRODUCTION

In closing, we hope our overview of 2006/2007 has increased your awareness of our Team's accomplishments, opportunities and challenges, and that it has also provided a snapshot of what's to come. We promise to work hard at sustaining the customer-focused high performance team that we created and we look forward to serving our organization and community in the coming year!

For updates throughout the year, please visit Tewaohnni'saktha website at www.kedc.biz. ♦

LOOKING AHEAD..

REMAIN focused on our strategic and annual top priorities.

CONTINUE to invest in professional upgrading of our employees to keep them up-to-date in their respective fields and help them reach their full potential.

CONTRIBUTE to ongoing job satisfaction and productivity by recognizing and rewarding employees for exceptional effort.

PROVIDE employees flexibility with their work schedules in support of work-life balance.

REFLECT on the past, learn from it and plan for the future.

ENCOURAGE regular and consistent communication and feedback between supervisors and employees.

GIVE verbal recognition to employees regularly for smaller accomplishments well done.

FIND ways to incorporate occasional fun in the workplace.

INSPIRE employees to excel beyond expectations.

INVEST in Mohawk Language and Culture learning initiatives to encourage and support our employees to learn and speak our language.

UPGRADE information technology systems and carry out a 3-year IT Plan.

FOCUS on internal communications and continue to hold quarterly staff meetings.

INCREASE level of employee satisfaction.

LAUNCH a quarterly activities report "Tewaohnni'saktha Review" for our external stakeholders.

PRODUCE the 7th Annual Report of Tewaohnni'saktha results.

CONTINUE to coordinate social activities for employees to encourage socialization and interaction with each other and their family members in a non-business like setting.



SMALL BUSINESS SERVICES

Barbara McComber
DIRECTOR

Small Business Services (SBS) is aware of the challenges faced by our community businesses, and specifically by our young entrepreneurs, such as obtaining seed capital and juggling a variety of stressful business requirements. To help alleviate some of their burden, we provide mentoring, aftercare, financial contributions and business financing and are pleased to provide you with a brief description of the loan programs we have available.

Kahnawake Youth Business Fund

We offer a youth loan program (ages 16 to 35 years) which provides valuable benefits to assist our young clients during the transitional period of entrepreneurship. These benefits include 'interest-only' payments for the first year as well as a 25% Forgiveness Benefit, which means that once they have repaid 75% of their loan in a timely manner, the balance is forgiven. We waive the usual

10% equity requirements and place a substantial value on sweat equity. The maximum loan amount is \$15,000 with a five year repayment period at an interest rate of 8.5%; we also offer payment flexibility for seasonal businesses. Clients are invited to return for repeat loans once their initial loan is repaid. To date, 39 businesses have received loans from this program totaling \$491,553.

Tewaohnni'saktha Business Loan Fund

The Tewaohnni'saktha Business Loan Fund provides loans for the start-up or purchase of a business or immovable property at a maximum of \$100,000 per client. This service was established in 2001 and more recently fine-tuned with the creation of our Co-Signer Agreement, which provides a method for our clients to supply 100% security on their loan. The interest rate is Prime plus 4% with a maximum amortization period for immovables of 15 years, and 5 years for movables. To date, 37 businesses have received loans from this program totaling \$1,175,875.

Continued on page 6

To date, 39 businesses have received loans from the Kahnawake Youth Business Fund totaling \$491,553



Satisfied Small Business Services client, Keith White, in the midst of expanding his Dairy King business.

To date, 37 businesses have received loans from the Business Loan Fund totaling \$1,175,875

The Tewatohnhisaktha Business Loan Fund also provides loan guarantees to assist businesses in obtaining commercial loans in the form of collateral of up to 40% of the total loan amount at a maximum of \$110,000. This maximum would guarantee a loan of \$275,000 for each client. In this year alone, our loan guarantee fund has provided security for \$910,596 in loans that fifteen community businesses were able to leverage from other financial sources.

