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PRIVATE AND CONFIDENTIAL

Philip Franks, Chief
Wahta Mohawks
2664 Muskoka Rd 38
Bala, ON P0C 1A0

September 23, 2015

Dear Sir:

We have recently completed our audit of the **Wahta Mohawks** (the "First Nation") for the year ended March 31, 2015.

During our audit, we reviewed and tested the First Nation's financial systems and related internal controls to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards. Our review included discussions with the First Nation's management and administrative personnel. Our study and evaluation with respect to these financial systems was not designed for the purpose of expressing our opinion on internal controls and would not necessarily disclose all weaknesses in the systems.

During the course of our review, we did note certain matters which you may wish to consider for remedial action. We trust that you will find our comments constructive and useful to the First Nation.

Should you have any questions concerning this or any other matter, please do not hesitate to contact the undersigned at your convenience.

Yours very truly

Wayne McDonald, CPA, CA

/lds
Enclosure



WAHTA MOHAWKS

Management Report

Year ended March 31, 2015

INVESTMENTS

Findings

The Wahta Mohawks have a significant portfolio investment (in excess of \$22 million). This investment is an asset of the Wahta Mohawks that is managed by an investment manager who under the direction of Chief and Council has been reinvesting portfolio income. We note that as an asset of the Wahta Mohawks, the use of the asset can be determined by Council and is subject to change at the discretion of Council.

Recommendation

To the extent that the Wahta Mohawks consider the portfolio investment a long-term investment that is to benefit many future generations, consideration should be given to developing a means to ensure some principal amount of the portfolio investment is retained for this purpose. Often First Nation communities consider the use of a Trust for this purpose.

IROQUOIS CRANBERRY GROWERS

Findings

The Iroquois Cranberry Growers (“ICG”) business has accumulated cash losses of approximately \$2.5 million including a 2015 cash operating loss of approximately \$440,000. These losses have been financed by the Wahta Mohawks. We note that over the past few years various initiatives have been undertaken to develop and sustain a profitable cranberry operation.

Recommendation

To the extent that the Wahta Mohawks wish to continue to pursue the development of a viable cranberry operation, consideration should be given to the establishment of a timeline with a given level of financial commitment after which either ICG will have demonstrated financial viability or not. To the extent that the ICG business has not been viable, consideration should be given to ceasing its operations.

FINANCIAL ACCOUNTING

A) Sub-ledger Reconciliation

Findings

We noted that the accounts receivable and accounts payable sub-ledgers were not reconciled to their respective control accounts. In some instances, entries were recorded to the general ledger but were not made to the respective sub-ledger.

Recommendation

We recommend that on a monthly basis sub-ledgers for both accounts receivable and payable be reconciled to their respective control accounts. In addition, we recommend that Management review these reconciliations for accuracy and completeness.

B) Wahta Trust Bank Reconciliation

Findings

It was noted that bank reconciliations for the Wahta trust bank account are not being prepared on a monthly basis. Some transactions were recorded within the trust bank account but reconciliations between the bank statement and general ledger were not performed.

Recommendation

We recommend that a monthly bank reconciliation be prepared to ensure that all transactions are appropriately recorded.

HST

Findings

We noted that HST incurred on band related activities is not being consistently recorded as recoverable. In addition we noted that with respect to ICG operations HST is not being charged on sales even though the sales volume exceeds the HST threshold which requires HST to be charged. Furthermore, ICG is reflecting HST incurred on purchases as recoverable but HST remittances forms have not been filed. We note that ICG is a division of the Wahta Mohawks and as such any HST filings would have to be undertaken by the Wahta Mohawks.

Recommendations

We recommend that a review of the HST requirements for both ICG and the Wahta Mohawks band related activities be undertaken in order to determine HST filing requirements. It likely is possible that HST recoveries exist.