

HIAWATHA FIRST NATION

FINANCIAL STATEMENTS

MARCH 31, 2018

**HIAWATHA FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2018**

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Hiawatha First Nation

Administration Office

HIAWATHA FIRST NATION

For The Year Ended March 31, 2018

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 auditor, 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 auditor's 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

Louise Carr

Date

May 8 2018

INDEPENDENT AUDITOR'S 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, 2018, 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.

Auditor's 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 auditor's 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, 2018 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawartha LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 20, 2018

HIAWATHA FIRST NATION

STATEMENT OF FINANCIAL POSITION At March 31, 2018

	2018 \$	2017 \$
FINANCIAL ASSETS		
Cash (note 2)	6,582,805	3,425,839
Short term investments (note 3)	14,364,040	14,176,351
Due from Government and other Government organizations (note 4)	161,957	159,139
Other accounts receivable (note 5)	81,379	86,626
Inventory for resale (note 6)	305,096	313,093
Receivable from First Nation members (note 7)	1,484,107	1,308,221
Funds held in trust by the Federal Government (note 8)	243,488	238,430
TOTAL FINANCIAL ASSETS	23,222,872	19,707,699
LIABILITIES		
Accounts payable and accrued liabilities (note 9)	447,993	400,887
Due to Government and other Government organizations (note 10)	593,902	463,101
Deferred revenue (note 13)	448,633	369,911
TOTAL LIABILITIES	1,490,528	1,233,899
NET FINANCIAL ASSETS	21,732,344	18,473,800
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	8,050,707	7,560,226
Prepaid expenses (note 11)	51,207	42,744
TOTAL NON-FINANCIAL ASSETS	8,101,914	7,602,970
ACCUMULATED SURPLUS (note 14)	29,834,258	26,076,770

Approved on behalf of the members:

Lawrie Carr Chief

Heidi St. G Councillor

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, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
REVENUES			
Indigenous and Northern Affairs Canada (INAC) (notes 17 and 18)	2,349,862	2,151,533	1,930,825
Federal Government other (note 18)	747,060	835,781	644,970
Province of Ontario (note 18)	1,100,591	779,954	818,610
Ontario First Nations Limited Partnership	-	623,727	618,211
Old Railroad Stop	9,766,998	10,723,460	9,400,097
Williams Treaty settlement	-	2,857,143	-
Other	1,408,193	1,497,801	1,341,107
TOTAL REVENUES	15,372,704	19,469,399	14,753,820
EXPENSES			
Administration	810,064	1,372,308	1,658,706
Community operations	676,591	823,833	600,865
Economic development	267,825	196,938	145,716
Education	1,138,372	945,649	955,554
Land management	149,370	160,580	175,803
Social development	2,226,558	1,880,406	1,735,682
Old Railroad Stop	9,535,778	10,332,197	9,203,829
TOTAL EXPENSES	14,804,558	15,711,911	14,476,155
ANNUAL SURPLUS	<u>568,146</u>	3,757,488	277,665
ACCUMULATED SURPLUS - beginning of year		26,076,770	25,799,105
ACCUMULATED SURPLUS - end of year		29,834,258	26,076,770

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, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
ANNUAL SURPLUS	568,146	3,757,488	277,665
Amortization of tangible capital assets	370,670	391,511	370,670
Acquisition of tangible capital assets	-	(881,992)	(145,749)
<u>(Increase) decrease in prepaid expenses</u>	-	(8,463)	(9,925)
INCREASE IN NET FINANCIAL ASSETS	938,816	3,258,544	492,661
NET FINANCIAL ASSETS - beginning of year	18,473,800	18,473,800	17,981,139
NET FINANCIAL ASSETS - end of year	19,412,616	21,732,344	18,473,800

The accompanying notes are an integral part of these financial statements

HIAWATHA FIRST NATION

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2018

	2018	2017
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,757,488	277,665
Items not involving cash		
Amortization of tangible capital assets	391,511	370,670
Advances to First Nation members forgiven	100,000	25,000
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	(2,818)	(6,485)
Other accounts receivable	5,247	4,963
Inventory for resale	7,997	26,817
Prepaid expenses	(8,463)	(9,925)
Accounts payable and accrued liabilities	47,106	(87,947)
Due to Government and other Government organizations	130,801	320,674
Deferred revenue	78,722	24,490
Net change in cash from operating activities	4,507,591	945,922
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(881,992)	(145,749)
INVESTING ACTIVITIES		
Purchase of short term investments	(102,293,473)	(56,568,617)
Disposal of short term investments	102,105,784	56,446,489
Advances to First Nation members	(556,335)	(191,305)
Repayments from First Nation members	280,449	170,010
Funds held in trust by the Federal Government	(5,058)	(5,283)
Net change in cash from investing activities	(468,633)	(148,706)
NET CHANGE IN CASH		
CASH - beginning of year	3,156,966	651,467
CASH - end of year	3,425,839	2,774,372
	6,582,805	3,425,839

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, 2018

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.

