

Consolidated Financial Statements of

**SIX NATIONS OF THE  
GRAND RIVER**

And Independent Auditor's Report Thereon

For the year ended March 31, 2024

# SIX NATIONS OF THE GRAND RIVER

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For the year ended March 31, 2024

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## **Management's Responsibility for the Consolidated Financial Statements**

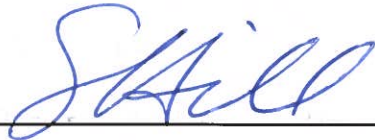
The accompanying consolidated financial statements of Six Nations of the Grand River ("Six Nations") as at and for the year end March 31, 2024 are the responsibility of Six Nations' management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements.

Six Nations' management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

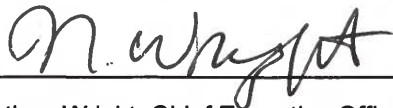
Six Nations Elected Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by Six Nations. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on Six Nations' consolidated financial statements.

On behalf of the Six Nations Elected Council:



Chief Sherri-Lyn Hill



Nathan Wright, Chief Executive Officer



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Commerce Place  
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## **INDEPENDENT AUDITOR'S REPORT**

To Six Nations Elected Council and Members of Six Nations of the Grand River

### ***Opinion***

We have audited the accompanying consolidated financial statements of Six Nations of the Grand River (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2024,
- the consolidated statement of operations and accumulated surplus for the year ended,
- the consolidated statement of changes in net financial assets for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(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, 2024, and its consolidated results of operations, its consolidated changes in net financial assets 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 Financial Statements***" section of our auditor's 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 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.



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

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

In preparing the financial statements, management is responsible for assessing the 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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- 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 conclusion is based on the audit evidence obtained up to the date of our auditor's 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 6, 2024

# SIX NATIONS OF THE GRAND RIVER

## Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

|   | 2024                  | 2023                  |
|---|-----------------------|-----------------------|
| <b>Financial assets</b>                               |                       |                       |
| Cash  | \$ 49,385,641         | \$ 89,421,201         |
| Cash – reserve deposits                               | 1,085,885             | 1,030,393             |
| Investments (note 3)                                  | 179,300,751           | 87,931,686            |
| Accounts receivable (note 4)                          | 28,411,722            | 19,187,566            |
| Housing loans receivable (note 5)                     | 43,096,734            | 42,736,499            |
| Other assets (note 6)                                 | 11,068,448            | 10,912,697            |
| Investment in Government Business Enterprise (note 7) | 1,693,640             | 1,845,657             |
|   | <u>314,042,821</u>    | <u>253,065,699</u>    |
| <b>Liabilities</b>                                    |                       |                       |
| Accounts payable and accrued liabilities              | 33,641,875            | 30,710,548            |
| Deferred revenue (note 8)                             | 148,924,655           | 109,932,845           |
| Other liabilities (note 11)                           | 5,942,558             | 6,926,949             |
| Asset retirement obligation (note 13)                 | 1,637,474             | 1,571,405             |
|   | <u>190,146,562</u>    | <u>149,141,747</u>    |
| Net financial assets                                  | 123,896,259           | 103,923,952           |
| <b>Non-financial assets</b>                           |                       |                       |
| Tangible capital assets (note 12)                     | 143,658,880           | 138,980,980           |
| Inventory   | 66,837                | 48,529                |
| Prepaid expenses                                      | 2,957,140             | 2,412,077             |
|   | <u>146,682,857</u>    | <u>141,441,586</u>    |
| Commitments (note 15)                                 |                       |                       |
| Contingencies (note 16)                               |                       |                       |
| Accumulated surplus (note 13)                         | <u>\$ 270,579,116</u> | <u>\$ 245,365,538</u> |

The accompanying notes are an integral part of these consolidated financial statements.

