

**HIAWATHA FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2014**

**HIAWATHA FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2014**

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Hiawatha First Nation

Administration Office

HIAWATHA FIRST NATION

For The Year Ended March 31, 2014

MANAGEMENT REPORT

The accompanying financial statements of the Hiawatha First Nation are the responsibility of management and have been approved by Council.

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the First Nation's financial statements for issuance to the members. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Collins Barrow Kawarthas LLP has full and free access to Council.

Chief

Greg Lewis

Date

July 22, 2014

INDEPENDENT AUDITORS' REPORT

To Council and the Members of Hiawatha First Nation

Report on the Financial Statements

We have audited the accompanying financial statements of Hiawatha First Nation, which comprise the statement of financial position as at March 31, 2014, the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 controls. 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 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, these financial statements present fairly, in all material respects, the financial position of Hiawatha First Nation as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 22, 2014

HIAWATHA FIRST NATION

STATEMENT OF FINANCIAL POSITION At March 31, 2014

	2014 \$	2013 \$
FINANCIAL ASSETS		
Cash (note 2)	2,009,383	15,442,028
Short term investments (note 3)	14,572,021	2,045,384
Due from Government and other Government organizations (note 4)	153,808	232,544
Other accounts receivable (note 5)	117,744	46,510
Inventory for resale (note 6)	349,424	194,340
Receivable from First Nation members (note 7)	1,314,908	1,268,847
Funds held in trust by the Federal Government (note 8)	220,170	213,797
TOTAL FINANCIAL ASSETS	18,737,458	19,443,450
LIABILITIES		
Accounts payable and accrued liabilities (note 10)	604,992	392,581
Due to Government and other Government organizations (note 11)	72,031	46,020
Deferred revenue (note 14)	214,467	225,727
TOTAL LIABILITIES	891,490	664,328
NET FINANCIAL ASSETS	17,845,968	18,779,122
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	8,187,596	6,818,244
Prepaid expenses (note 12)	42,484	58,274
TOTAL NON-FINANCIAL ASSETS	8,230,080	6,876,518
ACCUMULATED SURPLUS (note 16)	26,076,048	25,655,640

The accompanying notes are an integral part of these financial statements

HIAWATHA FIRST NATION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended March 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Aboriginal Affairs and Northern Development Canada (AANDC) (notes 17 and 18)	1,836,274	1,797,900	21,641,271
Federal Government other (note 18)	681,294	698,650	718,000
Province of Ontario (note 18)	1,521,920	1,614,324	1,310,190
Ontario First Nations Limited Partnership	-	530,202	526,713
Old Railroad Stop	9,923,062	9,552,696	8,827,069
Interest earned on funds held in trust	5,000	5,000	5,100
Other	1,001,512	1,110,258	1,031,022
TOTAL REVENUES	14,969,062	15,309,030	34,059,365
EXPENSES			
Administration	859,518	1,387,153	5,965,849
Community operations	635,488	590,742	548,894
Economic development	135,954	132,239	138,163
Education	1,003,613	865,813	895,612
Land management	102,984	116,130	609,868
Social development	2,437,837	2,461,574	2,395,299
Old Railroad Stop	9,584,469	9,320,006	8,538,466
Ontario First Nations Limited Partnership	-	14,965	2,071
TOTAL EXPENSES	14,759,863	14,888,622	19,094,222
ANNUAL SURPLUS	209,199	420,408	14,965,143
ACCUMULATED SURPLUS - beginning of year	25,655,640	25,655,640	10,690,497
ACCUMULATED SURPLUS - end of year	25,864,839	26,076,048	25,655,640

The accompanying notes are an integral part of these financial statements

HIAWATHA FIRST NATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended March 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS	209,199	420,408	14,965,143
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	273,403	312,674	273,403
ACQUISITION OF TANGIBLE CAPITAL ASSETS	(1,521,894)	(1,682,026)	(1,226,797)
(INCREASE)/DECREASE IN PREPAID EXPENSES	-	15,790	(22,781)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,039,292)	(933,154)	13,988,968
NET FINANCIAL ASSETS - beginning of year	18,779,122	18,779,122	4,790,154
NET FINANCIAL ASSETS - end of year	17,739,830	17,845,968	18,779,122

