

**HIAWATHA FIRST NATION  
FINANCIAL STATEMENTS  
MARCH 31, 2021**

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# HIAWATHA FIRST NATION

MISSISSAUGAS OF RICE LAKE

## HIAWATHA FIRST NATION

For The Year Ended March 31, 2021

### MANAGEMENT REPORT

The accompanying financial statements of 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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Baker Tilly KDN LLP has full and free access to Council.

Chief

Lauren Carr

Date

Aug 5 2021

**Baker Tilly KDN LLP**  
272 Charlotte Street  
Peterborough, ON  
Canada K9J 2V4

## INDEPENDENT AUDITOR'S REPORT

**To Council and the Members of Hiawatha First Nation**

**D:** 705.742-3418  
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### *Opinion*

We have audited the financial statements of Hiawatha First Nation (the First Nation), which comprise the statement of financial position as at March 31, 2021, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ASSURANCE • TAX • ADVISORY

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 27, 2021

# HIAWATHA FIRST NATION

## STATEMENT OF FINANCIAL POSITION At March 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	7,776,375	5,268,111
Investments (note 3)	97,951,683	104,753,464
Due from Government and other Government organizations (note 6)	155,996	331,143
Other accounts receivable (note 4)	12,346	63,829
Inventory for resale (note 5)	389,956	406,810
Receivable from First Nation members (note 7)	1,579,370	1,424,280
Funds held in trust by the Federal Government (note 8)	262,918	256,975
<b>TOTAL FINANCIAL ASSETS</b>	<b>108,128,644</b>	<b>112,504,612</b>
<b>LIABILITIES</b>		
Operating loan (note 9)	16,555,000	-
Accounts payable and accrued liabilities (note 10)	3,964,682	1,996,678
Due to Government and other Government organizations (note 11)	1,588,663	1,495,661
Deferred revenue (note 16)	1,918,116	991,158
<b>TOTAL LIABILITIES</b>	<b>24,026,461</b>	<b>4,483,497</b>
<b>NET FINANCIAL ASSETS</b>	<b>84,102,183</b>	<b>108,021,115</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	28,551,956	12,836,010
Prepaid expenses (note 12)	132,439	49,432
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>28,684,395</b>	<b>12,885,442</b>
<b>ACCUMULATED SURPLUS (note 17)</b>	<b>112,786,578</b>	<b>120,906,557</b>

Approved on behalf of the members:

Janice Carr Chief

Amshimay 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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>REVENUES</b>			
Indigenous Services Canada (ISC) (notes 18 and 19)	3,081,905	3,602,768	3,080,916
Federal Government other (note 19)	-	225,944	54,377
Province of Ontario (note 19)	813,491	1,110,338	1,636,100
Ontario First Nations Limited Partnership	156,390	696,694	688,041
Old Railroad Stop	11,357,189	5,231,973	10,791,470
Investment income	150,000	3,182,924	4,073,736
Other	1,427,971	1,381,480	1,408,691
<b>TOTAL REVENUES</b>	<b>16,986,946</b>	<b>15,432,121</b>	<b>21,733,331</b>
<b>EXPENSES</b>			
Administration	1,325,032	13,782,809	11,706,713
Community operations	917,896	983,852	1,011,022
Economic development	117,081	160,574	285,952
Education	1,021,051	761,654	839,971
Land management	231,684	251,846	258,477
Social development	2,113,436	2,377,025	2,117,705
Old Railroad Stop	11,137,084	5,234,340	10,661,175
<b>TOTAL EXPENSES</b>	<b>16,863,264</b>	<b>23,552,100</b>	<b>26,881,015</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>123,682</b>	<b>(8,119,979)</b>	<b>(5,147,684)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>120,906,557</b>	<b>126,054,241</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>112,786,578</b>	<b>120,906,557</b>

*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, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	123,682	(8,119,979)	(5,147,684)
Amortization of tangible capital assets	442,510	527,031	442,510
Purchase of tangible capital assets	-	(16,242,977)	(5,126,942)
(Increase) decrease in prepaid expenses	-	(83,007)	1,469
<b>CHANGE IN NET FINANCIAL ASSETS</b>	566,192	(23,918,932)	(9,830,647)
<b>NET FINANCIAL ASSETS - beginning of year</b>	108,021,115	108,021,115	117,851,762
<b>NET FINANCIAL ASSETS - end of year</b>	108,587,307	84,102,183	108,021,115