# SIX NATIONS OF THE GRAND RIVER

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

|   | Budget<br>(note 20)   | 2024                  | 2023                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Revenues:</b>  |                       |                       |                       |
| <b>User charges:</b>  |                       |                       |                       |
| Rental income   | \$ 3,030,087          | \$ 2,605,041          | \$ 2,369,247          |
| Accommodation charges   | 1,362,440             | 1,047,635             | 996,029               |
| User charges  | 1,034,324             | 1,034,325             | 1,047,237             |
|   | 5,426,851             | 4,687,001             | 4,412,513             |
| <b>Government transfers (note 18):</b>  |                       |                       |                       |
| Province of Ontario   | 57,627,083            | 47,658,082            | 57,139,494            |
| Other federal   | 4,721,848             | 1,349,704             | 2,428,442             |
| Indigenous Services Canada (note 17)  | 65,697,806            | 71,095,186            | 59,206,462            |
|   | 128,046,737           | 120,102,972           | 118,774,398           |
| <b>Other:</b>   |                       |                       |                       |
| Ontario First Nations Limited Partnership Agreement                                     | 8,008,791             | 11,663,674            | 8,250,716             |
| Rent and other land related revenue   | 7,857,161             | 14,685,707            | 7,469,325             |
| Donations   | 769,304               | 1,314,742             | 900,504               |
| Investment income   | 3,556,971             | 10,561,290            | 6,124,923             |
| Grand River Employment and Training Inc.  | 31,948                | 324,698               | 371,216               |
| Rent to own housing units   | –                     | 261,985               | 25,224                |
| Other revenue   | 3,000                 | 102,974               | 100,000               |
| Equity interest income in Six Nations Natural Gas Company Limited Partnership (note 7a) | –                     | 476,750               | 151,601               |
| Equity interest loss in Six Nations Cannabis Corporation (note 7b)                      | –                     | (628,767)             | (815,261)             |
|   | 20,227,175            | 38,763,053            | 22,578,248            |
| <b>Total revenues (note 19)</b>   | <b>153,700,763</b>    | <b>163,553,026</b>    | <b>145,765,159</b>    |
| <b>Expenses:</b>  |                       |                       |                       |
| Salary and benefits   | 76,954,442            | 66,849,447            | 60,336,253            |
| Administration  | 46,392,357            | 39,186,350            | 42,779,642            |
| Utilities   | 8,925,101             | 8,632,605             | 9,867,111             |
| Equipment and repairs   | 3,785,941             | 4,314,069             | 3,661,754             |
| Other expenses  | 20,193,977            | 10,280,506            | 5,193,607             |
| <b>Total expenses (note 19)</b>   | <b>156,251,818</b>    | <b>129,262,977</b>    | <b>121,838,367</b>    |
| <b>Annual surplus before amortization:</b>  | <b>(2,551,055)</b>    | <b>34,290,049</b>     | <b>23,926,792</b>     |
| Amortization of tangible capital assets   | –                     | 9,037,186             | 9,716,073             |
| Accretion expense   | –                     | 39,285                | 38,327                |
| <b>Annual surplus (deficit)</b>   | <b>(2,551,055)</b>    | <b>25,213,578</b>     | <b>14,172,392</b>     |
| <b>Accumulated surplus, beginning of year</b>   | <b>245,365,538</b>    | <b>245,365,538</b>    | <b>231,193,146</b>    |
| <b>Accumulated surplus, end of year</b>   | <b>\$ 242,814,483</b> | <b>\$ 270,579,116</b> | <b>\$ 245,365,538</b> |

The accompanying notes are an integral part of these consolidated financial statements.



# SIX NATIONS OF THE GRAND RIVER

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2024, with comparative information for 2023

|   | 2024           | 2023           |
|---|----------------|----------------|
| Annual surplus                              | \$ 25,213,578  | \$ 14,172,391  |
| Acquisition of tangible capital assets      | (13,755,112)   | (14,983,746)   |
| Amortization of tangible capital assets     | 9,037,186      | 9,716,073      |
| Accretion of asset retirement obligations   | —              | 38,327         |
| Gain on sale of tangible capital assets     | (261,985)      | (25,224)       |
| Proceeds on sale of tangible capital assets | 302,012        | 177,500        |
| Change in supplies of inventory             | (18,308)       | (17,169)       |
| Change in prepaid expense                   | (545,063)      | 1,053,494      |
| Change in net financial assets              | 19,972,308     | 10,131,646     |
| Net financial assets, beginning of year     | 103,923,951    | 93,792,305     |
| Net financial assets, end of year           | \$ 123,896,259 | \$ 103,923,951 |

The accompanying notes are an integral part of these consolidated financial statements.