The accompanying notes are an integral part of these financial statements

HIAWATHA FIRST NATION

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	420,408	14,965,143
(Increase)/decrease in due from government of Canada - other	78,736	(121,416)
(Increase)/decrease in other accounts receivable	(71,234)	70,720
Increase in inventory for resale	(155,084)	(52,387)
(Increase)/decrease in prepaid expenses	15,790	(22,781)
Increase in accounts payable and accrued liabilities	212,411	35,412
Increase/(decrease) in due to government and other government organizations	26,011	(10,232)
Decrease in deferred revenue	(11,260)	(20,040)
Non-cash charges to operations:		
Amortization of tangible capital assets	312,674	273,403
Net increase in cash from operating transactions	828,452	15,117,822
CAPITAL		
Acquisition of tangible capital assets	(1,682,026)	(1,226,797)
INVESTING		
Increase in short term investments	(12,526,637)	(19,074)
Increase in funds held in trust by the Federal Government	(6,373)	(6,062)
Net decrease in cash from investing transactions	(12,533,010)	(25,136)
FINANCING		
Increase/(decrease) in loan payable - AANDC	-	(3,055,842)
Increase/decrease in receivable from First Nation members	(46,061)	121,261
Decrease in receivable from other First Nations	-	2,037,228
Net decrease in cash from financing transactions	(46,061)	(897,353)
INCREASE/(DECREASE) IN CASH		
CASH - beginning of year	15,442,028	2,473,492
CASH - end of year	2,009,383	15,442,028

Interest earned during the year was \$126,804 (2013 - \$39,452), which includes \$82,304 in accrued interest receivable (2013 - \$7,285). Interest paid during the year was nil (2013 - nil).

The accompanying notes are an integral part of these financial statements

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Hiawatha First Nation.

The reporting entity includes the Hiawatha First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. There are no non-consolidated entities.

All interdepartmental assets and liabilities and revenues and expenses have been eliminated.

(b) Cash

Cash consists of cash on hand and balances with banks.

(c) Inventory

Inventory, which consists of goods available for resale, is recorded at the lower of cost and market.

The cost of non-fuel inventory is determined by the first-in, first-out method. The cost of fuel inventory is determined by the weighted average cost method.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	20-30 years
Buildings	25-40 years
Machinery and equipment	10 years
Vehicles	5 years
Office equipment	10 years
Computer hardware and software	5 years
Roads	20-40 years
Wells and septic	50 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Assets under construction are not amortized. When assets under construction are put into service they are transferred to the appropriate tangible capital asset classification.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(f) 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. Tangible capital and other non-financial assets are accounted for as assets by the First Nation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

(g) Net Financial Assets

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

(h) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(i) Government Funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Reimbursement for program costs is dependent ultimately upon their acceptance by the various agencies that fund the programs.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the First Nation's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

(k) Financial Instruments

The First Nation's financial instruments consist of cash, short term investments, due from Government of Canada, due from Province of Ontario, other accounts receivable, receivable from First Nation members, accounts payable and accrued liabilities, and due to Government and other Government organizations. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the First Nation does not have any significant concentration of interest, currency or credit risk.

2. CASH

Cash consists of the following:

	2014	2013
	\$	\$
Externally restricted:		
Ontario First Nation Limited Partnership	468,818	687,526
Apartment replacement	11,127	10,412
	<hr/> 479,945	<hr/> 697,938
 Unrestricted:		
Cash in ATM	5,760	5,200
Current	287,487	754,125
Lottery	3,388	1,170
Serpent Mounds Park	705	720
Claims settlement	9,665	13,919,839
Operations	16,948	63,036
Trust - Islands in the Trent Minors' Settlement	1,205,485	-
	<hr/> 1,529,438	<hr/> 14,744,090
	<hr/> 2,009,383	<hr/> 15,442,028

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

3. SHORT TERM INVESTMENTS

Investments are comprised of the following:

	2014	2013
	\$	\$
General	1,838,809	1,766,934
Ontario First Nation Limited Partnership	233,212	278,450
Islands in the Trent settlement	12,500,000	-
	<hr/>	<hr/>
	14,572,021	2,045,384

Short term investments consist of cashable GIC's maturing between June 17, 2014 and November 13, 2014 with interest rates ranging from 1.51 to 1.54%.