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

(b) Cash

Cash consists of cash on hand and balances with chartered banks.

(c) Inventory for resale

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

The cost of general store merchandise inventory is determined by the first-in, first-out method. The cost of gasoline 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 and bridges	20-40 years
Waterworks and septic systems	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, 2018

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. Old Railroad Stop and other revenues are recognized at the time the goods and services are provided. Settlement revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government funding and other grants are 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. Funding is recorded as deferred revenue if it has been restricted by the funder for a stated purpose, such as a specific program or the purchase of tangible capital assets.

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) 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.

(h) 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 First Nation's significant estimates are:

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

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

2. CASH

Cash consists of the following:

	2018	2017
	\$	\$
Externally restricted:		
Ontario First Nation Limited Partnership	854,772	226,843
Lottery	6,966	624
	<u>861,738</u>	<u>227,467</u>
Unrestricted:		
Cash in ATM	15,720	6,700
Current	2,556,594	1,362,226
Williams Treaty Settlement	1,821,500	-
Claims settlement	34,602	34,204
Operations	65,244	573,314
Trust - Islands in the Trent minors' settlement	1,223,095	1,216,913
Apartment replacement	4,312	4,303
Serpent Mounds Park	-	712
	<u>5,721,067</u>	<u>3,198,372</u>
	<u>6,582,805</u>	<u>3,425,839</u>

3. SHORT TERM INVESTMENTS

Short term investments consist of the following:

	2018	2017
	\$	\$
Externally restricted:		
Ontario First Nation Limited Partnership	174,508	204,254
Unrestricted:		
General	2,003,622	1,949,775
Islands in the Trent settlement	12,185,910	12,022,322
	<u>14,189,532</u>	<u>13,972,097</u>
	<u>14,364,040</u>	<u>14,176,351</u>

Short term investments consist of cashable GIC's maturing between April 9, 2018 and April 16, 2018 with interest rates of 1.51%.

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2018	2017
	\$	\$
Federal Government		
Health Canada	10,729	22,587
Canada Mortgage and Housing Corporation - RRAP	25,850	19,890
INAC - Youth Centre construction	60,000	-
INAC - Youth Strategy	11,721	-
INAC - Other	11,430	4,816
	<hr/> 119,730	<hr/> 47,293
Provincial Government	<hr/> 42,227	<hr/> 111,846
	<hr/> 161,957	<hr/> 159,139

5. OTHER RECEIVABLES

Other receivables consist of the following:

	2018	2017
	\$	\$
Kagita Mikam	22,092	5,174
Accrued interest	13,541	19,550
Aboriginal Labour Force Development Circle	11,974	36,667
Otonabee South Monaghan Township	7,936	6,179
Old Railroad Stop	7,071	8,022
Apartment rent	6,000	700
Association of Iroquois and Allied Indians	-	4,494
Other receivables	12,765	5,840
	<hr/> 81,379	<hr/> 86,626

6. INVENTORY FOR RESALE

Inventory consists of the following:

	2018	2017
	\$	\$
General store merchandise	211,185	209,692
Gasoline	93,911	103,401
	<hr/> 305,096	<hr/> 313,093

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

7. RECEIVABLE FROM FIRST NATION MEMBERS

Receivable from First Nation members is comprised of the following:

	2018	2017
	\$	\$
Housing loans receivable	2,255,823	2,128,116
Forgivable portion of housing loans receivable	(771,716)	(819,895)
	<hr/>	<hr/>
	1,484,107	1,308,221

8. FUNDS HELD IN TRUST BY THE FEDERAL GOVERNMENT

The funds held by the Federal Government on behalf of the First Nation of \$243,488 (2017 - \$238,430) are for the use of the First Nation for specific projects. These funds can be obtained at the request of the First Nation.

