HIAWATHA FIRST NATION

REQUEST FOR PROPOSALS

2027-29 AUDITING SERVICES

RFP #2026-08
Issued: August 10, 2026

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A. GENERAL INSTRUCTIONS

A.1 Invitation

Hiawatha First Nation is seeking proposals from qualified firms for the provision of audit and assurance services. This RFP is open to any qualified firm. Hiawatha First Nation may also directly invite selected firms to participate; a direct invitation is not a requirement or a factor considered in the evaluation of proposals. In addition to auditing the financial statements of the First Nation under Canadian Auditing Standards, the financial statements are to be presented in conformity with Canadian Generally Accepted Accounting Principles for governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

A.2 Term

The engagement will begin with the fiscal period ending March 31, 2027 and will continue for a three-year term. However, the successful bidder will be reappointed on an annual basis through the execution of a signed engagement letter outlining the scope, deliverables, timing, fees and respective responsibilities of the auditor and the First Nation for that year. This typically happens soon after the audit is approved, once timing for the next year is finalized. The Council of Hiawatha First Nation reserves the right not to reappoint.

A.3 Extension

With mutual agreement, the term may be extended for a further two years at an agreed upon rate.

A.4 Submission Instructions

A detailed list of terms and conditions are included within. Respondents are requested to email proposals to both individuals listed. We look forward to receiving your proposal.

Dakota Law, Director of Finance
E: dof@hiawathafn.ca

Loni Thomson, Executive Assistant
E: executiveasst@hiawathafn.ca

All submissions must be received before 5:00pm ET, Wednesday September 30, 2026.

- Emails should include the subject line: Audit Services Proposal #2026-08 Company Name
- The name and address of the company should be clearly indicated in the body of the email
- Proposals sent by fax or mail will not be accepted
- A table of contents at the front of the proposal must outline all attachments and appendices
- All respondents must disclose any actual or potential conflicts of interest that may arise
- All information provided under any submissions will be considered and treated as confidential
- Submissions must be signed by an authorized official from the organization
- Submissions cannot be modified by respondents after the closing date and time
- Submissions shall remain valid and open for acceptance for 90 days following the deadline
- Hiawatha shall not be obligated in any way by any response to this request for proposal
- Hiawatha shall not be held liable for any costs incurred in preparation for this RFP

A.5 Inquiries

All inquiries regarding this request for proposal should be directed by email to: Dakota Law (dof@hiawathafn.ca). Any inquiries must be received by September 8, 2026. Responses to all inquiries will be provided by management by September 16, 2026. Responses to questions that materially affect the interpretation of the RFP will be circulated to all proponents.

B. BACKGROUND

B.1 Activities and Structure

Hiawatha is a First Nation located on the north shore of Rice Lake that is governed by an elected Chief and Council who manages and oversees the delivery of programs and services to Citizens of the Nation. Council is responsible for the financial administration of all funds and associated transactions. The government organization houses about 100 permanent, full-time staff to serve just over 1,000 Citizens. Copies of the 2025-26 audited financial statements are included as a reference in preparing your proposal.

B.2 Key Personnel

The Finance Team consists of four individuals. Accounts Payable and Accounts Receivable Finance Clerks report to a Finance Manager, who reports to the Director of Finance. The Director of Finance reports to the Executive Director.

The team prepares detailed working papers for year-end in advance and during the annual audit. Financial Statements and Schedules are prepared by the auditors.

B.3 Software Environment

The Finance Team uses Sage 300 ERP for general ledger, accounts payable, accounts receivable, and payroll processing.

C. SCOPE OF SERVICES

C.1 Key Deliverables

A complete scope of requirements is included within. In addition to an audit of the consolidated financial statements of the First Nation, the year-end reporting requirements include certain supplemental reports as mandated by various government funding departments and attendance at the community annual information meeting to present the consolidated financial statements and audit findings.

The key deliverables include:

- An audit of the consolidated financial statements of Hiawatha First Nation for each fiscal year ending March 31, conducted in accordance with Canadian Auditing Standards and Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada, and the issuance of an independent auditor's report on the consolidated financial statements, addressed to Chief and Council;
- Preparation of a supplemental reporting package for Indigenous Services Canada and other government funding departments, consisting of unaudited program schedules;
- Preparation of compliance reports required under the First Nations Financial Transparency Act (FNFTA), including a Schedule of Remuneration for Elected Officials, and a Schedule of Remuneration for Unelected Officials;
- An audit of the statement of revenue and expenditure for the following reports:
    a. Ontario First Nations Limited Partnership (OFNLP) – Schedule 9.1;
    b. First Nations Land Management (FNLM) – Land Code;
    c. Ministry of Health (MOH) – Enhanced Home & Community Care;
- Preparation of other supplemental reports which can vary year to year, and for which fees can be agreed upon separately. A comprehensive list of current-year supplemental reporting requirements will be confirmed with the successful proponent during planning;
- A management letter identifying internal control observations, recommendations, and any matters arising from the audit;
- Attendance and presentation at the annual Citizen Information Meeting consisting of the consolidated financial statements and audit findings;
- Telephone and email consultation throughout the year on accounting, reporting, and internal control matters arising in the ordinary course, at no additional charge. Significant research, investigation, or advisory work falling outside the ordinary scope of the audit may be billed separately, subject to prior written approval from the Director of Finance;
- All deliverables must be approved and submitted to funders within 120 days of fiscal year end, which falls just before July 31 each year. A detailed set of expectations can be found in the subsection that follows: see **C.2 Activity Planning Detail**.

C.2 Activity Planning Details

Below you will find a description of the typical course of activities that happen during each audit.