# SIX NATIONS OF THE GRAND RIVER

## Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>Operating activities:</b>                      |                      |                      |
| Annual surplus                                    | \$ 25,213,578        | \$ 14,172,391        |
| Items not involving cash:                         |                      |                      |
| Amortization                                      | 9,037,186            | 9,716,073            |
| Accretion   | 39,285               | 38,327               |
| Asset retirement obligation adjustment            | 26,783               | -                    |
| Gain on sale of tangible capital assets           | (261,985)            | (25,224)             |
| Equity interest loss in business enterprises      | 152,017              | 663,660              |
| Change in non-cash assets and liabilities:        |                      |                      |
| Accounts receivable                               | (9,224,156)          | 1,331,010            |
| Housing loans receivable                          | (360,235)            | (4,176,413)          |
| Other assets                                      | (155,751)            | (313,099)            |
| Accounts payable and accrued liabilities          | 2,931,327            | (7,685,470)          |
| Deferred revenue                                  | 38,991,810           | 49,987,931           |
| Inventory   | (18,308)             | (17,169)             |
| Prepaid expenses                                  | (545,063)            | 1,053,494            |
| <b>Increase in cash from operating activities</b> | <b>65,826,488</b>    | <b>64,745,511</b>    |
| <b>Capital activities:</b>                        |                      |                      |
| Proceeds on sale of tangible capital assets       | 302,012              | 177,500              |
| Purchase of tangible capital assets               | (13,755,112)         | (14,983,746)         |
| <b>Cash used in capital activities</b>            | <b>(13,453,100)</b>  | <b>(14,806,246)</b>  |
| <b>Investing activities:</b>                      |                      |                      |
| Net purchase of investments                       | (91,369,065)         | (20,338,174)         |
| <b>Financing activities:</b>                      |                      |                      |
| Net change in long-term liabilities               | (984,391)            | (1,189,411)          |
| <b>(Decrease) increase in cash</b>                | <b>(39,980,068)</b>  | <b>28,411,680</b>    |
| Cash, beginning of year                           | 90,451,594           | 62,039,914           |
| <b>Cash, end of year</b>                          | <b>\$ 50,471,526</b> | <b>\$ 90,451,594</b> |
| <b>Cash is comprised of:</b>                      |                      |                      |
| Cash  | \$ 49,385,641        | \$ 89,421,201        |
| Cash – reserve deposits                           | 1,085,885            | 1,030,393            |
| <b>Cash, end of year</b>                          | <b>\$ 50,471,526</b> | <b>\$ 90,451,594</b> |

The accompanying notes are an integral part of these consolidated financial statements.

# SIX NATIONS OF THE GRAND RIVER

## Notes to Consolidated Financial Statements

Year ended March 31, 2024

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### 1. Significant accounting policies:

The consolidated financial statements of Six Nations of the Grand River ("Six Nations") are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada, and as required by Indigenous Services Canada ("ISC"). Significant accounting policies adopted by Six Nations are as follows:

#### (a) Basis of consolidation:

##### (i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity consolidates all organizations, committees and local boards accountable for the administration of their financial affairs and resources to Six Nations and which are owned and controlled by Six Nations Council, except for Six Nations' government business enterprises (Six Nations Natural Gas Company Limited Partnership and Six Nations Natural Gas Limited and Six Nations Cannabis Commission) which is accounted for on the modified equity basis of accounting as described in note 1(f).

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated upon consolidation.

##### (ii) Trust funds:

Trust funds and their related operations administered by Six Nations are not included in these financial statements, other than those described below:

H.C. Peatson Education  
Ottawa Trust Fund  
Economic Development Fund

#### (b) Basis of accounting:

Six Nations follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Investments:

Investments consisting of bonds, mutual funds, and guaranteed investment certificates are recorded at market value. When there has been a gain or a loss in value that is other than a temporary decline in value, the respective investment is increased or decreased to recognize the gain or loss respectively.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (d) Housing loans receivable:

Housing loans receivable consist of loans to Six Nations' members and bear interest at the agreed upon rate per annum. Housing loans receivable are recorded at fair value, with the differences between fair value and face value recorded as grant expense. Interest on loans is recorded in the period earned. Housing loans receivable are considered impaired when management has determined that there is a reasonable doubt as to the ultimate collectability of principal and interest. At the end of each reporting period, Six Nations evaluates its housing loans receivable and establishes an allowance for doubtful accounts on a loan-by-loan basis for specifically identified probable losses on loans receivable.