	Opening Balance \$	Additions \$	Withdrawals \$	Closing Balance \$
Capital Revenue	12,870	-	-	12,870
	225,560	5,058	-	230,618
	<hr/>	<hr/>	<hr/>	<hr/>
	238,430	5,058	-	243,488

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. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2018	2017
	\$	\$
Trade payables	207,778	131,587
Accrued liabilities	140,441	123,053
Due to school board	99,774	146,247
	<hr/>	<hr/>
	447,993	400,887

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

10. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2018	2017
	\$	\$
Federal Government		
INAC - Special Education	236,510	161,384
INAC - Capacity Development	30,305	30,305
INAC - Estates Management	-	2,616
Health Canada	72,885	127,596
	<hr/>	<hr/>
	339,700	321,901
Province of Ontario		
Ministry of Education	183,359	109,717
Family Wellbeing	28,396	-
Transitional support funding	25,474	25,474
Other	16,973	6,009
	<hr/>	<hr/>
	254,202	141,200
	<hr/>	<hr/>
	593,902	463,101

11. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2018	2017
	\$	\$
Student tuition and allowances	16,176	22,485
Student transportation	15,577	-
Insurance	12,490	14,268
Ontario Works	6,964	5,991
	<hr/>	<hr/>
	51,207	42,744

12. BUDGET FIGURES

The budget, approved by the First Nation, for 2018 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, 2018

13. DEFERRED REVENUE

Deferred revenue consists of the following:

	Balance March 31, 2017 \$	Funding Received 2018 \$	Revenue Recognized 2018 \$	Balance March 31, 2018 \$
Restricted Contributions				
Association of Iroquois and Allied Indians (AIAI)	79,216	270,993	270,993	79,216
Health Centre	38,658	39,879	33,062	45,475
Lands Resource	-	23,750	3,696	20,054
Aboriginal Labour Force	37,675	278,954	278,954	37,675
Mississaugas of Scugog Island First Nation - rice harvesting	-	4,021	-	4,021
INAC - Housing project	30,000	-	30,000	-
INAC - Capacity development	15,099	20,948	-	36,047
NALMA	9,595	-	9,595	-
Ministry of Environment	-	15,000	-	15,000
	210,243	653,545	626,300	237,488
Other				
Child care	26,195	55,036	55,036	26,195
Park fees	38,936	22,430	22,740	38,626
Rent deposits	11,707	13,747	12,207	13,247
Service fee and other deposits	-	2,007	-	2,007
Committee funds	76,758	78,014	45,588	109,184
	153,596	171,234	135,571	189,259
Hiawatha First Nation Trust				
Education	-	8,320	-	8,320
Recreation	6,072	15,000	7,506	13,566
	6,072	23,320	7,506	21,886
	369,911	848,099	769,377	448,633

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

14. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) and reserves and reserve funds as follows:

	2018	2017
	\$	\$
Surplus/(Deficit)		
Operating - General	3,792,892	2,911,494
Operating - Islands In the Trent settlement - see (a) below	11,602,741	11,528,351
	15,395,633	14,439,845
Invested In Capital Assets		
Tangible capital assets - net book value	8,050,707	7,560,226
	Surplus	23,446,340
	22,000,071	
Restricted		
Internally restricted:		
Rental facilities replacement	17,307	10,803
Education	264,837	264,837
Lands management	82,700	82,700
Economic development	24,088	42,463
Child care	174,079	118,015
Special projects	42,657	47,637
Capital housing program	1,929,116	1,986,616
Islands in the Trent minors' settlement - see (b) below	746,551	842,100
Business buildings	30,000	12,000
Williams Treaty	1,804,455	-
Externally restricted:		
Ontario First Nation Limited Partnership	1,028,641	431,097
	Total Restricted	6,144,431
	3,838,268	
Held in Trust by the Federal Government		
Capital	12,870	12,870
Revenue	230,618	225,561
	Total Held in Trust	243,488
	238,431	
	29,834,259	26,076,770

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

14. ACCUMULATED SURPLUS, continued

(a) Islands in the Trent settlement - Surplus

	2018	2017
	\$	\$
Opening balance	11,528,351	11,560,533
Interest earned	156,137	152,834
Legal costs (note 19)	(3,647)	(35,016)
Initial distributions	(20,000)	(90,000)
Interest distributions	(58,100)	(60,000)
	<hr/>	<hr/>
	11,602,741	11,528,351

(b) Islands in the Trent minors' settlement

	2018	2017
	\$	\$
Opening balance	842,100	901,644
Interest earned	6,308	2,429
Initial distributions	(100,000)	(60,000)
Interest distributions	(1,857)	(1,973)
	<hr/>	<hr/>
	746,551	842,100

Total settlement claim was in the amount of \$19,934,329 in 2013. 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.