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Due from Government and other Government organizations consists of the following:

	2014	2013
	\$	\$
Federal Government		
Canada Mortgage and Housing Corporation	42,009	41,479
Health Canada	3,490	9,550
AANDC - Lands Management	15,504	-
AANDC - Income Assistance	2,432	-
AANDC - Assisted Living	3,569	-
Environment Canada	-	747
	<hr/>	<hr/>
	67,004	51,776
Provincial Government	<hr/>	<hr/>
	86,804	180,768
	<hr/>	<hr/>
	153,808	232,544

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

5. OTHER RECEIVABLES

Other receivables consist of the following:

	2014	2013
	\$	\$
Due from non-member residents	584	3,320
Aboriginal Labour Force Development Circle	19,267	19,267
Association of Iroquois and Allied Indians	3,268	10,672
Accrued interest	82,304	7,285
Other receivables	12,321	5,966
	<hr/>	<hr/>
	117,744	46,510

6. INVENTORY FOR RESALE

Inventory consists of the following:

	2014	2013
	\$	\$
General store merchandise	245,728	99,244
Gasoline	103,696	95,096
	<hr/>	<hr/>
	349,424	194,340

7. RECEIVABLE FROM FIRST NATION MEMBERS

Receivable from First Nation members is comprised of the following:

	2014	2013
	\$	\$
Mortgages receivable	2,310,796	2,290,605
Forgivable portion of mortgages receivable	(995,888)	(1,023,067)
Economic development loans	5,310	5,310
Allowance for uncollectible economic development loans	(5,310)	(5,310)
	<hr/>	<hr/>
	1,314,908	1,268,847

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

8. FUNDS HELD IN TRUST BY THE FEDERAL GOVERNMENT

The funds held by the Federal Government on behalf of the First Nation of \$220,170 (2013 - \$213,797) are for the use of the First Nation for specific projects. At the request of the First Nation, these funds can be obtained.

	Opening Balance \$	Additions \$	Withdrawals \$	Closing Balance \$
Capital	12,870	-	-	12,870
Revenue	200,927	6,373	-	207,300
	213,797	6,373	-	220,170

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

9. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenue from Indian and Northern Affairs Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2014 \$	2013 \$
Trade payables	570,525	353,973
Accrued salaries and employee benefits	1,851	5,992
Other accrued liabilities	32,616	32,616
	604,992	392,581

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

11. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Due to Government and other Government organizations consists of the following:

	2014	2013
	\$	\$
Federal Government		
Aboriginal Affairs and Northern Development - Special Education	44,250	39,282
Health Canada - Medical Travel	6,472	6,233
	<u>50,722</u>	<u>45,515</u>
Province of Ontario	21,309	505
	<u>72,031</u>	<u>46,020</u>

12. PREPAID EXPENSES

Prepaid expenses consists of the following:

	2014	2013
	\$	\$
Insurance	15,087	13,485
Student tuition and allowances	21,516	38,819
Employee benefits	5,179	5,268
Supplies	702	702
	<u>42,484</u>	<u>58,274</u>

13. BUDGET FIGURES

The budget, approved by the First Nation, for 2014 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

14. DEFERRED REVENUE

Deferred revenue consists of the following:

	Balance March 31, 2013 \$	Funding Received 2014 \$	Revenue Recognized 2014 \$	Balance March 31, 2014 \$
Restricted Contributions				
Association of Iroquois and Allied Indians (AIAI)	94,182	217,576	218,207	93,551
Hiawatha First Nation Trust	19,592	22,500	34,377	7,715
Brighter Futures	2,422	87,383	87,383	2,422
Aboriginal Labour Force	37,675	231,214	231,214	37,675
RV Park Improvement Fund	19,585	-	3,686	15,899
Residential Rehabilitation Assistance Program (RRAP)	-	500	-	500
	173,456	559,173	574,867	157,762
Unearned Fees				
Day Care	7,689	70,282	53,647	24,324
Park fees	20,919	112,230	110,275	22,874
Rent Deposits	10,207	-	700	9,507
SMP trust daycare	13,456	995	14,451	-
	52,271	183,507	179,073	56,705
	225,727	742,680	753,940	214,467

15. PENSION AGREEMENTS

Some of the employees of the First Nation are eligible to be members of a contributory pension plan managed by Sun Life Financial. Employer contributions to the plan by the First Nation during the year amounted to \$21,206 (2013 - \$17,597). These contributions are for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the First Nation.