### (e) Other assets:

Other assets include a non-interest bearing loan receivable to the Six Nations Police is recognized at the present value of the principal payments using Six Nations' average cost of borrowing. The difference between the face amount of the loan and present value is amortized into income over the term of the loan.

### (f) Investment in Business Enterprises:

The investments in Six Nations Natural Gas Limited Partnership ("SNNGLP") and Six Nations Cannabis Commission ("SNCC") have been accounted for on a modified equity basis, consistent with the accounting treatment for government business enterprises. Under the modified equity basis, the business partnership's accounting principles are not adjusted to conform with those of Six Nations and inter-organizational transactions and balances are not eliminated.

Six Nations recognizes its equity interest in the annual income of SNNGLP in its Consolidated Statement of Operations and Accumulated Surplus with a corresponding increase in its investment asset account. Losses of SNNGLP are allocated solely to the general partner under the partnership agreement, which is also owned by Six Nations and therefore these consolidated financial statements recognize all income and losses related to this business enterprise. Any dividends that Six Nations may receive will be reflected as reductions in the investment account.

Six Nations recognizes its equity interest in the annual income or loss of SNCC in its Consolidated Statement of Operations and Accumulated Surplus with a corresponding increase in its investment asset account and therefore these consolidated financial statements recognize all income and losses related to this business enterprise. Any dividends that Six Nations may receive will be reflected as reductions in the investment account.

### (g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 1. Significant accounting policies (continued):

### (g) Non-financial assets (continued):

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset                               | Useful Life – Years        |
|-------------------------------------|----------------------------|
| Land improvements                   | 10 – 40                    |
| Buildings and building improvements | 4 – 40                     |
| Houses                              | 25 – 40                    |
| Vehicles                            | 10                         |
| Bridges                             | 40                         |
| Machinery and equipment             | 5 – 25                     |
| Office equipment and furniture      | 2 – 10                     |
| Water and wastewater networks       | 12 – 65                    |
| Water and wastewater equipment      | 10 – 65                    |
| Road infrastructure – Base          | 40                         |
| Road infrastructure – Surface       | 20 – 30                    |
| Computer hardware and software      | 3                          |
| Leasehold improvements              | over the term of the lease |

Amortization commences in the month following acquisition. Assets under construction (work-in-progress) are not amortized until the asset is available for productive use. Assets are disposed of when they are no longer in use by Six Nations. Gains and/or losses on the disposal of an asset are recorded in the Consolidated Statement of Operations and Accumulated Surplus at time of disposal.

#### (ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (iii) Intangible assets:

Intangible assets and natural resources that have not been purchased are not recognized as assets in the financial statements.

#### (iv) Interest capitalization:

Six Nations' tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (g) Non-financial assets (continued):

#### (v) Leases:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases, whereby leased assets are valued at the present value of the future minimum lease payments and presented as tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenditures as incurred.

#### (vi) Inventory:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

### (h) Reserves and reserve funds:

Certain amounts, as approved by Six Nations' Council are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved. Reserves and reserve funds are presented on the Consolidated Statement of Financial Position in accumulated surplus.

### (i) Government transfers:

Government transfers received or receivable are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and a reasonable estimate of the amount can be made unless they meet the definition of a liability. Unspent government transfers are recognized as a deferred liability and an expense until all eligibility criteria have been met by the recipient or amounts are required to be repaid and are recognized as accounts payable.

Government transfers received relate to social services, child-care, housing and health programs. Government transfers paid relate to social services programs.

### (j) Housing loan guarantees:

Certain mortgages held by members at a financial institution are guaranteed by Six Nations. If a member defaults on the loan, the full amount of the balance owing is set up as a liability on the Consolidated Statement of Financial Position and repaid in accordance with the terms set by the financial institution.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (k) Revenue:

Six Nations follows the deferral method of accounting for contributions which include donations and government grants.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue related to programs which have not yet occurred are recorded as deferred revenue and recognized as revenue when the program occurs.

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.

Fundraising and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### (l) Deferred revenue:

Deferred revenue represents revenues which have been collected but for which the related services have yet to be performed or eligible expenses incurred. Deferred revenue is comprised of general deferred revenue, security deposits for public works customers and rental clients, government transfers and project funding. These amounts are recognized as revenue when the funds are spent for the purpose intended.