Co-Signer Agreement

As security for their loan, the client would transfer his personal property, which value must equal or exceed the amount of the loan, to our co-signers, who are Mohawks of Kahnawake and autonomous from Tewatohnhisaktha. They would hold the property and the client's Certificate of Possession until the loan is paid in full. Once the loan is paid, the property is transferred back to the client.

In addition to the above loans, we offer entrepreneurship training sessions, financial contributions, mentoring, consulting and comprehensive aftercare services to our community to help them grow their business. In this past fiscal year, we have provided a total Marketing contribution of \$212,930, Professional Services of \$56,118 and Business Assistance of \$27,196, plus loans, services and aftercare to approximately 250 businesses.

It has been our pleasure to serve our community and we invite you to visit us or contact our Small Business Services team at any time for more information on our products and services. ♦



By the Rapids Embroidery was established in November 2005 by Wendy Walker-Phillips. She can put a company logo or custom design on just about anything.

Dwayne Kirby was extremely pleased with the services he received from the Youth Business Fund to start operations of his business **Riverside Transport**.



EMPLOYMENT & TRAINING

Steven Home
DIRECTOR

Investing In Our People

This past year witnessed a very high level of activity in the Employment & Training (E&T) unit as we served over 700 community members and partnered with over 50 community organizations and businesses in one way or another. All of these efforts are aimed at the economic development and self-sufficiency of Kahnawá:kehrónon by improving employability of individuals through our employment and training services programs.

Individuals continue to access a variety of services from consulting and career planning with our employment counselors, to active enrollment in professional and vocational

courses. The bulk of E&T funding was allocated towards subsidizing tuition costs, living allowances, and childcare expenses of individuals in order to allow our clients access to academic upgrading and training courses to achieve their career plans.

At our Training Center, the community has access to a computer lab, labor market resources center, and a training room, that together allow us to organize and offer special custom-designed courses for the community.

This past year we established a partnership with Champlain College and offered on-site a one-year A.E.C accredited Computer Help Desk Specialist Program. Most of the graduates will have opportunities for

internships here in Kahnawake while others will be in Montreal.

Employability programs are another strategy that allows for integration into the workforce. A good example of this program is the Kahnawake Summer Student Employment Program (KSSEP) where successful partnering of businesses and community organizations were able to host high school, CEGEP and University students in order to gain new work and life experiences. This program also allows several non-profit organizations to offer important programs and services in the community during the summer.

Finally, E&T continues to participate and represent the human resource development interests of Kahnawake at the First Nations Human Resource Development Commission of Quebec (FNHRDCQ). This alliance is important to our community as it ensures both informational and financial support for the present and future years in order to meet our human resource development needs. This assignment has been enhanced as we have secured a seat on the FNHRDCQ Executive Committee.

On behalf of the Employment and Training Unit of Tewatohnhisaktha, I would like to affirm our commitment to working with our key stakeholders in the coming year. We are confident that we will work productively with the business community, public organizations, and our existing and upcoming workforce in order to continuously provide for ourselves and to maintain the prosperity and wealth of Kahnawake. Sken:nen



The Kahnawake Summer Student Employment Program (KSSEP) encourages local businesses and organizations to give motivated students new life and work experiences through summer employment. Trevor Paul doing groundskeeping duty at the Kahnawake Marina.



Jessica Dearhouse, student of Helpdesk Specialist Program.

Helpdesk Specialist Computer Support

In September 2006, E&T offered a one-year course in Helpdesk Specialist Computer Support. Development and implementation of this program was based on labour market studies which clearly indicated a demand for helpdesk computer specialists in the I.T. industry, both within and outside the community. Additional research established sufficient client interest to continue to investigate the feasibility of providing a course for a group of clients, rather than individually. To facilitate the learning process for community members, it was decided to deliver the course at Tawatohnni'saktha using our computer room capabilities.

A suitable service provider was found with Champlain College (St Lambert) based on their expertise and reputation within the industry. Champlain College provided the curriculum for a one-year intensive program based on their courses and knowledge of the industry demands, as well as their support structure for students.