The amount of benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014 \$	2013 \$
Surplus		
Operating - General	822,389	510,374
Operating - Islands In the Trent Settlement	12,551,544	13,748,409
	13,373,933	14,258,783
Invested In Capital Assets		
Tangible capital assets - net book value	8,187,596	6,818,244
Surplus	21,561,529	21,077,027
Restricted		
Apartment replacement	11,127	10,412
Ontario First Nation Limited Partnership	726,864	787,177
Education	264,838	264,838
Lands management	82,700	82,700
Economic development	42,463	42,463
Daycare	118,015	118,015
Special projects	47,637	47,637
Capital housing program	1,895,220	1,821,574
Islands in the Trent minors' settlement	1,105,485	1,190,000
Total Restricted	4,294,349	4,364,816
Held in Trust by the Federal Government		
Capital	12,870	12,870
Revenue	207,300	200,927
Total Held in Trust by the Federal Government	220,170	213,797
	26,076,048	25,655,640

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

16. ACCUMULATED SURPLUS, continued

Islands in the Trent settlement - Surplus

	2014 \$	2013 \$
Opening balance	13,748,409	-
Settlement received - net	-	19,934,329
Interest earned	113,135	30,080
EMS building contribution	(1,200,000)	-
Legal fees incurred	-	(436,000)
Distributions	(110,000)	(4,580,000)
Allocated to minors	-	(1,200,000)
	12,551,544	13,748,409

Islands in the Trent minors' settlement

	2014 \$	2013 \$
Opening balance	1,190,000	-
Allocation from the Islands in the Trent surplus	-	1,200,000
Interest earned	5,485	-
Distributions	(90,000)	(10,000)
	1,105,485	1,190,000

Total settlement claim was in the amount of \$19,934,329. Of this amount \$1,200,000 was restricted by Hiawatha First Nation for distributions to members under the age of 18 at the settlement date.

17. RECONCILIATION OF AANDC FUNDING TO FIRST NATION AANDC REVENUE

	2014 \$	2013 \$
AANDC Funding Per Confirmation	1,803,901	23,717,781
less: loan forgiven that relates to other First Nation bands	-	(2,037,228)
	1,803,901	21,680,553
Less Amounts Repayable:		
Social Development	6,001	-
Special Education	-	39,282
	6,001	39,282
AANDC Revenue For The Year	1,797,900	21,641,271

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

18. GOVERNMENT TRANSFERS

Government transfers consist of the following:

	2014 \$	2013 \$
Aboriginal Affairs and Northern Development Canada		
Operating	1,645,586	1,626,631
Capital	152,314	80,311
Settlement	-	19,934,329
	<u>1,797,900</u>	<u>21,641,271</u>
Federal Government other		
Health Canada - operating	634,339	646,038
Canada Mortgage and Housing Corporation - operating	58,432	65,759
Heritage grant - operating	5,879	-
Human Resource Development Canada - operating	-	6,203
	<u>698,650</u>	<u>718,000</u>
Province of Ontario - operating	1,614,324	1,310,190
	<u>4,110,874</u>	<u>23,669,461</u>

19. SEGMENTED INFORMATION

Hiawatha First Nation is a territorial government institution that provides a range of services to its members. First Nation services are reported by function and their activities are separately disclosed in the segmented information.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure.

Administration

Administration consists of the activities of Council and general financial and administrative management of the First Nation and its programs and services.

Community Operations

Community Operations include police, fire, public works, community housing and operation of waste management and water systems.