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*The accompanying notes are an integral part of these financial statements*

# HIAWATHA FIRST NATION

## STATEMENT OF CASH FLOWS For the Year Ended March 31, 2021

	2021 \$	2020 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(8,119,979)	(5,147,684)
Items not involving cash		
Amortization of tangible capital assets	527,031	442,510
Advances to First Nation members forgiven	25,000	75,000
Realized gains on disposal of investments	(476,851)	(521,576)
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	175,147	(210,141)
Other accounts receivable	51,483	66,688
Inventory for resale	16,854	(138,765)
Prepaid expenses	(83,007)	1,469
Operating loan	16,555,000	-
Accounts payable and accrued liabilities	1,968,004	1,003,536
Due to Government and other Government organizations	93,002	163,525
Deferred revenue	926,958	572,521
<u>Net change in cash from operating activities</u>	<u>11,658,642</u>	<u>(3,692,917)</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(16,242,977)	(5,126,942)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(14,074,448)	(57,658,667)
Disposal of investments	21,353,080	55,554,799
Advances to First Nation members	(430,171)	(689,684)
Repayments from First Nation members	250,081	579,207
Funds held in trust by the Federal Government	(5,943)	(5,888)
<u>Net change in cash from investing activities</u>	<u>7,092,599</u>	<u>(2,220,233)</u>
<b>NET CHANGE IN CASH</b>	<b>2,508,264</b>	<b>(11,040,092)</b>
<b><u>CASH - beginning of year</u></b>	<b>5,268,111</b>	<b>16,308,203</b>
<b><u>CASH - end of year</u></b>	<b>7,776,375</b>	<b>5,268,111</b>

*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, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with 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, 2021**

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**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. Investment income is recorded when earned. 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, 2021

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**2. CASH**

Cash consists of the following:

	2021	2020
	\$	\$
Unrestricted	3,977,918	1,753,352
Externally restricted:		
Ontario First Nation Limited Partnership	2,562,711	2,245,274
Lottery	5,364	2,042
	2,568,075	2,247,316
Internally restricted:		
Williams Treaty settlement	1,227,433	1,264,506
Islands in the Trent settlement	2,949	2,937
	1,230,382	1,267,443
	7,776,375	5,268,111

**3. INVESTMENTS**

Investments, recorded at cost, consist of the following:

	2021	2020
	\$	\$
Externally restricted:		
Ontario First Nation Limited Partnership	2,306,571	2,258,988
Internally restricted:		
Islands in the Trent settlement	13,483,725	14,053,170
Islands in the Trent minor members' settlement	592,452	648,372
Williams Treaty settlement	71,893,546	77,524,408
Williams Treaty minor members' settlement	9,675,389	10,268,526
	95,645,112	102,494,476
	97,951,683	104,753,464

The investments are as follows:

	Market Value	Cost 2021	Cost 2020
	\$	\$	\$
Investment savings accounts	1,502,800	1,502,800	1,878,993
Mutual funds	107,207,594	96,448,883	102,874,471
	108,710,394	97,951,683	104,753,464

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**4. OTHER RECEIVABLES**

Other receivables consist of the following:

	2021	2020
	\$	\$
Aboriginal Labour Force Development Circle	-	60,452
Other receivables	12,346	3,377
	<hr/>	<hr/>
	12,346	63,829

**5. INVENTORY FOR RESALE**

Inventory consists of the following:

	2021	2020
	\$	\$
General store merchandise	320,375	327,095
Gasoline	69,581	79,715
	<hr/>	<hr/>
	389,956	406,810