The goal of this program was to prepare students for employment in positions such as Customer Support Specialist, Customer Service Technician, Helpdesk Agent, Technician or Specialist and Service Center Analyst. To increase opportunities for employment, a major goal of the program was to prepare students to complete widely accepted industry certifications including CompTIA's A+, Microsoft Office Specialist (MOS), Microsoft Certified Professional (MCP), and Helpdesk Analyst.

The selection process was held at Tawatohnni'saktha. Students were selected based on the criteria established by Champlain College and in conjunction with E&T. The Kahnawake Education Center provided financial support for two of the students as part of their commitment to this initiative. A total of 12 students began the intensive program in September 2006. As of the end of the fiscal year, 10 are expected to complete the program which ends in July 2007.

N.U.R.S.E.S. Project

The N.U.R.S.E.S. Project entered its final year with the last group of nursing students scheduled to graduate in June 2007. Overall, 12 individuals successfully completed the program and plan to begin their Nursing careers. The project was Kahnawake's proactive response to the shortage of nurses which existed not only locally but extended provincially and nationally. The combined efforts of E&T, Kateri Memorial Hospital Centre and the Kahnawake Education Center supported community members toward a nursing career. Services offered through the N.U.R.S.E.S. Project were developed according to the needs of the students and in consultation with education experts and nursing graduates from the community. ♦



Brooke Rice, above, summer student employee working at the Kateri Memorial Hospital Rehabilitation Center. Cole McComber, right, was also employed as a summer student at NIICHRD.

KSSEP THE KAHNAWAKE SUMMER STUDENT PROGRAM 2006

This program is the successful partnership of business and community organizations that were able to hire High School, CEGEP and University students so they can gain new work and life experiences. Some of the transferrable skills that students will take with them, long after the summer jobs have ended are: interpersonal, research & planning, leadership and ability to work in a team, conflict resolution, multi-tasking and time management, professional ability to take initiative and direction, computer and mechanical skills, etc.

Total Students Employed

27 High School Students
1 Adult Education Student
15 Cegep Students
11 University Students
54 TOTAL

Total Employers Approved

15 Private Sector (20 positions funded)
37% of budget went to create jobs in private sector
12 Public Sector (34 positions funded)
63% of budget went to create jobs in public sector.

Funding Partners

The program's funding partners remained the same. The level of funding for this years' program was decreased by **\$13,000.00** due to financial constraints.
Kahnawake Education Center / First Nations Education Council:
\$53,757.00
Tawatohnni'saktha Employment and Training: **\$96,243.00**
TOTAL BUDGET: \$150,000.00

Tawatohnni'saktha also offered Pre-Program and Career Development Workshops, Site Visits and Human Resource Support. Overall, it was another successful year for the Kahnawake Summer Student Program!



MOHAWK INTERNET TECHNOLOGIES



Kyle Delisle
CHAIRMAN
OF THE BOARD OF
SUPERVISORS

MOHAWK INTERNET TECHNOLOGIES STATEMENT OF OPERATIONS (in thousands of dollars) FOR THE YEAR ENDED MARCH 31, 2007 (in Canadian Dollars)

Revenue	\$7,966
Cost of Revenue	4,160
Gross Profit	3,806
Expenses	
Selling, marketing and administration	3,293
Amortization	5,629
Net (loss) earnings	(\$1,823)

MOHAWK INTERNET TECHNOLOGIES BALANCE SHEET (in thousands of dollars) AS AT MARCH 31, 2007 (in Canadian Dollars)

ASSETS	
Current	
Cash	\$392
Accounts Receivable	1,308
Prepaid expenses and deposits	118
	1,818
Capital assets	18,586
Intangible assets	2,825
	\$23,229

LIABILITIES AND EQUITY

Current	
Accounts payable and accrued liabilities	\$1,801
Current portion of loan payable	1,506
	3,307
Security deposits	-
Loan payable	9,463
	12,770
Equity	10,459
	\$23,229