Month	First 2 Weeks	Last 2 Weeks
April	Hiawatha is completing final payments for year-end, which happen bi-weekly	Hiawatha is finalizing revenues, accounts receivable, inventory, etc.
May	Hiawatha is working on funding reconciliations, revenue recognition	Hiawatha is gathering information for audit requirements and completing worksheets
June	Auditors are onsite to conduct year-end fieldwork and testing	Auditors may be following up for additional information or verifications
July	Management is reviewing first draft of audit package and providing feedback	Meetings with Finance and Audit Committee and Council for recommendation and approval

A more detailed description of typical activities and expectations during the audit period follows:

- Interim planning and risk assessment meetings with the Director of Finance and Finance Manager shall take place in advance of fieldwork. This has historically taken place as early as November and as late as February prior to year end.
- Year-end fieldwork shall happen at a mutually agreed time following March 31. Historically this happened during the first week of June, with an optional second week for additional time. This timing has allowed Hiawatha to properly prepare year-end working papers.
- Year-end working papers prepared by the Finance Team include the trial balance, supporting transaction detail, account reconciliations, and third-party confirmations where appropriate.
- First draft copies of the consolidated financial statements and management letter shall be sent to the Director of Finance for review no later than July 1. The Finance and Audit Committee will meet in the weeks that follow to review and provide its recommendations to Council, before seeking final approval of the audit package from Council, prior to the 120-day filing deadline.

D. SUBMISSION REQUIREMENTS

D.1 Proposal Contents

To allow for a meaningful evaluation, each proposal should be ordered to include the following:

1. **Company Profile:** an overview description of the firm, including office location and any other organizational highlights, as well as confirmation that the firm is a licensed public accounting firm in good standing with CPA Ontario and CPA Canada
2. **Audit Team:** An outline of the proposed audit team, with curricula vitae for the engagement partner, manager, and any other senior staff who will work on the engagement
3. **Approach and Methodology:** a description of the firm's audit approach and methodology, including how the firm proposes to coordinate interim and year-end fieldwork with the Finance Team and how the firm will meet reporting deadlines
4. **Audit Timeline:** A proposed timeline showing planning, interim fieldwork, year-end fieldwork, draft deliverables, and presentation at the Citizen Information Meeting
5. **Fee Schedule:** A fee schedule showing all-inclusive fees for each year of the engagement, broken down by staff level (partner, manager, senior, staff) with hourly rates and estimated hours, together with the firm's policy on out-of-pocket expenses, travel, and HST; hourly rates by position for advisory work falling outside the scope of the audit; and a description of any cost-reduction efficiencies the firm proposes to bring to the engagement
6. **Disclosure:** Disclosure of any actual or potential conflicts of interest, including any other engagements the firm has or may have with Hiawatha First Nation or related entities
7. **References:** Three (3) references from comparable First Nations or Indigenous public sector clients audited by the firm in the last three (3) years, including contact name, title, and email
8. **Value-Added Services:** A description of any resources or advice offered by the firm to First Nations or other clients at no additional charge — such as seminars, publications, training, or staff assistance relating to upcoming accounting changes — and any other ways the firm proposes to support Hiawatha First Nation's capacity-building, financial literacy, or community activities and events

Additional information on submission structure can be found in **D.2 Evaluation Criteria**.

D.2 Evaluation Criteria

Proposals will be evaluated by Hiawatha First Nation on the basis of the following weighted criteria, for a total of 100 points:

1. **Audit Price (35 points)**
   - A firm quotation for fees charged for each year of the 3-year initial term (excluding out of pocket expenses)
   - The firm's "Out of Pocket Expense" policy (i.e., actual expenses incurred based on receipts)
   - Estimated hours and rates required to carry out the audit, broken down by category of staff.
   - Information regarding any resources or advice offered by the firm to First Nations or other clients free of charge, such as seminars, publications, and/or other staff assistance relating to upcoming accounting changes or other areas for capacity-building
   - Hourly rates by position for advisory work falling outside the scope of the audit
   - An orientation towards finding efficiencies and other cost reduction efforts in providing external audit services
   - Finding ways to maintain / enhance value for Hiawatha by demonstrating support for other first nation activities and events, financial literacy, and/or capacity-building

2. **Capability and Experience (30 points)**
   - Ability to meet independence requirements
   - Information and background of the partner(s) and other key staff who will be assigned
   - Qualifications and experience of the proposed audit team, including any skills or experience relevant to the audit (e.g., fund accounting, asset retirement obligations, etc.)
   - Experience working with First Nations and/or other similar organizations in Ontario required to comply with the Broader Public Sector Accountability Act
   - Three examples of audits performed of similar scope and complexity, completed within the last three years, to be included as references and assessed on quality and relevancy
   - Capacity to provide assistance in other areas such as: risk management, good governance
   - Experience and continuity of audit personnel

3. **Proposed Audit Approach (25 points)**
   - Ability to meet deadlines outlined within this document
   - Timing and other proposed adjustments to activity planning detail offered above
   - Scope, timing and percentage of work to be performed on an interim basis
   - Availability and timely response to discuss complex accounting, tax, or reporting questions
   - Approach to resolution of accounting or disclosure issues
   - Use of technology or other techniques to keep audits efficient and on track
   - Approach to post-audit / management letters

4. **Quality of Submission (10 points)**
   - Proposal completeness, formatting, and organization

E. EVALUATION PROCESS

E.1 Key Dates

Activity	Key Dates
RFP Issued	August 10, 2026
Inquiries Deadline	September 8, 2026
Responses to Inquiries	September 16, 2026
Submission Deadline	September 30, 2026, 5:00 pm ET
Anticipated Selection	October 30, 2026
Notification to Proponents	November 13, 2026
Interim Audit Work	*Proposal Dependent*
First Fiscal Year End	March 31, 2027

E.2 Review Committee

Proposals will be reviewed by an evaluation committee composed of the Director of Finance, the Executive Director, a member of the Finance and Audit Committee and a designate of Chief and Council. The committee will score each proposal against the criteria in Section D.2, may shortlist proponents for follow-up interviews or clarification, and will recommend a preferred proponent to Chief and Council for approval. Hiawatha First Nation expects to communicate its selection no later than October 30, 2026, and to notify unsuccessful proponents by November 13, 2026.