**6. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

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

	2021	2020
	\$	\$
Federal Government		
ISC - Health	7,824	19,762
Canada Mortgage and Housing Corporation - RRAP	-	8,742
Canda Mortgage and Housing Corporation - Intern	-	7,775
ISC	4,155	4,779
Canada Emergency Wage Subsidy	105,900	-
	<hr/>	<hr/>
	117,879	41,058
Provincial Government		
MIA - Indigenous Community Capital Grants Program	-	225,000
MIA - Indigenous Economic Development Fund	-	20,000
MIA - Core Consultation Development	8,500	-
Ministry of Health - Homemakers	13,417	13,417
Ministry of Health - TSF	-	10,387
Ontario Works	6,336	17,131
Other	9,864	4,150
	<hr/>	<hr/>
	38,117	290,085
	<hr/>	<hr/>
	155,996	331,143

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**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**7. HOUSING LOANS RECEIVABLE FROM FIRST NATION MEMBERS**

Receivable from First Nation members is comprised of the following:

	2021	2020
	\$	\$
Housing loans receivable	2,253,230	2,098,140
Forgivable portion of housing loans receivable	(673,860)	(673,860)
	<hr/> 1,579,370	<hr/> 1,424,280

**8. FUNDS HELD IN TRUST BY THE FEDERAL GOVERNMENT**

The funds held by the Federal Government on behalf of the First Nation of \$262,918 (2020 - \$256,975) 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	12,870	-	-	12,870
Revenue	244,105	5,943	-	250,048
	<hr/> 256,975	5,943	-	262,918

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.

It is anticipated that these trust funds will be released to the First Nation to be used at the discretion of Council due to the ratification of the Land Code.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**9. OPERATING LOAN**

During the year the First Nation received \$16,555,000 as a demand operating loan to finance the building of the Cultural Centre and L.I.F.E. Services Building expansion, the Dnaagdawenmag Binnooijiayag Child & Family Services Building and the purchase of land. The loan has an interest rate of prime rate plus 0.0% per annum and the First Nation has incurred \$166,790 of interest in the year. The First Nation has an approved borrowing limit of \$25,000,000 for these projects from TD Bank. This loan is secured by one of the Quadrus investment accounts held by the First Nation. It is to be refinanced or renewed no later than December 31, 2022.

The operating loan has a Debt Service Coverage (DSC) covenant and a Borrowing Base covenant. The DSC Covenant requires the First Nation to maintain a DSC ratio of not less than 120% at all times. The First Nation's DSC ratio for 2021 is -611%. When adjusted for Williams Treaty and Islands in the Trent distributions the DSC ratio is 177%. The First Nation is not in compliance with this covenant however TD Bank has waived this non-compliance for the fiscal year. The Borrowing Base Covenant requires that outstanding advances will not exceed the lesser of \$25,000,000 and the value of funds held in one of the Quadrus Investment accounts. The First Nation is in compliance with this covenant.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2021	2020
	\$	\$
Trade payables	1,295,504	614,478
Accrued liabilities	2,669,178	1,219,160
Due to school board	-	163,040
	<hr/> 3,964,682	<hr/> 1,996,678

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**11. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

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

	2021	2020
	\$	\$
<b>Federal Government</b>		
ISC - Special Education	278,838	383,105
ISC - Water	226,000	233,635
ISC - Base prevention services	-	57,247
ISC - Youth strategy	-	3,991
ISC - Community Wellbeing Initiatives	-	56,455
ISC - Capacity Development	30,305	30,305
ISC - Health	178,077	178,077
Payroll remittances	20,089	11,856
	<hr/> 733,309	<hr/> 954,671
<b>Province of Ontario</b>		
Ministry of Education	501,210	412,506
Ministry of Health	55,434	-
Family Wellbeing	145,683	98,149
Transitional support funding	25,474	25,474
Ministry of Children, Community and Social Services	58,981	-
Ministry of Indigenous Affairs	58,711	-
Other	9,861	4,861
	<hr/> 855,354	<hr/> 540,990
	<hr/> 1,588,663	<hr/> 1,495,661

**12. PREPAID EXPENSES**

Prepaid expenses consist of the following:

	2021	2020
	\$	\$
Student tuition and allowances	81,905	19,333
Insurance	16,952	15,654
Ontario Works	9,434	11,205
Supplies	24,148	3,240
	<hr/> 132,439	<hr/> 49,432

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**13. BUDGET FIGURES**

The budget, approved by the First Nation, for 2021 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.