As Chairman of the Board of Supervisors of Mohawk Internet Technologies, I am pleased to be able to provide the community with an annual report that reflects very positively the results of many significant efforts made by the Board and the employees of MIT. As of April 1, 2006, MIT is now owned 100% by Kahnawá:ke. The Mohawk Council of Kahnawá:ke has given Tawatohnni'saktha the mandate to oversee Kahnawá:ke's interests in the company. At the beginning of the fiscal year, MIT began construction of Phase III in response to customers' demands and the expected increase in customers by Continent 8's Initial Public Offering (IPO).

However, due to the enactment of the Unlawful Internet Gaming Enforcement Act (UIGEA) in the United States, and the resulting impact on Continent 8's decision not to pursue the IPO, construction of Phase III was halted as the increased demand for MIT's services did not materialize. However, by the end of this fiscal year, all the server racks in the main MIT facility were filled to capacity and the bandwidth usage is almost back to pre-UIGEA levels. For the next fiscal year, we are looking to continue growing the business with the intention of securing enough additional customers to make it feasible to complete Phase III of MIT.

MIT currently employs 15 Kahnawá:kehrónon and the clients of MIT provide employment for an additional 49 Kahnawá:kehrónon. As well, MIT provided a total of \$48,030 in donations to the following organizations:

- ♦ Kahnawá:ke Pow Wow Committee
- ♦ Kahnawá:ke Junior B Lacrosse
- ♦ Avon Walk for Breast Cancer
- ♦ NAIG Field Lacrosse
- ♦ KOR (Mohawk Language)
- ♦ MCK Skate Park
- ♦ Golden Age
- ♦ Kahnawá:ke Condors
- ♦ Karihwanoron School
- ♦ Kahnawá:ke Christmas Basket Fund
- ♦ Kahnawá:ke Girls Hockey
- ♦ U-11 Girls Soccer
- ♦ Kahnawá:ke Survival School ♦

Building on our strengths for FUTURE GROWTH!



Lee-Roy Jacobs was persistent in learning how to operate heavy machinery.

Working Heavy Machinery

Lee-Roy Jacobs has a fighting spirit that just won't quit. After failing to obtain his Class II permit to operate heavy machinery, Jacobs arranged another test with Tewatohnni'saktha's Employment and Training Program's support and financial aid. This time, he passed with flying colors!

With his Class II license, Lee-Roy can perform tasks such as snow removal during the winter as well as haul various things like asphalt and large rocks. Tewatohnni'saktha also paid for his course at Technique Driving School in Chateauguay that allows Lee-Roy to drive dump trucks and other large vehicles.

Lee-Roy, 30, plans to start in the fall with his uncle's company once his seasonal job of greens keeping is over. His advice to people looking to get into the field is simple: "Study your pre-departure exam and your shifting and your clutching. Those are the most important things if you want to succeed in getting your Class II permit." ♦

A Budding Career in Forestry

Kahrakwine McGregor, 18, always dreamed of becoming a forestry conservation officer.

She called upon Tewatohnni'saktha's Employment and Training Program for help and through the financial aid given, she was able to enroll in an adult education program in Chateauguay to complete her high school diploma. She is now looking to the future and hopes to apply to schools out west that will help her achieve her dream.

Her first choice is to work in B.C., where she hopes to learn more about the flora and fauna of the lush west coast forests. "Work hard and don't give up," are her words of wisdom to others trying to get into her field. "It's a lot of work and studying, but it's important not to give up and to just keep going." ♦

Kahrakwine McGregor is heading west to pursue forestry studies.



Debbie Roberts

Never too late

At 49 years of age and with only a high school certificate, Debbie Roberts didn't always have the easiest time finding work. That changed when she contacted Tewatohnni'saktha's Employment and Training Program last year to get funding for a yearlong accounting course at the Nova Career Centre in Chateauguay.