E.3 Reserved Rights

Hiawatha First Nation reserves the right to:

- Accept or reject any or all proposals, including the lowest-priced proposal, at its sole discretion
- Waive any informality or irregularity in any proposal
- Request clarification or additional information from any proponent
- Negotiate the final terms of engagement with one or more proponents
- Cancel or amend this Request for Proposal at any time prior to execution of an engagement letter, without liability to any proponent
- A binding contractual relationship shall arise only upon execution of a written engagement letter, signed by both an authorized representative of Hiawatha First Nation and the successful proponent, for each fiscal year of the engagement as contemplated in Section A.2.

HIAWATHA FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2026

HIAWATHA FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2026

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HIAWATHA FIRST NATION

For The Year Ended March 31, 2026

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Hiawatha First Nation are the responsibility of management and have been approved by Council.

The consolidated 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 citizens. 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 consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the citizens. Baker Tilly KDN LLP has full and free access to Council.

Chief _______________ Date July 30, 2026

Comptroller Dakota Lar Date July 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To Council and the Citizens of Hiawatha First Nation

Opinion
We have audited the consolidated financial statements of Hiawatha First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2026, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2026, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
July 30, 2026

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HIAWATHA FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At March 31, 2026

	2026 $	2025 $
FINANCIAL ASSETS		
Cash (note 2)	9,575,530	9,583,907
Investments (note 3)	44,094,482	43,602,649
Due from Government and other Government organizations (note 5)	2,273,211	2,573,659
Other accounts receivable	619,455	685,232
Inventory for resale (note 4)	1,136,291	1,072,971
Receivable from First Nation citizens (note 6)	2,012,470	2,265,717
TOTAL FINANCIAL ASSETS	59,711,439	59,784,135
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	4,703,783	2,559,732
Due to Government and other Government organizations (note 9)	1,180,260	1,196,893
Deferred revenue (note 14)	6,649,012	8,189,553
Bank loan (note 7)	11,400,001	16,133,333
Employee future benefits (note 15)	321,400	306,700
Asset retirement obligation (note 17)	340,000	430,000
TOTAL LIABILITIES	24,594,456	28,816,211
NET FINANCIAL ASSETS	35,116,983	30,967,924
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	55,434,380	48,672,207
Prepaid expenses (note 10)	165,118	184,040
Property acquisition cost (note 22)	388,272	-
TOTAL NON-FINANCIAL ASSETS	55,987,770	48,856,247
Accumulated surplus (note 19)	86,618,519	75,913,979
Accumulated remeasurement gains	4,486,234	3,910,192
	91,104,753	79,824,171

Approved on behalf of the citizens:

_______________ Chief   _______________ Councillor

The accompanying notes are an integral part of these financial statements

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HIAWATHA FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31, 2026

	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $
REVENUES			
Indigenous Services Canada (ISC) (notes 21 and 25)	7,125,396	12,773,170	6,535,476
Federal Government other (note 21)	7,026,085	3,351,881	2,709,290
Province of Ontario (note 21)	1,643,701	2,066,498	2,062,593
Fuel Charge Proceeds Fund for Indigenous Governments	-	1,011,000	-
Ontario First Nations Limited Partnership	1,118,306	1,120,103	1,171,390
Old Railroad Stop	20,132,389	17,941,472	19,137,508
Investment income	5,457,400	5,526,903	4,864,059
Bijiinago Noongom Waabang Trust reimbursement	-	3,190,726	-
Other	2,891,043	3,895,945	3,192,103
TOTAL REVENUES	45,394,320	50,877,698	39,672,419
EXPENSES			
Administration	7,032,423	11,670,736	13,145,080
Community operations	1,531,527	2,636,175	1,482,760
Economic development	208,327	169,921	151,065
Education	1,648,599	1,500,172	1,375,608
Land management	1,539,577	1,545,445	772,639
Social development	3,778,021	4,137,495	3,378,441
Old Railroad Stop	19,994,849	18,118,573	18,886,356
Other commercial operations	440,000	397,641	356,829
TOTAL EXPENSES	36,173,323	40,176,158	39,548,778
ANNUAL SURPLUS	9,220,997	10,701,540	123,641
ACCUMULATED SURPLUS - beginning of year		75,913,979	75,790,338
ACCUMULATED SURPLUS - end of year		86,615,519	75,913,979

The accompanying notes are an integral part of these financial statements

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HIAWATHA FIRST NATION

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended March 31, 2026

	Actual 2026 $	Actual 2025 $
Balance, beginning of year	3,910,192	4,824,093
Unrealized gains (losses) attributable to:		
Portfolio investments during the year	2,876,370	2,011,369
Realized losses (gains), reclassified to the statement of operations:		
Portfolio investments during the year	(2,300,328)	(2,925,270)
ACCUMULATED REMEASUREMENT GAINS - end of year	4,486,234	3,910,192

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31, 2026

	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $
ANNUAL SURPLUS	9,220,997	10,701,540	123,641
Amortization of tangible capital assets	1,448,827	1,633,867	1,448,827
Acquisition of tangible capital assets	(9,923,950)	(8,396,040)	(4,403,201)
Loss on disposal of tangible capital assets	-	-	81,931
(Increase) decrease in prepaid expenses	-	18,922	(55,635)
Increase in property acquisition cost	-	(388,272)	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	745,874	3,570,017	(2,804,437)
NET FINANCIAL ASSETS - beginning of year	30,967,924	30,967,924	34,686,262
INCREASE/(DECREASE) IN ACCUMULATED REMEASUREMENT GAINS	-	576,042	(913,901)
NET FINANCIAL ASSETS - end of year	31,713,798	35,113,983	30,967,924