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 \$22,740 (2017 - \$24,713). These contributions 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.

16. ECONOMIC DEPENDENCE

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

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

17. RECONCILIATION OF INAC FUNDING TO FIRST NATION INAC REVENUE

	2018 \$
INAC Funding Per Confirmation	2,487,245
Add 2017 Deferred Revenue	
Housing project	30,000
Capacity development	2,616
	32,616
Less 2018 Deferred Revenue	
Community prevention	20,948
Less Amounts Repayable:	
Special education	105,745
Housing project	9,821
Youth strategy	5,814
	121,380
Less Amounts Not Received Or Spent During 2018	
Water	226,000
INAC Revenue For The Year	2,151,533

18. GOVERNMENT TRANSFERS

Government transfers consist of the following:

	2018 \$	2017 \$
Indigenous and Northern Affairs Canada		
Operating	2,041,533	1,880,825
Capital	110,000	50,000
	2,151,533	1,930,825
 Federal Government other		
Health Canada - operating	687,728	594,847
Canada Mortgage and Housing Corporation - operating	140,318	44,040
Human Resource Development Canada - operating	7,735	6,083
	835,781	644,970
 Province of Ontario - operating	779,954	818,610
	3,767,268	3,394,405

HIAWATHA FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2018

19. CONTINGENT LIABILITIES

The First Nation, in the course of its operations, has been named in a lawsuit the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

20. 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.

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.

21. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. The restatement did not have an affect on Hiawatha First Nation's accumulated surplus.

HIAWATHA FIRST NATION

SCHEDULE 1: SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended March 31, 2018

	Cost					Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Amortization	Closing Balance	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets										
Land	256,527	48,000	-	-	304,527	-	42,347	418,502	304,527	256,527
Land Improvements	949,197	-	-	949,197	376,155	-	-	530,695	530,695	573,042
Residential Buildings	1,507,617	-	-	1,507,617	781,098	179,614	960,712	546,905	546,905	726,519
Non-Residential Buildings	4,893,753	-	-	4,893,753	963,791	51,477	1,015,268	3,878,485	3,878,485	3,929,962
Vehicles	154,964	77,785	-	-	232,749	130,612	10,997	141,609	91,140	24,352
Computer Equipment	198,597	-	-	198,597	180,329	6,786	187,115	11,482	11,482	18,268
Other Equipment	797,727	92,823	-	-	890,550	536,472	53,872	590,344	300,206	261,255
Roads and Bridges	1,487,907	-	-	1,487,907	459,859	34,910	494,769	993,138	993,138	1,028,048
Waterworks and Septic Systems	575,406	-	-	575,406	92,225	11,508	103,733	471,673	471,673	483,181
	10,821,695	218,608	-	-	11,040,303	3,520,541	391,511	3,912,052	7,128,251	7,301,154
Assets Under Construction										
Residential Buildings	-	302,196	-	-	302,196	-	-	-	302,196	-
Non-Residential Buildings	-	361,188	-	-	361,188	-	-	-	361,188	-
Waterworks and Septic Systems	259,072	-	-	-	259,072	-	-	-	259,072	259,072
	259,072	663,384	-	-	922,456	-	-	-	922,456	259,072
TOTAL	11,080,767	881,992	-	-	11,962,759	3,520,541	391,511	3,912,052	8,050,707	7,560,226