Debbie showed her resilience and dedication after she caught a bout of pneumonia during the school year but continued on, taking the required modules in the following semester. She is also planning on taking more courses to improve her computer skills and further her accounting-based knowledge.

Although Debbie has not secured a full-time job yet, Two in One Construction Company has given her notice that once they complete the set up of their office she will be brought in as their accountant to take care of gas tax and payroll, amongst other things.

She is grateful for the support from Tewatohnni'saktha and encourages people to pursue the same program she completed – with a few words of advice, "those that are going to take this course should be prepared. From day one you're off and running. It's really intense and fast-paced." ♦

Riverside Transport

Dwayne Kirby's Riverside Transport started operations in earnest in May 2007 and has been extremely busy since. Through a broker, Riverside Transport hauls all types of excavating material from new construction to demolition to road construction in places like Montreal, Laval and St. Eustache.

With 11 years as a heavy machinery mechanic and 8 years as Manager at the Mohawk Council's Public Works, Dwayne was well prepared to make his business a success. His past experience clued him into the great demand for trucking services throughout the Island of Montreal. Riverside Transport's two 12-wheel dump trucks presently keep his two employees busy five days a week as well as the occasional Saturday.

Tewatohnni'saktha provided professional services by writing his initial business plan and they provided a grant and a loan as well. When Dwayne eventually expands his business to include a garage to house his vehicles, he plans on accessing Tewatohnni'saktha's helpful services again. ♦



Dwayne Kirby is proprietor of Riverside Transport.



Kanentoton Lahache, Blue Cloud and son demonstrate paintball moves.

Xtreme Paintball

Blue Cloud and Kanentoton Lahache have a fierce love for paintball and they've created a successful business around their hobby. They work hard promoting and ameliorating their business, which started out in 2003 as Midtown Paintball, but has morphed and changed over time and now goes by the name Xtreme Paintball.

With the help of Tewatohnni'saktha via entrepreneurial training and in the form of grants and loans, these two hard working Kahnawa'kehró:non are already looking to expand to six fields from four after re-launching their business in 2007.

They attract customers from around the south shore and the island of Montreal. The affordable price of playing on their field for \$35 a day and their friendliness keeps people coming back for more.

Although they do the bulk of the work, Tewatohnni'saktha also supplied them with two summer students to help them with the day-to-day operations. Their future plans include adding an administration office and pro shop that will be fully operational by next summer. ♦

Sequoia

Sequoia is Michaelee Lazore's Native-inspired natural bath and body products store that opened in 2004 in the Tewatohnni'saktha Business Complex. Michaelee makes all of the products herself, that range from hand-made soaps to bath bombs, candles, lotions, foot products and hand products.

Last year, she realized that her store had reached its potential in Kahnawake and with the knowledge gained through Tewatohnni'saktha's entrepreneurial training course, she decided to jump headfirst into the urban marketplace of Montreal. After securing financial aid from Tewatohnni'saktha Youth Business Fund, Michaelee opened in December 2006 on 1428 Mackay Street.

Recently, Tewatohnni'saktha's support, along with Aboriginal Business Canada, has enabled her to hire three full time and two part time employees. While construction and renovation are still underway at the new location, sales have taken off and the new store is doing very well. ♦

Michaelee Lazore in her new downtown Sequoia location.



Tsonkwatahsonterátie ne sénha
aonsaiakwatate'shatstenhserahnirátshke né:'e tsi
ní:ioht tsi aionkwaio'tenhseriióhake!