**14. 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 \$43,315 (2020 - \$33,662). 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.

**15. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC). 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, 2021

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**16. DEFERRED REVENUE**

Deferred revenue consists of the following:

	Balance March 31, 2020 \$	Funding Received/ Reallocated 2021 \$	Revenue Recognized 2021 \$	Balance March 31, 2021 \$
<b>Restricted Contributions</b>				
Association of Iroquois and Allied Indians (AIAI)	101,002	-	36,743	64,259
Health Centre	45,475	-	-	45,475
Aboriginal Labour Force	37,675	-	-	37,675
Mississaugas of Scugog Island First Nation - rice harvesting	4,021	-	-	4,021
Ministry of Health - Footcare equipment	-	17,421	-	17,421
Canada Cultural Spaces Fund	-	241,215	110,548	130,667
ISC Health	27,439	908,947	603,591	332,795
ISC - Pandemic	-	515,627	396,712	118,915
ISC - Capacity development	15,099	-	-	15,099
ISC - Vulnerable systems	224,468	-	-	224,468
ISC - A&C water	7,166	43,921	36,286	14,801
ISC - Base prevention services	178,571	119,698	36,728	261,541
ISC - Special education	81,051	248,591	61,703	267,939
ISC - Youth strategy	15,138	23,808	14,541	24,405
ISC - Special housing project	-	101,468	14,304	87,164
ISC - Community well-being initiative	-	143,192	74,546	68,646
	737,105	2,363,888	1,385,702	1,715,291
<b>Other</b>				
Child care	26,195	-	-	26,195
Park fees	36,346	-	20,250	16,096
Rent deposits	12,132	255	-	12,387
Service fee and other deposits	6,587	5,009	5,840	5,756
Committee funds	149,395	10,961	17,965	142,391
Bell lease	23,398	-	23,398	-
	254,053	16,225	67,453	202,825
	991,158	2,380,113	1,453,155	1,918,116

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**17. ACCUMULATED SURPLUS**

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

	2021	2020
	\$	\$
<b>Surplus/(Deficit)</b>		
Operating - General	4,941,087	5,272,298
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	28,551,956	12,836,010
Unfunded capital - Cultural Centre	(17,092,468)	(3,840,780)
Unfunded capital - land	(2,200,000)	-
Unfunded capital - water project	(621,773)	-
	8,637,715	8,995,230
<b>Surplus</b>	<b>13,578,802</b>	<b>14,267,528</b>
<b>Restricted</b>		
Internally restricted:		
Business buildings	66,000	54,000
Rental facilities replacement	42,826	30,318
Education	264,838	264,838
Lands management	82,700	82,700
Economic development	24,088	24,088
Child care	294,197	274,438
Special projects	42,657	42,657
Capital housing program	1,864,483	1,820,203
Islands in the Trent settlement - see (a) below	11,742,581	12,273,739
Islands in the Trent minor members' settlement - see (b) below	560,815	605,712
Williams Treaty settlement - see (c) below	71,108,364	81,343,990
Williams Treaty minor members' settlement - see (d) below	10,139,671	7,429,492
Externally restricted:		
Ontario First Nation Limited Partnership	2,711,638	2,135,879
<b>Total Restricted</b>	<b>98,944,858</b>	<b>106,382,054</b>
<b>Held in Trust by the Federal Government</b>		
Capital	12,870	12,870
Revenue	250,048	244,105
<b>Total Held in Trust</b>	<b>262,918</b>	<b>256,975</b>
	112,786,578	120,906,557

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**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

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**17. ACCUMULATED SURPLUS, continued**

**(a) Islands in the Trent settlement**

	2021	2020
	\$	\$
Opening balance	12,273,739	12,018,054
Investment income	428,590	532,994
Investment management fees	(99,494)	(83,639)
Initial distributions	(40,000)	(60,000)
Interest distributions	(802,900)	(130,470)
Professional fees	(1,000)	(3,200)
Transfers	(16,354)	-
	<b>11,742,581</b>	<b>12,273,739</b>

