Financial Statements of

OGWAWIHSTA DEDWAHSNYE

Year ended March 31, 2018
(Unaudited)

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INDEPENDENT REVIEW ENGAGEMENT REPORT

To the Board of Directors

We have reviewed the accompanying financial statements of Ogwawishta Dedwahsnye for the year ended March 31, 2018 and notes, comprising a summary of significant accounting policies and other explanatory information (together “the financial statements”). The financial statements have been prepared by management in accordance with the Accounting Standards for Not-for-profit Organizations.

Management’s Responsibility for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the Accounting Standards for Not-for-profit Organizations; this includes determining that the applicable financial reporting framework is acceptable for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Practitioners’ Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted standards for review engagements. Accordingly, we do not express an audit opinion on this financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements of Ogwawishta Dedwahsnye for the year ended March 31, 2018 is not prepared, in all material respects, in accordance with the Accounting Standard for Not-for-profit Organizations

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
January 9, 2019

OGWAWIHSTA DEDWAHSNYE

Statement of Financial Position

March 31, 2018, with comparative information for 2017
(Unaudited)

	2018	2017
Assets		
Current asset:		
Cash	$ 40,692	$ -
Accounts receivable (note 4)	-	22,570
	40,692	22,570
Equipment (note 3)	1,658	-
	$ 42,350	$ 22,570
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 2)	$ 10,329	$ 6,634
Due to related party (note 4)	1,916	-
	12,245	6,634
Net assets:		
Unrestricted	30,105	15,936
	$ 42,350	$ 22,570

See accompanying notes to financial statements.

OGWAWIHSTA DEDWAHSNYE

Statement of Operations

For the year ended March 31, 2018, with comparative information for period from incorporation on March 22, 2016 to March 31, 2017
(Unaudited)

		2018		2017
Revenue:				
Administration fees (note 4)	$	67,997	$	53,009
Cost of sales:				
Amortization		400		-
		67,597		53,009
Expenses:				
Office and general expenses (note 4)		29,018		26,151
Professional fees		14,385		3,151
Consulting fees		7,439		7,771
Advertising		2,000		-
Bank expense		586		-
		53,428		37,073
Excess of revenue over expenses	$	14,169	$	15,936

See accompanying notes to financial statements.

OGWAWIHSTA DEDWAHSNYE

Statement of Changes in Net Assets

For the year ended March 31, 2018, with comparative information for period from incorporation on March 22, 2016 to March 31, 2017
(Unaudited)

		2018		2017
Balance, beginning of period	$	15,936	$	-
Excess of revenue over expenses		14,169		15,936
Balance, end of year	$	30,105	$	15,936

See accompanying notes to financial statements.

OGWAWIHSTA DEDWAHSNYE

Statement of Cash Flows

March 31, 2018, with comparative information for 2017
(Unaudited)

		2018		2017
Cash provided by (used in):				
Operations:				
Excess of revenues over expenses	$	14,169	$	15,936
Items not involving cash:				
Amortization of equipment		400		-
Change in non-cash operating work capital				
Account receivable		22,570		(22,570)
Accounts payable and accrued liabilities		3,695		6,634
		40,834		-
Investing Activities:				
Advance to Haudenosaunee Development Institute		1,916		-
Purchase of property, plant and equipment		(2,058)		-
		(142)		-
Net increase in cash		40,692		-
Cash, beginning of the year		-		-
Cash, end of year	$	40,692	$	-

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 CPA 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 approximately 1.3 million

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposit which are highly liquid with original maturities of less than three months.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets are amortized on a straight-line basis using the following expected life:

	Years
Computer software and equipment	5

1. Significant accounting policies (continued):

(d) 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.

(e) 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. Capital assets:

March 31, 2018	Cost	Accumulated amortization	Net book value
Computer equipment	$ 2,058	$ 400	$ 1,658

Ogwawihsta Dedwahsnye purchased $2,058 computer equipment in fiscal year 2018. No capital assets existed in fiscal year 2017.

4. 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 payable for the period ended March 31, 2018 amount is $1,916 (2017 – Receivable $22,570). The amounts are non-interest bearing, unsecured, and due on demand. The fair value of the intercompany payable approximates the carrying value due to the current nature of the payable.

Administration revenues are earned by the Organization based on percentages outlined in the payroll services agreement. An amount of $67,997 (2017 - $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 $29,018 (2017 - $26,151) representing administrative charges has been incurred by the Organization and recorded as administration expenses.

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. There have no changes in risk exposures from 2017.

(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. There have no changes in risk exposures from 2017.