AUDITORS' REPORT

To the Board of Directors of
Tewatohnni'saktha

We have audited the statement of financial position of **Tewatohnni'saktha** as at March 31, 2007 and the statements of revenues and expenses and fund balances, capital assets fund balance and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Lippman Leebosh April

Chartered Accountants

Montreal, Quebec
May 14, 2007



Tewatohnni'saktha

Statement of Financial Position

At March 31	2007 \$	2006 \$
Assets		
<i>Current assets</i>		
Cash	768,997	551,682
Term deposits	3,024,884	2,374,933
Contributions and accounts receivable	197,683	5,195,213
Prepaid expenses	53,900	50,268
	4,045,464	8,172,096
Loans receivable <i>[note 3]</i>	377,543	244,062
Investment and loan receivable <i>[note 4]</i>	14,560,000	-
Rental properties <i>[note 5]</i>	11,939,082	10,199,633
Capital assets <i>[note 6]</i>	220,707	264,154
	31,142,796	18,879,945
Liabilities		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	459,224	3,118,609
Current portion of long-term debt	187,250	64,562
	646,474	3,183,171
Long-term debt <i>[note 7]</i>	3,740,089	2,455,700
	4,386,563	5,638,871
Fund balances		
Appropriated fund	16,740,469	5,054,235
Capital assets fund	10,015,764	8,186,839
	26,756,233	13,241,074
	31,142,796	18,879,945

Approved on behalf of the Board:

[Signature] Grand Chief
[Signature] Director
[Signature] Director

Tewatohnhi'saktha

Statement of Revenues and Expenses and Fund Balances

Year ended March 31, 2007

Description	Supplementary Information Reference Page #	Fund Balances March 31, 2006 \$	Revenues \$	Expenses \$	Excess (deficiency) of revenues over expenses \$	Fund Balances March 31, 2007 \$
Employment and Training						
CRF	11	87,183	1,054,470	1,111,495	(57,025)	30,158
EIF	11	-	390,536	390,536	-	-
CRF (Youth)	11	-	159,697	159,697	-	-
CRF (Disabilities)	11	(294)	9,262	9,262	-	(294)
Youth Work Experience Initiative	12	-	104,228	104,228	-	-
FNEC, MCK and other	13	450,320	152,297	303,957	(151,660)	298,660
		537,209	1,870,490	2,079,175	(208,685)	328,524
Administration	14	120,085	1,299,136	862,526	436,610	556,695
Economic Development						
KEDC	15	3,256,565	(850,276)	688,776	(1,539,052)	1,717,527
KEDC II - QKR	16	(163,187)	277,828	114,641	163,187	-
		3,093,378	(572,448)	803,417	(1,375,865)	1,717,527
Project Development	17	(99,227)	42,098	27,241	14,857	(84,370)
Small Business Services	18	146,771	843,776	1,035,091	(191,315)	(44,544)
Business Loan Fund Ltd.						
Loan Guarantee Fund	19	1,093,347	53,101	113,226	(60,125)	1,033,222
Youth Business Fund	20	192,860	57,343	3,765	53,578	246,438
NACCA Activities Fund	21	51,985	973	44,032	(43,059)	8,926
		1,338,192	111,417	161,023	(49,606)	1,288,586
Kahnawake Business Complex	22	(82,173)	407,331	361,834	45,497	(36,676)
Kahnawake Office Complex	23	-	(1,150,889)	384,397	(1,535,286)	(1,535,286)
Mohawk Internet Technologies <i>[note 9]</i>	-	-	14,550,027	-	14,550,027	14,550,027
Less: Internal invoicing		-	(1,268,421)	(1,268,421)	-	-
Sub-total		5,054,235	16,132,517	4,446,283	11,686,234	16,740,469
Capital assets fund	4	8,186,839	2,331,655	502,730	1,828,925	10,015,764
		13,241,074	18,464,172	4,949,013	13,515,159	26,756,233

Tewatohnhi'saktha

Statement of Capital Assets Fund Balance

Year ended March 31	2007 \$	2006 \$
Balance - beginning of year	8,186,839	4,241,727
Mortgage principal payments	132,923	62,797
Transfer from Project Development	-	2,115,758
Transfer from KEDC	-	1,680
Transfer from KEDC II - QKR	-	2,113,333
Transfer from Business Complex	-	9,477
Transfer from administration	-	9,317
Transfer from Office Complex	2,198,732	-
	2,331,655	4,312,362
Less: amortization		
Business Complex	(298,648)	(314,471)
Office Complex	(160,635)	-
Computers	(11,559)	(14,229)
Furniture and fixtures	(17,914)	(22,267)
Office equipment	(13,974)	(16,283)
	(502,730)	(367,250)
Sub-total	1,828,925	3,945,112
Balance - end of year	10,015,764	8,186,839