**(b) Islands in the Trent minor members' settlement**

	2021	2020
	\$	\$
Opening balance	605,712	658,273
Investment income	23,020	23,110
Initial distributions	(60,000)	(70,000)
Interest distributions	(3,908)	(1,405)
Investment management fees	(3,909)	(4,066)
Professional fees	(100)	(200)
	<b>560,815</b>	<b>605,712</b>

**(c) Williams Treaty settlement**

	2021	2020
	\$	\$
Opening balance	81,343,990	87,492,132
Investment income	2,531,180	3,230,168
Professional fees	(6,100)	(305,220)
Capital expenditures	(42,344)	(713,196)
Initial distributions	(8,991,000)	(7,813,730)
Investment management fees	(575,776)	(546,164)
Transfers	(3,151,586)	-
	<b>71,108,364</b>	<b>81,343,990</b>

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2021

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**17. ACCUMULATED SURPLUS, continued**

**(d) Williams Treaty minor members' settlement**

	2021	2020
	\$	\$
Opening balance	7,429,492	8,375,000
Investment income	313,863	9,843
Investment management fees	(61,442)	(160,448)
Initial distributions	(666,000)	(777,000)
Interest distributions	(43,382)	(15,603)
Professional fees	(800)	(2,300)
Transfers	3,167,940	-
	10,139,671	<u>7,429,492</u>

**18. RECONCILIATION OF ISC FUNDING TO FIRST NATION ISC REVENUE**

	2021
	\$
<b>ISC Funding Per Confirmation</b>	4,243,089
add: other ISC funding received	11,558
add: other Health funding received	9,335
	<u>4,263,982</u>
<b>Add 2020 Deferred Revenue</b>	
Base prevention services	178,571
Special education	81,051
Youth strategy	15,138
Health	27,439
A&C Water	7,166
	<u>309,365</u>
<b>Less 2021 Deferred Revenue</b>	
Housing project	87,164
Base prevention services	204,294
Community well-being initiative	12,191
Special education	163,673
Youth strategy	20,414
Health	326,892
A&C Water	7,166
Pandemic	118,915
	<u>940,709</u>
<b>Less Amounts Not Received Or Spent During 2021</b>	
Enhanced housing	11,273
Health	18,597
	<u>29,870</u>
<b>ISC Revenue For The Year</b>	<u>3,602,768</u>

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**19. GOVERNMENT TRANSFERS**

Government transfers consist of the following:

	2021	2020
	\$	\$
Indigenous Services Canada		
Operating	3,521,262	3,027,207
Capital	81,506	53,709
	<u>3,602,768</u>	<u>3,080,916</u>
Federal Government other		
Canada Cultural Spaces Fund	110,548	-
Canada Mortgage and Housing Corporation - operating	12,300	22,492
Small Communities Fund	92,581	-
Human Resource Development Canada - operating	10,515	31,885
	<u>225,944</u>	<u>54,377</u>
Province of Ontario - operating	1,110,338	1,636,100
	<u>4,939,050</u>	<u>4,771,393</u>

**20. CONTINGENT LIABILITIES**

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

The First Nation has provided guarantees to a bank for the On-Reserve Housing Loan Program and On-Reserve Ousing Renovation Loan Program. The guarantee is up to \$2,500,000.

**21. COMMITMENT**

Council has passed a resolution to transfer investments totalling \$90,000,000 to the Bijiinago, Noongom, Waabang Trust, held separately from the First Nation.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**22. 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 as well as the administration of settlements.

**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.

**HIAWATHA FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2021**

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**23. COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the First Nation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the entity's operations. The extent of the impact of this outbreak and related containment measures on the First Nation's operation cannot be reliably estimated at this time.

At the time of the approval of these financial statements, the First Nation has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Temporarily closed most facilities for walk-in access;
- Reduced revenue from sales at Old Railroad Stop and rental of the restaurant;
- Reduced revenue from sales at the tent and trailer park;
- Working from home requirements were set up for those able to do so;
- Additional costs for acquisition of IT equipment, and telecommunications charges for employees working from home;
- Additional costs for community safety;
- Additional costs for community support, food security, education and PPE.

The First Nation plans to mitigate any additional operating costs with cost savings in other budget areas and tight controls over operating expenses. The First Nation has received Federal and Provincial funding to assist with additional pandemic costs.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities in subsequent years and may have a significant impact on future operations.

