Financial Statements of

Ogwawihsta Dedwahsnye

For the period from incorporation on March 22, 2016 to
March 31, 2017
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Board of Directors:

We have reviewed the statement of financial position of Ogwawishta Dedwahsnye (the "Organization") as at March 31, 2017 and the statements of earnings and deficiency and changes in net assets for the period from incorporation on March 22, 2016 to March 31, 2017. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
July 26, 2017

Ogwawihsta Dedwahsnye

Statement of Financial Position

March 31, 2017
(Unaudited)

Assets

Current asset:		
Accounts receivable (note 3)	$	22,570
	$	22,570

Liabilities and Net Assets

Current liability:		
Accounts payable and accrued liabilities (note 2)	$	6,634
Net assets:		
Unrestricted		15,936
	$	22,570

See accompanying notes to financial statements.

Colin W. Moore

Ogwawihsta Dedwahsnye

Statement of Earnings and Deficiency

For the period from incorporation on March 22, 2016 to March 31, 2017
(Unaudited)

Revenue:		
Administration fees (note 3)	$	53,009
Expenses:		
Office and general expenses (note 3)		26,151
Audit and tax fees		7,771
Professional fees		3,151
		37,073
Excess of revenue over expenses	$	15,936

See accompanying notes to financial statements.

Ogwawihsta Dedwahsnye
Statement of Changes in Net Assets

For the period from incorporation on March 22, 2016 to March 31, 2017
(Unaudited)

Balance, beginning of period	$	-
Excess of revenue over expenses		15,936
Balance, end of year	$	15,936

See accompanying notes to financial statements.

Ogwawihsta Dedwahsnye (the "Organization") is a Not-for-Profit Organization incorporated on March 22, 2016, as a corporation without share capital under the Canada Not-for-profit Corporation Act of Canada. The Organization provides payroll services for Haudenosaunee Development Institute ("HDI"), a formal unincorporated organization also established by the Haudenosaunee Confederacy Chiefs Council ("HCCC"). The Organization is a not for profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CICA Handbook.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions which include donations. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
Revenue from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold. Revenue is directly linked to the payroll expense that flows through the Organization for HDI's employee payroll. Administration fee revenues are recognized in accordance with the agreement with HDI at 5% of all payroll expenses processed during the fiscal year. Payroll expenses processed on behalf of HDI during the fiscal year amounted to $1,060,172.

(b) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of accrued liabilities. Actual results could differ from those estimates.

1. Significant accounting policies (continued):

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are amounts due for financial reporting and tax compliance. At year-end, there are no amounts outstanding payable for HST or payroll related taxes.

3. Related party transactions:

The Organization is controlled by and overseen by HCCC. HDI and the Organization share a common management group who oversee the operating activities of both entities.

Intercompany receivables for the period ended March 31, 2017 amount to $22,570. The amounts are non-interest bearing, unsecured, and due on demand. The fair value of the intercompany receivable approximates the carrying value due to the current nature of the receivable.

3. Related party transactions (continued):

Administration revenues are earned by the Organization based on percentages outlined in the payroll services agreement. An amount of $53,009 representing administrative charges has been received from HDI and recorded as administration revenues.

Office and general expenses of HDI are allocated to the Organization based on percentages outlined in the payroll services agreement. An amount of $26,151 representing administrative charges has been incurred by the Organization and recorded as administration expenses.

4. Cash flow:

The Organization utilizes the accounting systems and infrastructure of HDI to process all transactions. The Organization's transactions with HDI are settled through the intercompany payable/receivable accounts and, therefore, it is not necessary for the Organization to maintain a bank account. The Organization was setup to support HDI, which is an unincorporated association, in processing its payroll. Since the Organization did not generate cash activity for the period ended March 31, 2017, a cash flow statement is not presented.

5. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Organization is dependent on HDI and the HCCC to achieve its operating objectives including administration revenues and support via cash flows and related accounts receivable.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.