Tewatohnhi'saktha

Statement of Cash Flows

Year ended March 31	2007 \$	2006 \$
Funds provided:		
Operating activities		
Excess of revenues over expenses	13,515,159	4,312,206
<i>Adjustments to reconcile excess of revenues over expenses to net cash:</i>		
Amortization	502,730	367,250
	14,017,889	4,679,456
Decrease (increase) in:		
Contributions and accounts receivable	4,997,530	(1,871,755)
Prepaid expenses	(3,632)	8,512
Decrease (increase) in:		
Accounts payable and accrued liabilities	(2,659,385)	1,841,701
	16,352,402	4,657,914
Investing activities		
Additions to rental properties	(2,198,732)	(4,226,666)
Additions to capital assets	-	(18,942)
Repayment of (increase in) loans receivable	(14,693,481)	28,491
	(16,892,213)	(4,217,117)
Financing activities		
Increase in term deposits	(649,951)	(2,031,192)
Proceeds from long-term debt	1,540,000	-
Repayment of long-term debt	(132,923)	(62,797)
	757,126	(2,093,989)
Net increase (decrease) in cash	217,315	(1,653,192)
Cash - beginning of year	551,682	2,204,874
Cash - end of year	768,997	551,682

Additional cash flow information

	2007		2006	
	Expense \$	Cash paid \$	Expense \$	Cash paid \$
Interest paid	242,373	242,373	190,096	190,096

Tewatohnhi'saktha

Notes to the Financial Statements

March 31, 2007

1. Organization

Tewatohnhi'saktha was established in 1999 and is the economic development commission of Kahnawake. It was created by legislation from Mohawk Council of Kahnawake with a mandate to create jobs, wealth and self-sufficiency by focusing new and existing resources, both human and financial, on an integrated approach to business development and human resource investment.

2. Summary of significant accounting policies

Use of estimates: The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates.

Amortization: Amortization is provided for over the estimated useful lives of the related assets on a diminishing balance basis at the following rates:

Rental properties	-	5%
Computers	-	33.3%
Furniture and fixtures	-	20%
Office equipment	-	20%

Capital assets fund balance: This fund is comprised of rental properties and capital assets net of certain components of long-term debt.

3. Loans receivable

	2007 \$	2006 \$
9.75% loan receivable, maturing July 2016, secured by a vehicle conditional sales contract	64,178	-
Loans receivable issued by Tewatohnhi'saktha Business Loan Fund Ltd., bearing interest at rates ranging from 7.75% to 10% per annum, maturing between one to ten years	313,365	244,062
	377,543	244,062

Tewatohnhi'saktha

Notes to the Financial Statements

March 31, 2007

4. Investment and loan receivable

	2007 \$	2006 \$
Investment in 50% of the issued ordinary shares of Onkwawista Holdings Limited, a company incorporated under the provisions of the Isle of Man Companies Act	56	-
Loan receivable - Mohawk Council of Kahnawake	56	-
Loan receivable - Onkwawista Holdings Limited, non-interest bearing, unsecured	14,559,888	-
	14,560,000	-

5. Rental properties

	Cost \$	Accumulated Amortization \$	2007 Net \$	2006 Net \$
Business Complex	6,702,263	1,027,944	5,674,319	5,972,967
Office Complex	6,425,398	160,635	6,264,763	4,226,666
	13,127,661	1,188,579	11,939,082	10,199,633

6. Capital assets

	Cost \$	Accumulated Amortization \$	2007 Net \$	2006 Net \$
Vacant land	70,000	-	70,000	70,000
Computers	140,209	117,056	23,153	34,712
Furniture and fixtures	154,251	82,595	71,656	89,570
Office equipment	113,876	57,978	55,898	69,872
	478,336	257,629	220,707	264,154