The accompanying notes are an integral part of these financial statements

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HIAWATHA FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2026

	2026 $	2025 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	10,701,540	123,641
Items not involving cash		
Amortization of tangible capital assets	1,633,867	1,448,827
Loss on disposal of tangible capital assets	-	81,931
Employee future benefits	14,700	17,600
Realized gain on disposal of investments	(2,300,328)	(2,925,270)
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	300,448	(1,515,109)
Other accounts receivable	65,777	(109,219)
Inventory for resale	(63,320)	(468,576)
Prepaid expenses	18,922	(55,635)
Property acquisition cost	(388,272)	-
Accounts payable and accrued liabilities	2,144,051	(162,512)
Due to Government and other Government organizations	(16,633)	(28,458)
Deferred revenue	(1,540,541)	2,531,062
Asset retirement obligations - remediation costs incurred	(90,000)	-
Net change in cash from operating activities	10,480,211	(1,061,718)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(8,396,040)	(4,403,201)
INVESTING ACTIVITIES		
Purchase of investments	(1,984,855)	(2,409,734)
Disposal of investments	4,369,392	11,809,903
Advances to First Nation citizens	(914,537)	(450,192)
Repayments from First Nation citizens	1,167,784	639,017
Net change in cash from investing activities	2,637,784	9,588,994
FINANCING ACTIVITIES		
Debt principal repayments	(4,733,332)	(2,800,000)
NET CHANGE IN CASH	(11,377)	1,324,075
CASH - beginning of year	9,583,907	8,259,832
CASH - end of year	9,572,530	9,583,907

The accompanying notes are an integral part of these financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated 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 consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity includes the reporting entity government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements include:

- Zhooniya Makak GP Inc.
- Zhooniya Makak Limited Partnership
- AKI Land Holdings Inc

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 and diesel 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	25-50 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.

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 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;
- Employee future benefits payable depend on certain actuarial and economic assumptions.
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances; and
- The amount recorded for asset retirement obligations of tangible capital assets is based on consultants estimate of future costs on closure and post closure of asset.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported 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. Cash, investments in investment savings accounts, due from government and other government organizations, other accounts receivable, receivable from First Nation citizens, accounts payable and accrued liabilities, due to government and other government organizations, and bank loan are recorded at amortized cost. Investments in mutual funds are recorded at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

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.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(j) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense if the timing of retirement of the asset is known. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (d).

A liability for the removal of asbestos in several of the buildings and removal of fuel tanks owned by the First Nation has been recognized based on estimated future expenses.

2. CASH

Cash consists of the following:

	2026 $	2025 $
Unrestricted	3,507,883	5,775,539
Externally restricted:		
Ontario First Nation Limited Partnership	4,371,780	2,356,583
Lottery	20,756	1,974
	4,392,536	2,358,557
Internally restricted:		
Williams Treaty settlement	1,436,078	1,394,332
Islands in the Trent settlement	3,450	3,349
Zhooniya Makak Limited Partnership	235,583	52,130
	1,675,111	1,449,811
	9,575,530	9,583,907

3. INVESTMENTS

Investments consist of the following:

	2026 $	2025 $
Externally restricted:		
Ontario First Nation Limited Partnership	3,350,946	3,006,878
Internally restricted:		
Islands in the Trent settlement	16,570,893	15,246,458
Islands in the Trent minor citizens' settlement	1,191,355	1,158,356
Williams Treaty settlement	22,981,288	24,190,957
	40,743,536	40,595,771
	44,094,482	43,602,649

Investments are classified as follows:

	Type	2026 $	2025 $
Investment savings accounts	1	455,363	397,309
Mutual funds	1	43,639,119	43,205,340
		44,094,482	43,602,649

There were no transfers in or out of level 2 and level 3 during the year as outlined in Note 1(i).

4. INVENTORY FOR RESALE

Inventory consists of the following:

	2026 $	2025 $
General store merchandise	991,766	932,464
Gasoline, diesel and propane	144,525	140,507
	1,136,291	1,072,971

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2026 $	2025 $
Federal Government		
Indigenous Services Canada	272,016	1,724,945
Indigenous Leadership Fund	81,097	-
Investing in Canada Infrastructure Program	1,333,096	52,912
Other	88,326	210,092
	1,774,535	1,987,949
Provincial Government		
Kagita Mikam	50,000	50,000
Ministry of Health - Homemakers	53,552	24,698
Investing in Canada Infrastructure Program	325,809	389,026
Ontario Works	5,742	9,752
Other	63,573	112,234
	498,676	585,710
	2,273,211	2,573,659

6. HOUSING LOANS RECEIVABLE FROM FIRST NATION CITIZENS

Receivable from First Nation citizens is comprised of the following:

	2026 $	2025 $
Housing loans receivable	2,531,649	2,809,896
Forgivable portion of housing loans receivable	(519,179)	(544,179)
	2,012,470	2,265,717

These loans are non-interest bearing and mature between 2027 and 2047.

7. BANK LOAN

(a) The balance reported on the Consolidated Statement of Financial Position is made up of the following:

	2026 $	2025 $
Non-revolving demand loan, repayable in monthly principal payments of $66,667 plus interest at the bank's prime rate less 0.3%, secured by general security agreement representing a first charge on all HFN present and after acquired personal property, band council resolution and assignment of insurance proceeds.	11,400,001	16,133,333

(b) During the fiscal year, $4,000,000 was received from Indigenous Services Canada and was applied to the balance of the loan.