**24. 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, 2021

	Cost				Accumulated Amortization			Net Book Value		
	Opening Balance \$	Additions \$	Disposals \$	Transfers \$	Closing Balance \$	Opening Balance \$	Amortization \$	Closing Balance \$	2021 \$	2020 \$
<b>Tangible Capital Assets</b>										
Land	904,527	2,242,344	-	-	3,146,871	-	-	-	3,146,871	904,527
Land Improvements	949,197	-	-	-	949,197	503,196	41,060	544,256	404,941	446,001
Residential Buildings	1,882,617	-	-	-	1,882,617	1,063,666	51,477	1,115,143	767,474	818,951
Non-Residential Buildings	5,547,366	-	-	-	5,547,366	1,422,873	199,009	1,621,882	3,925,484	4,124,493
Vehicles	366,175	-	-	-	366,175	190,241	90,880	281,121	85,054	175,934
Computer Equipment	198,597	-	-	-	198,597	196,699	1,721	198,420	177	1,898
Other Equipment	1,014,659	17,591	-	-	1,032,250	691,253	78,837	770,090	262,160	323,406
Roads and Bridges	1,566,032	-	-	-	1,566,032	573,741	52,538	626,279	939,753	992,291
Waterworks and Septic Systems	575,406	-	-	-	575,406	126,749	11,509	138,258	437,148	448,657
	13,004,576	2,259,935	-	-	15,264,511	4,768,418	527,031	5,295,449	9,969,062	8,236,158
<b>Assets Under Construction</b>										
Non-Residential Buildings	4,340,780	13,268,688	-	-	17,609,468	-	-	-	17,609,468	4,340,780
Waterworks and Septic Systems	259,072	714,354	-	-	973,426	-	-	-	973,426	259,072
	4,599,852	13,983,042	-	-	18,582,894	-	-	-	18,582,894	4,599,852
<b>TOTAL</b>	<b>17,604,428</b>	<b>16,242,977</b>	<b>-</b>	<b>-</b>	<b>33,847,405</b>	<b>4,768,418</b>	<b>527,031</b>	<b>5,295,449</b>	<b>28,551,956</b>	<b>12,836,010</b>

# HIAWATHA FIRST NATION

## SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended March 31, 2021

	Administration			Community Operations			Economic Development		
	Actual 2021 \$	Actual 2020 \$	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$	Budget 2021 \$ (Unaudited)
<b>Revenues</b>									
ISC	746,705	478,807	436,150	410,855	431,675	371,909	108,998	78,445	63,011
Other Federal contributions	-	-	-	215,429	22,492	-	10,515	31,885	-
Province of Ontario	182,863	759,558	160,000	14,927	14,399	2,244	12,376	19,540	-
OFNLP distributions	696,694	688,041	156,390	-	-	-	-	-	-
Other	3,410,313	4,312,496	468,169	294,649	387,627	370,920	54,258	93,902	49,762
	5,036,575	6,238,902	1,220,709	935,860	856,193	745,073	186,147	223,772	112,773
<b>Expenses</b>									
Salaries and benefits	877,724	783,539	810,554	293,610	242,235	328,231	146,376	161,597	96,908
Materials	257,093	181,732	201,200	136,651	114,567	118,675	484	11,460	1,600
Occupancy costs	46,180	58,250	42,743	150,671	258,002	132,500	-	-	-
Contracted services	1,153,345	1,023,308	115,300	65,948	46,579	12,800	3,832	69,826	-
Bank charges and interest	166,790	-	-	-	-	-	-	-	-
Program costs	651,516	760,539	44,099	40,455	102,149	78,200	9,882	43,069	18,573
Amortization	22,970	31,136	31,136	296,517	247,490	247,490	-	-	-
Member distributions	10,607,191	8,868,209	80,000	-	-	-	-	-	-
	13,782,809	11,706,713	1,325,032	983,852	1,011,022	917,896	160,574	285,952	117,081
<b>Net surplus/(deficit)</b>	<b>(8,746,234)</b>	<b>(5,467,811)</b>	<b>(104,323)</b>	<b>(47,992)</b>	<b>(154,829)</b>	<b>(172,823)</b>	<b>25,573</b>	<b>(62,180)</b>	<b>(4,308)</b>

