

Financial Statements of

OGWAWIHSTA DEDWAHSNYE

And Independent Auditors' Report thereon

Year ended March 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ogwawihsta Dedwahsnye

Opinion

We have audited the financial statements of Ogwawihsta Dedwahsnye (the "Entity"), which comprise:

- the statement of financial position as at end of March 31, 2019;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity 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.



Other Matter – Comparative Information

The comparative information as at and for the year ended March 31, 2018 is unaudited. Accordingly, we do not express an opinion on it.

However, the comparative information as at and for the year ended end of Y1 was previously reviewed by us and our report thereon, dated January 9, 2019, stated that nothing came to our attention that causes us to believe that the financial statements for the year then ended were not prepared, in all material respects, in accordance with the Accounting Standards for Not-for-profit Organizations. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the comparative information.

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 accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the financial statements.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 2, 2019

OGWAWIHSTA DEDWAHSNYE

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 32,329	\$ 40,692
Accounts receivable (note 4)	1,418	-
Due from related party (note 2)	6,054	-
	39,801	40,692
Equipment (note 3)	972	1,658
	\$ 40,773	\$ 42,350

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 10,668	\$ 10,329
Due to related party (note 2)	-	1,916
	10,668	12,245
Net assets:		
Unrestricted	30,105	30,105
	\$ 40,773	\$ 42,350

See accompanying notes to financial statements.

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Statement of Operations

For the year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
ALI program contribution (note 4)	\$ 28,356	\$ -
Administration fees (note 2)	-	67,997
Contribution for operating expenses (note 2)	12,072	-
	40,428	67,997
Expenses:		
ALI program costs (note 4)	28,356	-
Consulting fees	9,494	7,439
Professional fees	1,325	14,385
Bank expense	540	586
Amortization	686	400
Office and general expenses (note 2)	27	29,018
Advertising	-	2,000
	40,428	53,828
Excess of revenue over expenses	\$ -	\$ 14,169

See accompanying notes to financial statements.

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Statement of Changes in Net Assets

For the year ended March 31, 2019, with comparative information for 2018

	2019	2018
Balance, beginning of year	\$ 30,105	\$ 15,936
Excess of revenue over expenses	-	14,169
Balance, end of year	\$ 30,105	\$ 30,105

See accompanying notes to financial statements.

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Statement of Cash Flows

March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ -	\$ 14,169
Items not involving cash:		
Amortization of equipment	686	400
Change in non-cash operating work capital		
Account receivable	(1,418)	22,570
Accounts payable and accrued liabilities	339	3,695
	(393)	40,834
Investing Activities:		
Advance (to) from Haudenosaunee Development Institute	(7,970)	1,916
Purchase of property, plant and equipment	-	(2,058)
	(7,970)	(142)
Net (decrease) increase in cash	(8,363)	40,692
Cash, beginning of the year	40,692	-
Cash, end of year	\$ 32,329	\$ 40,692

See accompanying notes to financial statements.

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Notes to Financial Statements

Year ended March 31, 2019

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 works with the Haudenosaunee Confederacy Chiefs Council ("HCCC") on the disbursement of its land lease funds. Previously the organization provided payroll services to Haudenosaunee Development Institute ("HDI"), a formal unincorporated organization also established by the HCCC, however the arrangement was ended during the year. 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. Unrestricted contributions and administrative fee revenues 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 agreements is recognized when the services are provided or the goods are sold.

(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 equipment	3

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Notes to Financial Statements

Year ended March 31, 2019

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.

2. Related party transactions:

The Organization is controlled by and overseen by HCCC which also controls and oversees HDI.

Receivables from HDI, a related party, amount to \$6,054 (2018 – \$1,916 payable) as at March 31, 2019. The amounts are non-interest bearing, unsecured, and due on demand.

Administration revenues were earned by the Organization based on percentages outlined in the payroll services agreement which was terminated effective April 1, 2018. An amount of \$nil (2018 - \$67,997) has been received from HDI and recorded as administration fees.

Contributions for operating expenses are received by the Organization based on an amount up to 5% of the land lease revenue earned by HDI. An amount of \$12,072 (2018 - \$nil) has been received from HDI and recorded as contributions for operating expenses.

Office and general expenses of HDI were allocated to the Organization based on percentages outlined in the payroll services agreement which was terminated effective April 1, 2018. An amount of \$nil (2018 - \$28,393) was allocated to the Organization and recorded as office and general expenses.

The transactions above are made in the normal course of operations and are measured at the exchange amount agreed to by the related parties.

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Notes to Financial Statements

Year ended March 31, 2019

3. Capital assets:

March 31, 2019	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 2,058	\$ 1,086	\$ 972	\$ 1,658

4. ALI program contribution

Contributions for the Aboriginal Learning Initiative (ALI) are received by the Organization based on an agreement between the Organization and First Nations Confederacy of Cultural Education Centres (FNCCEC). An amount of \$28,356 (2018 - \$nil) was received by the Organization as revenue and subsequently allocated to ALI for use towards eligible expenditures in line with the agreement terms. During the year, the ALI incurred eligible expenditures in excess of the contribution. At year-end, \$1,418 in additional contributions have been recorded as a holdback receivable from FNCCEC with an equal amount payable to ALI.

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, contributions for operating expenses and support via cash flows and related accounts receivable. There have no changes in risk exposures from 2018.

(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 2018.