(c) Interest expense on the bank loan amounts to $626,581 (2025 - $1,048,616).

(d) The debt reported in (a) of this note is repayable as follows under the new terms of the financing agreement:

	Principal $
2027	800,000
2028	800,000
2029	800,000
2030	800,000
2031	800,000
2032 and subsequent years	7,400,001
	11,400,001

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2026 $	2025 $
Trade payables	2,190,034	984,597
Accrued liabilities	2,513,749	1,575,135
	4,703,783	2,559,732

9. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2026 $	2025 $
Federal Government		
ISC - Education	171,828	120,774
Health Canada	24,495	10,159
Payroll remittances	18,746	14,189
	215,069	145,122
Province of Ontario		
Ministry of Education	703,158	697,130
Ministry of Health	22,021	160,860
Transitional support funding	105,541	76,249
Ministry of Children, Community and Social Services	49,086	46,685
Ministry of Indigenous Affairs	58,711	58,711
Other	26,674	12,136
	965,191	1,051,771
	1,180,260	1,196,893

10. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2026 $	2025 $
Student tuition and allowances	16,625	12,000
Insurance	94,333	80,201
Ontario Works	-	14,755
Supplies	27,470	32,187
KPRDSB costs	26,690	28,086
Software	-	16,811
	165,118	184,040

11. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The First Nation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise. Bank loan interest is subject to interest rate risk as it is variable based on the bank's prime rates.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

The First Nation reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The First Nation monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

(c) Market risk

The First Nation is exposed to certain market risks including changes in pricing and limited access to foreign markets.

In the opinion of management, the First Nation is not exposed to any significant liquidity or currency risk.

12. 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. Total contributions to the plan in 2026 were $221,584 (2025 - 194,953) of which $125,619 (2025 - 111,926) was contributed by employees of the First Nation. 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.

13. 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.

14. DEFERRED REVENUE

Deferred revenue consists of the following:

	Balance March 31, 2025 $	Funding Received/ Reallocated 2026 $	Revenue Recognized 2026 $	Balance March 31, 2026 $
Restricted Contributions				
Association of Iroquois and Allied Indians (AIAI)	244,610	957,615	869,116	333,109
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
ISC - P & ID	147,524	-	-	147,524
ISC - Post secondary	113,087	512,038	375,249	249,876
ISC - Health	1,066,758	1,414,291	871,180	1,609,869
ISC - LEDSP	-	120,887	-	120,887
ISC - Com Based Prev	1,358,407	535,878	372,613	1,521,672
ISC - Capital Projects	1,262,132	1,214,220	1,736,794	739,558
ISC - Capacity Building Funding	245,966	-	-	245,966
ISC - Pandemic	214,583	-	-	214,583
ISC - Family Violence	10,951	10,049	7,953	13,047
ISC - Vulnerable systems	224,468	-	-	224,468
ISC - A&C water	180,805	-	-	180,805
ISC - Housing management	268,072	327,679	595,751	-
ISC - Special education	479,068	-	80,000	399,068
ISC - Youth strategy	24,499	23,945	23,747	24,697
ISC - Capacity development	45,404	-	-	45,404
ISC - Community well-being initiative	233,198	82,767	262,147	53,818
	6,178,649	5,199,369	5,194,550	6,183,468
Other				
Rent deposits	14,087	118,229	119,783	12,533
Committee funds	226,076	108,313	47,881	286,508
Other	202,858	382,510	434,328	151,040
CMHC RRAP	-	12,000	-	12,000
CMHC co-investment	73,221	-	69,758	3,463
ILF funding	1,494,662	-	1,494,662	-
	2,010,904	621,052	2,166,412	465,544
	8,189,553	5,820,421	7,360,962	6,649,012

15. EMPLOYEE FUTURE AMOUNTS PAYABLE

The First Nation provides eligible employees a one time payment at retirement. An actuarial valuation of these liabilities has been performed and the amounts are recorded in the Consolidated Statement of Financial Position

The actuarial valuation as at March 31, 2026 was based on a number of assumptions about future events, such as discount rate, salary inflation rates, salary grid progression and employee turnover and mortality. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The assumptions used reflect management's best estimate. The main actuarial assumptions employed for the valuation are as follows:

	2026 $	2025 $
Accrued benefit obligation	298,300	281,100
Unamortized actuarial gain/ (loss)	23,100	25,600
Employee future benefits, end of year	321,400	306,700

Actuarial assumptions

Discount rate	4.0%
Salary grid progression -10 years or less of service	1.0%
- more than 10 years of service	0.0%
Salary inflation - initial	2.0%
- ultimate	2.0%

This figure is comprised of:

	2026 $	2025 $
Liability, beginning of year	306,700	289,100
Current year benefit cost	29,300	28,100
Interest cost	11,900	11,200
Contributions by employer	(24,000)	(19,200)
Amortization of actuarial loss	(2,500)	(2,500)
Liability, end of year	321,400	306,700

16. PER CAPITA DISTRIBUTION RECOVERIES

Hiawatha First Nation expects to received $7,331,940 from the Bijiinago Noongom Waabang Trust for per capita distributions that it has paid out to citizens. These funds are not recognized until approval by the Trustees and a First Nations council resolution, in accordance with the conditions of the Trust Deed.

17. ASSET RETIREMENT OBLIGATION

The First Nation's asset retirement obligation consists of the following:

(a) Asbestos obligation
The First Nation owns and operates several buildings that are known to have asbestos, which represents a health hazard. Upon demolition of the buildings there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the First Nation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at April 1, 2022. During the year, the First Nation completed renovations to one of the buildings, which resulted in the partial remediation of its asset retirement obligation. As a result, approximately 50% of the previously recognized asset retirement obligation liability was derecognized.