Economic Development

Economic development includes the various employment oriented programs of the First Nation.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

19. SEGMENTED INFORMATION, continued

Education

Education includes elementary and secondary schools and post secondary education.

Land Management

Land management includes the First Nation lands management function, the operations of the Serpent Mounds Park and flooding claims.

Social Development

Social development consists of Social Assistance to members and inhabitants of the First Nation, health promotion programs and child care services.

Old Railroad Stop

Old Railroad Stop includes operations of the gas bar and store.

Ontario First Nations Limited Partnership

Ontario First Nations Limited Partnership consists of funds received from the Ontario First Nation Limited Partnership and related revenues and expenses.

HIAWATHA FIRST NATION

SCHEDULE 1: SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended March 31, 2014

	Cost					Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Amortization	Closing Balance	NBV 2014	NBV 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets										
Land	201,747	-	-	-	201,747	-	-	-	201,747	201,747
Land Improvements	898,631	7,415	-	-	906,046	211,285	39,896	251,181	654,865	687,346
Residential Buildings	1,402,834	-	-	-	1,402,834	269,728	165,854	435,582	967,252	1,133,106
Non-Residential Buildings	3,090,171	1,581,271	-	-	4,671,442	613,546	-	613,546	4,057,896	2,476,625
Vehicles	130,213	-	-	-	130,213	124,980	2,096	127,076	3,137	5,233
Computer Equipment	174,637	-	-	-	174,637	157,414	12,268	169,682	4,955	17,223
Other Equipment	635,383	52,352	-	-	687,735	345,455	42,181	387,636	300,099	289,928
Roads and Bridges	1,487,907	-	-	-	1,487,907	309,677	39,486	349,163	1,138,744	1,178,230
Waterworks and Septic Systems	534,418	40,988	-	-	83,333	658,739	48,017	10,893	58,910	599,829
	8,555,941	1,682,026	-	-	83,333	10,321,300	2,080,102	312,674	2,392,776	7,928,524
										6,475,839
Assets Under Construction										
Non-Residential Buildings	83,333	-	-	(83,333)	-	-	-	-	-	83,333
Waterworks and Septic Systems	259,072	-	-	-	259,072	-	-	-	259,072	259,072
	342,405	-	-	(83,333)	259,072	-	-	-	259,072	342,405
TOTAL	8,898,346	1,682,026	-	- 10,580,372	2,080,102	312,674	2,392,776	8,187,596	8,187,596	6,818,244

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2014

	Actual 2014 \$	Administration Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Community Operations Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Economic Development Actual 2013 \$	Budget 2014 \$
									(Unaudited)
Revenues									
AANDC	322,359	19,217,706	322,359	263,060	246,439	290,200	66,375	62,870	66,375
Federal Government other	-	-	-	58,432	65,759	41,850	-	6,203	-
Province of Ontario	157,297	159,640	160,190	16,327	13,337	17,244	-	-	-
Other	268,562	176,614	179,500	198,972	193,571	202,806	67,357	66,224	67,494
	748,218	19,553,960	662,049	536,791	519,106	552,100	133,732	135,297	133,869
Expenses									
Salaries and benefits	532,691	523,640	530,224	113,275	107,335	113,560	125,022	131,477	128,604
Materials	170,431	141,719	130,500	95,223	60,298	73,800	-	-	-
Occupancy costs	26,405	27,145	20,500	104,069	96,058	89,800	-	-	-
Contracted services	59,935	63,191	60,600	45,389	50,391	64,200	-	-	-
Bank charges and interest	28,575	8,250	9,000	7,972	8,079	8,000	-	-	-
Program costs	542,263	5,172,338	79,128	98,778	97,905	157,300	7,217	6,686	7,350
Amortization	26,853	29,566	29,566	126,036	128,828	128,828	-	-	-
	1,387,153	5,965,849	859,518	590,742	548,894	635,488	132,239	138,163	135,954
Net deficit	(638,935)	13,588,111	(197,469)	(53,951)	(29,788)	(83,388)	1,493	(2,866)	(2,085)