# HIAWATHA FIRST NATION

## SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2021

	Actual 2021 \$	Education Actual 2020 \$	Budget 2021 \$	Actual 2021 \$	Land Management Actual 2020 \$	Budget 2021 \$	Actual 2021 \$	Social Development Actual 2020 \$	Budget 2021 \$
									(Unaudited)
<b>Revenues</b>									
ISC	1,313,157	1,115,589	1,176,465	139,404	150,806	132,171	883,649	825,594	902,199
Province of Ontario	-	-	-	-	-	-	900,172	842,603	651,247
Other	12,000	12,547	-	116,638	85,108	121,250	676,547	590,747	567,870
	<b>1,325,157</b>	<b>1,128,136</b>	<b>1,176,465</b>	<b>256,042</b>	<b>235,914</b>	<b>253,421</b>	<b>2,460,368</b>	<b>2,258,944</b>	<b>2,121,316</b>
<b>Expenses</b>									
Salaries and benefits	42,109	39,438	42,167	168,779	125,702	143,105	1,114,653	927,591	1,048,571
Materials	-	-	-	12,409	10,791	739	56,345	68,255	54,183
Occupancy costs	-	-	-	19,854	13,926	51,524	86,939	53,514	27,586
Contracted services	-	-	-	566	2,500	2,500	29,409	16,888	4,000
Bank charges and interest	-	-	-	-	-	-	-	-	-
Program costs	283,599	191,312	270,997	6,810	74,892	3,150	1,054,670	1,014,889	942,528
External transfers	435,946	609,221	707,887	-	-	-	-	-	-
Amortization	-	-	-	43,428	30,666	30,666	35,009	36,568	36,568
	<b>761,654</b>	<b>839,971</b>	<b>1,021,051</b>	<b>251,846</b>	<b>258,477</b>	<b>231,684</b>	<b>2,377,025</b>	<b>2,117,705</b>	<b>2,113,436</b>
<b>Net surplus/(deficit)</b>	<b>563,503</b>	<b>288,165</b>	<b>155,414</b>	<b>4,196</b>	<b>(22,563)</b>	<b>21,737</b>	<b>83,343</b>	<b>141,239</b>	<b>7,880</b>

# HIAWATHA FIRST NATION

## SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2021

	Actual 2021 \$	Old Railroad Stop Actual 2020 \$	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Consolidated Totals Actual 2020 \$	Budget 2021 \$ (Unaudited)
<b>Revenues</b>						
ISC	-	-	-	3,602,768	3,080,916	3,081,905
Other Federal contributions	-	-	-	225,944	54,377	-
Province of Ontario	-	-	-	1,110,338	1,636,100	813,491
OFNLP distributions	-	-	-	696,694	688,041	156,390
Other	5,231,972	10,791,470	11,357,189	9,796,377	16,273,897	12,935,160
	5,231,972	10,791,470	11,357,189	15,432,121	21,733,331	16,986,946
<b>Expenses</b>						
Salaries and benefits	588,995	596,804	597,145	3,232,246	2,876,906	3,066,681
Materials	4,466,859	9,884,024	10,360,881	4,929,841	10,270,829	10,737,278
Occupancy costs	25,552	33,633	30,408	329,196	417,325	284,761
Contracted services	-	-	-	1,253,100	1,159,101	134,600
Bank charges and interest	23,827	50,064	52,000	190,617	50,064	52,000
Program costs	-	-	-	2,046,932	2,186,850	1,357,547
External transfers	-	-	-	435,946	609,221	707,887
Amortization	129,107	96,650	96,650	527,031	442,510	442,510
Member distributions	-	-	-	10,607,191	8,868,209	80,000
	5,234,340	10,661,175	11,137,084	23,552,100	26,881,015	16,863,264
<b>Net surplus/(deficit)</b>	<b>(2,368)</b>	<b>130,295</b>	<b>220,105</b>	<b>(8,119,979)</b>	<b>(5,147,684)</b>	<b>123,682</b>