(b) Fuel tank obligation
The First Nation owns fuel tanks, for which there is a legal requirement for removal and remediation. Following the adoption of PS3280 – Asset retirement obligations, the First Nation recognized an obligation relating to the removal and post-removal care of the fuel tanks as estimated at April 1, 2022.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Fuel tank removal $	Asbestos removal $	2026 Total $	2025 Total $
Opening balance	80,000	350,000	430,000	430,000
Remediation	-	(90,000)	(90,000)	-
Closing balance	80,000	260,000	340,000	430,000

18. BUDGET FIGURES

The budget, approved by the First Nation differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the PSA presented budget:

	2026 $
Council approved budgeted surplus/(deficit)	861,544
Tangible capital asset additions included as expenditures in the Council approved surplus/(deficit)	9,923,950
Amortization of tangible capital assets not recognized as an expenditure in the Council approved surplus/(deficit)	(1,448,827)
Transfers to/(from) reserves that were considered expenditures in the Council approved surplus/(deficit)	(115,670)
Annual surplus reported on the Consolidated Statement of Operations	9,220,997

19. ACCUMULATED SURPLUS

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

	2026 $	2025 $
Surplus/(Deficit)		
Operating - General	(2,297,853)	3,398,799
Operating - Zhooniya Makak Limited Partnership	4,379,957	-
Unfunded Employee Future Benefits	(321,400)	(306,700)
	1,760,704	3,092,099
Invested In Capital Assets		
Tangible capital assets - net book value	55,434,380	48,672,207
Debt related to capital assets	(11,400,001)	(16,133,333)
Unfunded capital - Seniors Complex	(1,450,125)	-
Asset retirement obligations	(340,000)	(430,000)
	42,244,254	32,108,874
Surplus	44,004,958	35,200,973
Restricted		
Internally restricted:		
Business buildings	102,500	90,500
Rental facilities replacement	36,454	71,406
Education	264,839	264,839
Lands management	82,700	82,700
Economic development	24,088	24,088
Child care	508,678	508,678
Special projects	42,657	42,657
Clean water	1,457,962	747,824
Economic development	39,608	39,608
OW basic needs	7,058	7,058
Capital housing program	2,040,784	1,985,512
Community building	149,124	132,324
Fuel charge proceeds	1,011,000	-
Water treatment replacement	15,000	-
Islands in the Trent minor citizens' settlement - see (b) below	451,134	449,590
Williams Treaty settlement - see (c) below	20,695,146	22,424,526
Islands in the Trent settlement - see (a) below	13,315,803	11,998,754
Externally restricted:		
Ontario First Nation Limited Partnership	2,369,026	1,842,942
Total Restricted	42,613,561	40,713,006
	86,618,519	75,913,979

19. ACCUMULATED SURPLUS, continued

(a) Islands in the Trent settlement

	2026 $	2025 $
Opening balance	11,998,754	11,097,115
Investment income	1,400,379	1,291,743
Investment management fees	(59,517)	(74,604)
Annuity distributions	(20,613)	(312,300)
Professional fees	(3,200)	(3,200)
	13,315,803	11,998,754

(b) Islands in the Trent minor citizens' settlement

	2026 $	2025 $
Opening balance	449,590	412,840
Investment income	83,028	128,734
Initial distributions	(60,000)	(70,000)
Interest distributions	(16,532)	(17,137)
Investment management fees	(4,752)	(4,647)
Professional fees	(200)	(200)
	451,134	449,590

(c) Williams Treaty settlement

	2026 $	2025 $
Opening balance	22,424,526	26,692,117
Investment management fees	(87,920)	(121,666)
Investment income	2,691,407	3,305,210
BNW Trust reimbursement	3,190,726	-
Professional fees	(7,760)	(43,942)
Legal reimbursement	123,953	-
Capital expenditures	(250,203)	(223,211)
Other expenses	(57,643)	-
Distributions - interest	(782,940)	(391,982)
Distributions - initial	(6,549,000)	(6,792,000)
	20,695,146	22,424,526

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 the Bank of Montreal for its On-Reserve Housing Loan Program. The guarantee is up to $5,000,000, with individual loan maximum values of $400,000. As at March 31, 2026 the First Nation has provided guarantees for loans totaling $2,272,413.

21. GOVERNMENT TRANSFERS

Government transfers consist of the following:

	2026 $	2025 $
Indigenous Services Canada		
Operating	10,915,737	5,437,950
Capital	1,857,433	1,097,526
	12,773,170	6,535,476
Federal Government other		
Indigenous Leadership Fund	1,575,760	32,763
Canada Mortgage and Housing Corporation	69,758	87,170
Human Resource Development Canada	-	9,084
Parks Canada	17,000	-
Investing in Canada Infrastructure Program	1,338,687	1,627,181
National housing co-investment fund	-	31,762
Natural infrastructure fund	83,860	257,414
Canadian Heritage	6,700	8,000
Clean Water Class Action proceeds	233,037	655,916
Canada Summer Jobs	27,079	-
	3,351,881	2,709,290
Province of Ontario		
Investing in Canada Infrastructure Program	327,175	397,683
Indigenous Community Capital Grant Program	-	150,000
Operating	1,739,323	1,514,910
	2,066,498	2,062,593
	18,191,549	11,307,359

22. SUBSEQUENT EVENT

Subsequent to year-end, on April 1, 2026, the First Nation, through Aki Land Holdings Inc., completed the purchase of a property for a total purchase price of $380,000. As at March 31, 2026, a deposit of $50,000 had been paid toward the purchase, and the remaining balance of $330,000, plus applicable legal costs, had been remitted in anticipation of closing. The payment cleared the First Nation's bank account on March 31, 2026. Legal title to the property transferred on April 1, 2026.