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2018

	Actual 2018 \$	Administration Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Community Operations Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Economic Development Actual 2017 \$	Budget 2018 \$
Revenues									
INAC	458,198	355,419	348,198	364,323	282,286	540,145	74,293	74,630	80,107
Federal Government other	-	-	-	140,318	44,040	34,500	7,735	6,083	7,735
Province of Ontario	146,611	161,425	165,000	27,265	23,705	22,244	-	12,303	9,919
OFNLP distributions	623,727	618,211	-	-	-	-	-	-	12,492
Other	421,713	288,004	227,220	286,195	289,423	319,110	84,717	63,065	-
Williams Treaty settlement	2,857,143	-	-	-	-	-	-	-	147,316
	4,507,392	1,423,059	740,418	818,101	639,454	915,999	179,048	153,697	247,650
Expenses									
Salaries and benefits	442,384	419,210	430,529	92,127	59,362	135,731	133,334	133,627	136,017
Materials	153,757	127,574	102,700	101,398	96,668	96,210	-	-	-
Occupancy costs	45,295	43,821	40,400	131,968	145,573	131,650	-	-	-
Contracted services	67,870	46,688	60,000	45,399	37,410	35,788	-	-	75
Bank charges and interest	58,200	59,815	60,000	-	-	-	-	-	-
Program costs	582,303	941,094	95,931	247,818	69,140	84,500	63,604	12,089	131,733
Amortization	22,499	20,504	20,504	205,123	192,712	192,712	-	-	-
	1,372,308	1,658,706	810,064	823,833	600,865	676,591	196,938	145,716	267,825
Net surplus (deficit)	3,135,084	(235,647)	(69,646)	(5,732)	38,589	239,408	(17,890)	7,981	(20,175)

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2018

	Actual 2018 \$	Education Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Land Management Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Social Development Actual 2017 \$	Budget 2018 \$
Revenues									
INAC	1,057,312	1,014,651	1,163,057	92,362	118,830	92,362	105,045	85,009	125,993
Other Federal contributions	-	-	-	-	-	-	687,728	594,847	704,825
Province of Ontario	-	-	-	-	-	-	593,775	623,561	900,855
Other	17,396	9,443	20,893	66,974	49,949	45,845	620,808	641,223	647,809
	1,074,708	1,024,094	1,183,950	159,336	168,779	138,207	2,007,356	1,944,640	2,379,482
Expenses									
Salaries and benefits	29,468	28,934	30,120	69,302	105,408	59,275	784,107	744,196	799,907
Materials	-	-	-	42,512	20,094	33,075	67,884	34,455	116,212
Occupancy costs	-	-	-	14,892	6,361	21,856	95,764	49,267	111,918
Contracted services	-	-	-	2,500	2,000	-	6,422	12,817	8,762
Bank charges and interest	-	-	-	-	-	-	-	-	-
Program costs	244,421	221,879	350,867	725	10,776	4,000	888,352	864,355	1,159,167
External transfers	671,760	704,741	757,385	-	30,649	31,164	31,164	-	-
Amortization	-	-	-	-	-	-	-	-	-
	945,649	955,554	1,138,372	160,580	175,803	149,370	1,880,406	1,735,682	2,226,558
Net surplus (deficit)	129,059	68,540	45,578	(1,244)	(7,024)	(11,163)	126,950	208,958	152,924

HIAWATHA FIRST NATION

SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2018

	Actual 2018 \$	Old Railroad Stop Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Consolidated Totals Actual 2017 \$	Budget 2018 \$
			(Unaudited)			(Unaudited)
Revenues						
INAC	-	-	-	2,151,533	1,930,825	2,349,862
Other Federal contributions	-	-	-	835,781	644,970	747,060
Province of Ontario	-	-	-	779,954	818,610	1,100,591
OFNLP distributions	-	-	-	623,727	618,211	-
Other	10,723,460	9,400,097	9,766,998	12,221,263	10,741,204	11,175,191
Williams Treaty settlement	-	-	-	2,857,143	-	-
	10,723,460	9,400,097	9,766,998	19,469,401	14,753,820	15,372,704
Expenses						
Salaries and benefits	457,982	422,042	439,113	2,008,704	1,912,779	2,030,692
Materials	9,697,552	8,600,449	8,911,467	10,063,103	8,879,240	9,259,664
Occupancy costs	40,129	45,288	49,500	328,048	290,310	355,324
Contracted services	-	-	-	122,191	98,915	104,625
Bank charges and interest	41,171	40,352	40,000	99,371	100,167	100,000
Program costs	-	-	-	2,027,223	2,119,333	1,826,198
External transfers	-	-	-	671,760	704,741	757,385
Amortization	95,363	95,698	95,698	391,511	370,670	370,670
	10,332,197	9,203,829	9,535,778	15,711,911	14,476,155	14,804,558
Net surplus/(deficit)	391,263	196,268	231,220	3,757,490	277,665	568,146