### (m) User charges:

Rent is collected for the rental of apartments, townhomes, and houses. Rental income is recorded when it is earned. Provision is established for specifically identified probable losses on rental income.

'Home ownership' (Rent-to-own) income is classified as deferred revenue when received in accordance with PSAS, as amounts are deposited on future purchase. Revenue is recognized when the ownership of the property is transferred to the tenant of the property and is accounted for as a disposal of a tangible capital asset.

Accommodation charges are collected for room rentals at Iroquois Lodge. Accommodation charges are recognized when earned. Provisions are made for specifically identified losses on accommodation charges.

Other user charges are collected for water and septic services provided by the Public Works Department. Other user charges are collected when earned. Provisions are made for specifically identified losses on other usage charges.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (n) Asset retirement obligations:

Six Nations recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all of the following criteria have been 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 for the ARO has been recognized based on estimated future expenses on closure of the assets. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in subsequent calculations are revised annually.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability are recognized in the consolidated statement of operations at the time of remediation.

### (o) Related party disclosures and Inter–entity transactions:

These standards define a related party and identify disclosures for related parties and related party transactions, including key management personnel and close family members. They also establish standards on how to account for and report transactions between public sector entities that comprise a government’s reporting entity from both a provider and recipient perspective. The adoption of these standards did not have a significant impact on the consolidated financial statements of the Entity.

### (p) Use of estimates:

The preparation of consolidated 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 revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accounts receivable, housing loans receivable, accrued liabilities and deferred revenue. Amounts recorded for amortization of tangible capital assets are based on estimates of useful service life. Actual results could differ from these estimates.

## 2. Change in accounting policies:

On April 1, 2023, Six Nations adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance consistency of revenue recognition and its measurement. The adoption of this new standard did not have a material impact on the amounts presented in the financial statements.



# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 3. Investments:

Investments reported on the consolidated statement of financial position of \$179,300,751 (2023 - \$87,931,686) have cost and market values as follows:

|             | 2024          |               | 2023         |               |
|-------------|---------------|---------------|--------------|---------------|
|             | Cost          | Market Value  | Cost         | Market Value  |
| Investments | \$178,104,592 | \$179,300,751 | \$87,642,848 | \$ 87,931,686 |

### 4 Accounts receivable:

Accounts receivable are reported net of an allowance for doubtful accounts of \$1,240,391 (2023 - \$1,247,610).

### 5. Housing loans receivable:

Housing loans receivable represent principal and interest amounts currently owing. These loan agreements are secured by the members' reserve property and are repayable over 25 years. The housing loans receivable on the Consolidated Statement of Financial Position, are made up of the following:

|  | 2024          | 2023          |
|--|---------------|---------------|
| Loans with interest at 0% per annum            | \$ 173,731    | \$ 175,109    |
| Loans with interest at 2.45% to 7.0% per annum | 43,705,981    | 43,344,368    |
| Less: allowance for doubtful accounts          | (782,978)     | (782,978)     |
|  | \$ 43,096,734 | \$ 42,736,499 |

Six Nations has provided interest free loans to members that meet certain criteria upon approval of Council. The loans with interest at 0% have a face value of \$195,319 (2023 - \$202,776). Additionally, Six Nations has approved funding further to specific members in the amount of \$2,005,703 (2023 - \$3,918,199), which have not been advanced at year-end.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 6. Other assets:

|  | 2024          | 2023          |
|--|---------------|---------------|
| Loan receivable – Six Nations Polytechnic          | \$ 7,565,000  | \$ 7,905,000  |
| Loan receivable – Six Nations Cannabis Corporation | 3,503,448     | 3,007,697     |
| Other assets, end of year                          | \$ 11,068,448 | \$ 10,912,697 |

Included in other assets is a loan receivable from Six Nations Polytechnic in the amount of \$7,565,000 (2023 - \$7,905,000), which bears interest at 2.959% (2023 – 2.959%). The loan is repayable in quarterly principal payments of \$85,000 over a term of 25 years and is due in 2046.