Subsequent to year-end, on April 9, 2026, the First Nation received the first advance under a CMHC funding agreement for the Elders Lodge capital project. The agreement provides total financing of up to $2,053,751, consisting of a forgivable loan of up to $900,000 and a repayable loan of up to $1,153,751. The initial advance received was $900,000, less applicable transfer fees. No amounts related to this financing have been recognized in these financial statements as at March 31, 2026.

23. 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.

24. COMMITMENT

As part of the Williams Treaties First Nations group, Zhooniya Makak Limited Partnership ("ZMLP" - a related entity controlled by the Fist Nation), through its ownership interest in WTFN Investment Holdings LP, participates in an investment arrangement relating to the Darlington Small Modular Reactor ("SMR") project. An initial term sheet was executed in December 2025 by ZMLP with the Federal and Provincial governments to facilitate Indigenous participation in the project.

ZMLP is committed to fund its proportionate share of future capital contributions as required under the partnership agreements, the amount and timing of future contributions remain dependent upon project development milestones and the terms of the underlying agreements.

25. RECONCILIATION OF ISC FUNDING TO FIRST NATION ISC REVENUE

	2026 $
ISC Funding Per Confirmation	7,783,338
add: other ISC funding receivable	272,016
less: prior year ISC receivable received in 2026	(12,853)
add: other ISC funding not on confirmation	4,011,153
add: other ISC funding on 2025 confirmation not received nor spent in 2025	701,225
	12,754,879
Add 2025 Deferred Revenue	
Community based prevention	1,358,407
Community well-being initiative	233,198
Special education	479,068
Post secondary education	113,087
Health	1,066,758
A&C Water	180,805
Pandemic	214,583
CFS Capacity Building	245,966
Capital projects	1,262,132
Vulnerable systems	224,468
P & ID	147,524
Capacity development	45,404
Family violence	10,951
Housing management	268,072
Youth strategy	24,499
	5,874,922
Less 2026 Deferred Revenue	
Community based prevention	1,521,672
Community well-being initiative	53,818
Special education	399,068
Post secondary education	249,876
Health	1,609,869
A&C Water	180,805
Pandemic	214,583
CFS Capacity Building	245,966
Capital projects	739,558
Vulnerable systems	224,468
P & ID	147,524
Capacity development	45,404
Family violence	13,047
LEDSP	120,887
Youth strategy	24,697
	5,791,242
Less Amounts Repayable:	
Health	14,335
Adult education	51,054
	65,389
ISC Revenue For The Year	12,773,170

26. SEGMENTED INFORMATION

Hiawatha First Nation is a territorial government institution that provides a range of services to its citizens. 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 General Assistance to citizens and inhabitants of the First Nation, homes for the aged and child care services.

Old Railroad Stop

Old Railroad Stop includes operations of the gas bar and store.

Other commercial operations

Other commercial operations consists of the operations of Zhooniya Makak LP, and other commercial activities of the First Nation.

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 OF TANGIBLE CAPITAL ASSETS
For the Year Ended March 31, 2026

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance $	Additions $	Disposals $	Transfers $	Closing Balance $	Opening Balance $	Amortization $	Disposals, Write-offs & Other Adjustments $	Closing Balance $	2026 $	2025 $
Tangible Capital Assets											
Land	4,560,282	342,500	-	-	4,902,782	-	-	-	-	4,902,782	4,560,282
Land Improvements	5,527,610	66,659	-	99,313	5,693,582	1,351,103	260,071	-	1,611,174	4,082,408	4,176,507
Residential Buildings	4,142,281	105,225	85,551	-	4,161,955	1,072,450	152,671	85,551	1,139,570	3,022,385	3,069,831
Non-Residential Buildings	27,786,093	486,705	-	-	28,272,798	4,555,854	759,298	-	5,315,152	22,957,646	23,230,239
Vehicles	503,492	206,458	-	-	709,950	359,021	40,702	-	399,723	310,227	144,471
Computer Equipment	216,837	-	18,180	-	198,657	179,855	10,903	18,180	172,578	26,079	36,982
Other Equipment	2,017,944	647,921	107,000	-	2,558,865	1,095,385	147,330	107,000	1,135,715	1,423,150	922,559
Roads and Bridges	4,292,994	-	-	-	4,292,994	609,731	119,179	-	728,910	3,564,084	3,683,263
Waterworks and Septic Systems	7,112,664	26,170	-	-	7,138,834	341,554	143,713	-	485,267	6,653,567	6,771,110
	56,160,197	1,881,638	210,731	99,313	57,930,417	9,564,953	1,633,867	210,731	10,988,089	46,942,328	46,595,244
Assets Under Construction											
Land Improvements	589,875	39,449	-	(99,313)	530,011	-	-	-	-	530,011	589,875
Residential Buildings	70,849	-	-	-	70,849	-	-	-	-	70,849	70,849
Non-Residential Buildings	1,223,542	4,948,205	-	-	6,171,747	-	-	-	-	6,171,747	1,223,542
Other Equipment	-	43,378	-	-	43,378	-	-	-	-	43,378	-
Roads and Bridges	-	147,832	-	-	147,832	-	-	-	-	147,832	-
Waterworks and Septic Systems	192,697	1,335,538	-	-	1,528,235	-	-	-	-	1,528,235	192,697
	2,076,963	6,514,402	-	(99,313)	8,492,052	-	-	-	-	8,492,052	2,076,963
Total	58,237,160	8,396,040	210,731	-	66,422,469	9,564,953	1,633,867	210,731	10,988,089	55,434,380	48,672,207

During the year there were no write-downs of asset (2025 - $Nil), no interest capitalized (2025 - $Nil) and no contributed assets (2025 - $Nil).