Tewatohnhí'saktha

Notes to the Financial Statements

March 31, 2007

7. Long-term debt

	2007 \$	2006 \$
7.5% loan payable, secured by a trust agreement in the lender's favour on the Business Complex, repayable in blended monthly instalments of \$20,949, due in 2009	2,452,671	2,520,262
6.5% loan payable, secured by a trust agreement in the lender's favour on the Office Complex, repayable in monthly instalments of \$17,486, due in 2011	1,474,668	-
Current portion	187,250	64,562
	3,740,089	2,455,700

Principal repayments are due as follows:

	\$
2008	187,250
2009	200,535
2010	2,441,332
2011	142,652
2012	955,570
	3,927,339

8. Lease commitment

The organization has entered into a long-term lease for certain premises for the period ending March 31, 2010. The minimum annual rent will be established at the end of each fiscal period and will be determined by the landlord. The minimum annual rent for fiscal 2008 is \$18,460.

9. Investment in commercial ventures

The organization has an investment in and exercises significant influence over the Kahnawake Services Complex which houses commercial tenants.

The organization exercises management and control of Mohawk Internet Technologies (MIT), a band empowered entity. During the year, Tewatohnhí'saktha received an earnings distribution of \$14,550,027 from MIT.

Tewatohnhí'saktha has an investment in 50% of the issued ordinary shares of Onkwawista Holdings Limited, an investment holding company incorporated under the provisions of the Isle of Man Companies Act.

10. Financial instruments

The organization has available a bank line of credit of \$100,000. There were no borrowings on this line of credit during the year.

11. Contingent liabilities

The corporation has guaranteed the Caisse Populaire Kahnawake for a portion of approved bank borrowings to a maximum of \$268,931 for native entrepreneurs under the loan guarantee program. As at March 31, 2007, the total guaranteed indebtedness amounted to \$210,758.



ORGANIZATIONAL STRUCTURE 2006-2007



SHOP KAHNAWAKE



THIS FISCAL YEAR
TEWATOHNHI'SAKTHA
PURCHASED PRODUCTS
AND SERVICES FROM THESE
KAHNAWAKE BUSINESSES:

2-IN-1 CONSTRUCTION
ALAN GOODLEAF PLUMBING
BAYVIEW RESTAURANT
BUTCH CROSS, PAINTING
CAUGHNAWAGA GOLF CLUB
CHRIS MONTOUR CONSTRUCTION
CROSS THE RIVER LANDSCAPING
DIANE'S KITCHEN
EDGEWATER CAFÉ & GRILL
EILEEN'S CAKES & PASTRIES
FROSTY'S
GENE'S SOUND MACHINE

J. DIABO ELECTRIC ENR.
JACOBS HARDWARE & SUPPLIES
JOE DEOM ASSOCIATES
K103 MOHAWK RADIO
KAHNEK:IO WATER
KANIE'KEHAKA ONKWAWEN:NA RAOTITIOHKWA
KIM DELORMIER, GRAPHIC DESIGN
LAFLEUR GOLF KAHNAWAKE
LOUD SPIRIT PRODUCTIONS
LUKE MCGREGOR, INDEPENDENT IT TECHNICIAN
MCWELD
MIKIE'S TAXI
MOHAWK MEDIA
MOHAWK PRINCESS PICTURES
NATIVE AMERICAN PRODUCTS
ONAKE PADDLING
PAUL COMMUNICATIONS
RAY'S PIZZA
RONALD J. ABRAIRA, CONSULTANT
SIMPLE PLEASURES
TEKANATOKEN LABRADOR SPRING WATER
THE EASTERN DOOR
TURTLE BASKET FLOWERS
VILLAGE VARIETY
WENDY WALKER-PHILLIPS, GRAPHIC DESIGN
WWK STACEY