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2014

	Actual 2014 \$	Education Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Land Management Actual 2013 \$	Budget 2014 \$	Actual 2014 \$	Social Development Actual 2013 \$	Budget 2014 \$
									(Unaudited)
Revenues									
AANDC	951,335	915,956	978,073	96,715	1,094,694	81,211	98,056	103,606	98,056
Other Federal contributions	-	-	-	-	-	-	640,218	646,038	639,444
Province of Ontario	-	-	-	-	-	-	1,440,700	1,137,213	1,344,486
Other	13,922	16,861	922	6,045	38,205	-	552,230	534,068	555,790
	965,257	932,817	978,995	102,760	1,132,899	81,211	2,731,204	2,420,925	2,637,776
Expenses									
Salaries and benefits	28,889	28,336	28,600	55,351	88,464	57,168	1,001,427	789,101	1,041,467
Materials	-	-	-	16,782	35,423	4,700	78,551	83,783	71,830
Occupancy costs	-	-	-	2,854	5,891	-	43,753	44,465	40,890
Contracted services	-	-	-	1,465	437,277	-	26,335	10,198	26,330
Bank charges and interest	-	-	-	-	-	-	-	-	-
Program costs	232,742	266,090	325,013	2,948	4,697	3,000	1,280,677	1,437,077	1,226,645
External transfers	604,182	601,186	650,000	-	36,730	38,116	-	-	-
Amortization	-	-	-	-	-	-	-	-	-
	865,813	895,612	1,003,613	116,130	609,868	102,984	2,461,574	2,395,299	2,437,837
Net deficit	99,444	37,205	(24,618)	(13,370)	523,031	(21,773)	269,630	25,626	199,939



Collins Barrow
Chartered Accountants

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2014

	Actual 2014 \$	Old Railroad Stop Actual 2013 \$	Budget 2014 \$	Ontario First Nations Actual 2014 \$	Limited Partnership Budget 2014 \$	Actual 2014 \$	Actual 2013 \$	Consolidated Totals Budget 2014 \$
Revenues								
AANDC	-	-	-	-	-	-	1,797,900	21,641,271
Other Federal contributions	-	-	-	-	-	-	698,650	718,000
Province of Ontario	-	-	-	-	-	-	1,614,324	1,310,190
OFNLP distributions	-	-	-	530,202	526,713	-	530,202	526,713
Other	9,552,696	8,827,069	9,923,062	8,170	10,579	-	10,667,954	9,863,191
	9,552,696	8,827,069	9,923,062	538,372	537,292	-	15,309,030	34,059,365
Expenses								
Salaries and benefits	404,966	319,939	389,342	-	-	-	2,261,621	1,988,292
Materials	8,730,256	8,096,078	9,070,709	-	-	-	9,091,243	8,417,301
Occupancy costs	48,392	38,205	33,200	-	-	-	225,473	211,764
Contracted services	-	-	-	-	-	-	133,124	561,057
Bank charges and interest	44,168	38,026	45,000	-	-	-	80,715	54,355
Program costs	-	-	-	14,965	2,071	-	2,179,590	6,986,864
External transfers	-	-	-	-	-	-	604,182	601,186
Amortization	92,224	46,218	46,218	-	-	-	312,674	273,403
	9,320,006	8,538,466	9,584,469	14,965	2,071	-	14,888,622	19,094,222
Net surplus/(deficit)	232,690	288,603	338,593	523,407	535,221	-	420,408	14,965,143
								209,199

HIAWATHA FIRST NATION

SCHEDULE 3: SCHEDULE OF SALARIES, HONORARIA, TRAVEL EXPENSES AND OTHER REMUNERATION ELECTED OR APPOINTED OFFICIALS For the Year Ended March 31, 2014

Name of Individual	No. of Months	Salary and Honoraria \$	Other Remuneration \$	Total \$	Travel Expenses \$
Chief					
Greg Cowie	12	60,000	-	60,000	8,419
Councillors					
Brian Cowie	12	9,600	-	9,600	(235)
Trisha Shearer	12	9,600	-	9,600	(668)
Kirk Edwards	12	9,600	-	9,600	405
Duane Cowie	12	9,600	-	9,600	2,574
Art Vowles	12	9,600	-	9,600	2,740