HIAWATHA FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended March 31, 2026

	Administration			Community Operations			Economic Development		
	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)
Revenues									
ISC	4,600,824	525,172	540,825	3,829,564	1,719,601	2,392,121	116,063	143,919	116,143
Other Federal contributions	-	-	-	3,301,102	2,692,206	6,993,917	27,079	9,084	32,168
Province of Ontario	60,546	162,634	75,000	374,252	411,459	324,480	20,000	21,555	22,551
Other First Nations	1,011,000	-	-	-	-	-	-	-	-
OFNLP distributions	764,188	1,171,390	630,000	355,915	-	488,306	-	-	-
Other	9,276,181	6,325,519	5,415,065	244,445	219,336	194,505	33,761	19,461	43,058
	15,712,739	8,184,715	6,660,890	8,105,278	5,042,602	10,393,329	196,903	194,019	213,920
Expenses									
Salaries and benefits	1,557,181	1,644,046	1,477,435	801,472	461,471	722,316	147,895	124,957	161,225
Materials	454,248	489,657	432,200	181,942	150,766	174,400	31	-	-
Occupancy costs	125,570	165,308	169,044	161,534	183,500	(181,106)	-	-	-
Contracted services	287,998	406,283	148,200	125,788	59,300	144,050	900	-	-
Bank charges and interest	609,057	1,057,161	780,300	-	-	-	-	-	-
Program costs	8,006,488	8,675,556	3,400,106	595,367	16,803	60,947	21,095	26,108	47,102
Amortization	630,194	625,138	625,138	770,072	610,920	610,920	-	-	-
Loss on sale of tangible capital assets	-	81,931	-	-	-	-	-	-	-
	11,670,736	13,145,080	7,032,423	2,636,175	1,482,760	1,531,527	169,921	151,065	208,327
Net deficit	4,042,003	(4,960,365)	(371,533)	5,469,103	3,559,842	8,861,802	26,982	42,954	5,593

HIAWATHA FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE, continued
For the Year Ended March 31, 2026

	Education			Land Management			Social Development		
	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)
Revenues									
ISC	1,734,012	1,693,238	1,671,071	511,013	575,243	443,663	1,981,694	1,878,303	1,961,573
Other Federal contributions	-	-	-	17,000	-	-	6,700	8,000	-
Province of Ontario	-	-	-	197,820	150,000	85,000	1,413,880	1,316,945	1,136,670
Other	-	8,000	9,000	1,660,418	387,444	1,629,957	1,254,769	920,607	1,056,858
	1,734,012	1,701,238	1,680,071	2,386,251	1,112,687	2,158,620	4,657,043	4,123,855	4,155,101
Expenses									
Salaries and benefits	117,951	60,186	89,971	748,990	264,813	913,361	2,046,383	1,759,986	1,946,731
Materials	2,923	13	9,980	62,189	12,955	12,500	55,907	76,819	44,488
Occupancy costs	-	-	-	83,162	155,721	88,726	120,575	73,639	86,641
Contracted services	-	119,309	-	231,922	41,534	132,500	124,338	(86,832)	23,852
Bank charges and interest	-	-	-	-	-	-	-	-	-
Program costs	489,295	392,333	648,098	372,152	254,176	349,050	1,701,434	1,476,013	1,597,493
External transfers	890,003	803,767	900,550	-	-	-	-	-	-
Amortization	-	-	-	47,030	43,440	43,440	88,858	78,816	78,816
	1,500,172	1,375,608	1,648,599	1,545,445	772,639	1,539,577	4,137,495	3,378,441	3,778,021
Net deficit	233,840	325,630	31,472	840,806	340,048	619,043	519,548	745,414	377,080

HIAWATHA FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE, continued
For the Year Ended March 31, 2026

	Old Railroad Stop			Other Commercial Operations			Consolidated Totals		
	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)	Actual 2026 $	Actual 2025 $	Budget 2026 $ (note 18)
Revenues									
ISC	-	-	-	-	-	-	12,773,170	6,535,476	7,125,396
Other Federal contributions	-	-	-	-	-	-	3,351,881	2,709,290	7,026,085
Province of Ontario	-	-	-	-	-	-	2,066,498	2,062,593	1,643,701
Other First Nations	-	-	-	-	-	-	1,011,000	-	-
OFNLP distributions	-	-	-	-	-	-	1,120,103	1,171,390	1,118,306
Other	17,941,472	19,137,508	20,132,389	147,000	175,795	-	30,558,046	27,193,670	28,480,832
	17,941,472	19,137,508	20,132,389	147,000	175,795	-	50,880,698	39,672,419	45,394,320
Expenses									
Salaries and benefits	1,197,658	1,091,540	1,184,040	273,604	225,000	290,000	6,891,134	5,631,999	6,785,079
Materials	16,645,157	17,479,608	18,514,700	219	-	-	17,402,616	18,209,818	19,188,268
Occupancy costs	46,356	40,336	37,596	13,167	-	-	550,364	618,504	200,901
Contracted services	-	-	-	97,707	-	-	868,653	539,594	448,602
Bank charges and interest	131,430	184,359	168,000	-	-	-	740,487	1,241,520	948,300
Program costs	259	-	-	12,944	131,829	150,000	11,199,034	10,972,818	6,252,796
External transfers	-	-	-	-	-	-	890,003	803,767	900,550
Amortization	97,713	90,513	90,513	-	-	-	1,633,867	1,448,827	1,448,827
Loss on sale of tangible capital assets	-	-	-	-	-	-	-	81,931	-
	18,118,573	18,886,356	19,994,849	397,641	356,829	440,000	40,176,158	39,548,778	36,173,323
Net surplus/(deficit)	(177,101)	251,152	137,540	(250,641)	(181,034)	(440,000)	10,704,540	123,641	9,220,997