Also included within other assets are \$3,503,448 (2023 - \$3,007,697) in gross long-term receivables related to Six Nations Cannabis Corporation, which amount will be paid upon demand. The interest rate was waived for 12 months as of August 23, 2023, previously it was at a prime rate plus 1%. After the 12-month period has elapsed, the interest rate will be revisited.

## 7. Investment in Business Enterprises:

The investment balance is comprised of the following Business Enterprises:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Investment in Six Nations Natural Gas Company | \$ 5,274,626 | \$ 4,797,876 |
| Investment in Six Nations Cannabis Commission | (3,580,986)  | (2,952,219)  |
|   | \$ 1,693,640 | \$ 1,845,657 |

### (a) Investment in Six Nations Natural Gas Company Limited Partnership:

The following provides condensed supplementary financial information for the operations of Six Nations Natural Gas Company Limited Partnership (“Six Nations Natural Gas LP”) for the years ended March 31, 2024 and March 31, 2023. Six Nations owns an interest of 99.99% in Six Nations Natural Gas LP and Six Nations Natural Gas Limited owns the remaining 0.01% interest. Six Nations Natural Gas Limited is the general partner of the partnership and this entity is wholly owned by Six Nations.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 7. Investment in Business Enterprises (continued):

(a) Investment in Six Nations Natural Gas Company Limited Partnership (continued):

Financial Position:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Current assets  | \$ 3,314,672 | \$ 2,493,267 |
| Capital assets  | 3,525,253    | 3,654,667    |
| Total assets  | 6,839,925    | 6,147,934    |
| Total liabilities   | 893,052      | 670,620      |
| Partners' Equity  | 5,946,873    | 5,477,314    |
| Six Nations Natural Gas Limited's interest in partnership | 5,945,863    | 5,469,113    |
| Governance Assistance                                     | (671,237)    | (671,237)    |
| Investment in Six Nations Natural Gas LP                  | \$ 5,274,626 | \$ 4,797,876 |

Results of operations:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Revenues (net of gas purchases)                     | \$ 2,607,801 | \$ 2,253,205 |
| Operating expenses                                  | 2,131,051    | 2,101,604    |
| Net income  | 476,750      | 151,601      |
| Six Nations Natural Gas Limited's interest          | (476,750)    | (151,601)    |
| Net loss attributable to Six Nations Natural Gas LP | \$ -         | \$ -         |

Investment in Six Nations Natural Gas LP and Six Nations Natural Gas Limited (together the government business enterprise):

|                 | 2024         | 2023         |
|-----------------|--------------|--------------|
| Opening balance | \$ 4,797,876 | \$ 4,646,275 |
| Net income      | 476,750      | 151,601      |
| Closing balance | \$ 5,274,626 | \$ 4,797,876 |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 7. Investment in Business Enterprises (continued):

### (b) Investment in Six Nations Cannabis Commission:

The following provides condensed supplementary financial information for the operations of Six Nations Cannabis Commission ("SNCC") for the year ended March 31, 2024. SNCC is wholly owned by Six Nations.

Financial Position:

|                     | 2024           | 2023           |
|---------------------|----------------|----------------|
| Current assets      | \$ 21,050      | \$ 58,811      |
| Current liabilities | (3,610,666)    | (3,011,030)    |
| Capital and reserve | 8,630          | -              |
| Investment in SNCC  | \$ (3,580,986) | \$ (2,952,219) |

Results of operations:

|                                      | 2024         | 2023         |
|--------------------------------------|--------------|--------------|
| Revenues                             | \$ 122,876   | \$ 5,000     |
| Operating expenses                   | (751,643)    | (820,261)    |
| Net loss attributable to Six Nations | \$ (628,767) | \$ (815,261) |

Investment in Six Nations Cannabis Commission ("SNCC"):

|                 | 2024           | 2023           |
|-----------------|----------------|----------------|
| Opening balance | \$ (2,952,219) | \$ (2,136,958) |
| Net income      | (628,767)      | (815,261)      |
| Closing balance | \$ (3,580,986) | \$ (2,952,219) |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 8. Deferred revenue:

Deferred revenues reported on the Consolidated Statement of Financial Position are made up of the following:

|                            | Deposits   | Rent-to-own properties | Other deferred revenue | 2024 Total    |
|----------------------------|------------|------------------------|------------------------|---------------|
| Balance, beginning of year | \$ 229,547 | \$ 1,142,927           | \$108,560,371          | \$109,932,845 |
| Deposits collected         | 64,359     | –                      | –                      | 64,359        |
| Housing payments           | –          | 76,245                 | –                      | 76,245        |
| Contributions received     | –          | –                      | 152,034,543            | 152,034,543   |
|                            | 293,906    | 1,219,172              | 260,594,914            | 262,107,992   |
| Less:                      |            |                        |                        |               |
| Deposits returned          | 29,963     | –                      | –                      | 29,963        |
| Contributions earned       | –          | 240,000                | 112,913,374            | 113,153,374   |
|                            | 29,963     | 240,000                | 112,913,374            | 113,183,337   |
| Balance, end of year       | \$ 263,943 | \$ 979,172             | \$ 147,681,540         | \$148,924,655 |

|                            | Deposits   | Rent-to-own properties | Other deferred revenue | 2023 Total    |
|----------------------------|------------|------------------------|------------------------|---------------|
| Balance, beginning of year | \$ 215,146 | \$ 1,140,352           | \$ 58,589,416          | \$59,944,914  |
| Deposits collected         | 66,918     | –                      | –                      | 66,918        |
| Housing payments           | –          | 122,575                | –                      | 122,575       |
| Contributions received     | –          | –                      | 156,301,971            | 156,301,971   |
|                            | 282,064    | 1,262,927              | 214,891,387            | 216,436,378   |
| Less:                      |            |                        |                        |               |
| Deposits returned          | 52,517     | –                      | –                      | 52,517        |
| Contributions earned       | –          | 120,000                | 106,331,016            | 106,451,016   |
|                            | 52,517     | 120,000                | 106,331,016            | 106,503,533   |
| Balance, end of year       | \$ 229,547 | \$ 1,142,927           | \$108,560,371          | \$109,932,845 |

Deferred revenue for deposits includes payments made from customers of public works and Housing prepaid security deposits from rental clients.

Rent-to-own properties includes home ownership payments with regards to Sale Agreements for residential properties. Other deferred revenue includes funds (donation and project funding) received for specific purposes and will be recognized as revenue when the related expenditures for the purpose specified have been incurred.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 9. Employee benefits and other liabilities:

Six Nations provides to substantially all of its employees a defined contribution pension plan. The plan is a contributory plan with funding of benefits based on the related employee's earnings. Six Nations matches employee contributions to a maximum of 4.05%. Six Nations recognized an expense during the year related to its portion of the contributions of \$1,523,084 (2023 – \$1,386,817).

## 10. Related party transactions:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Six Nations Development Corporation:            |              |              |
| Management agreement payments received:         |              |              |
| Lease payments received                         | \$ 700,000   | \$ 707,547   |
| Loan repayments received                        | 555,363      | 555,363      |
| Operating expenses paid                         | \$ 1,435,609 | \$ 1,411,719 |
| Amounts receivable from, net of amounts payable | \$ 5,209     | \$ 75,795    |

Six Nations collects loan repayments related to the debt owing on the Bingo Hall and remits to the lender on behalf of the Six Nations of the Grand River Development Corporation in the same amount. The remaining transactions are carried out at arms-length through the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Operating expenses paid primarily relate to shared administrative expenses (recoveries) and warehouse rent.

Additionally, Six Nations acts as a flow-through entity between Indigenous Services Canada and Ganohkwa Sra and Grand River Post-Secondary. Annual funding is provided to Six Nations for distribution to these entities equal to the full amount received.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 11. Other liabilities:

The balance of other liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| Bank of Montreal, interest rates ranging from 2.49% to 2.73% with principal payments of \$46,280 monthly, maturing Feb 2025. Amount is unsecured.  | \$ 541,773          | \$ 1,033,488        |
| Royal Bank of Canada, interest rates ranging from 2.29% to 5.27% with principal payments of \$25,691 monthly, maturing between May 2025 and January 2026. Amount is secured by a general security agreement.                   | 2,609,602           | 2,813,180           |
| Canada Mortgage and Housing Corporation, interest rates ranging from 0.67% to 3.06% with principal payments of \$26,850 monthly, maturing between May 2024 and March 2027. Amount is guaranteed by Indigenous Services Canada. | 2,791,183           | 3,080,281           |
| <b>Other liabilities, end of year</b>  | <b>\$ 5,942,558</b> | <b>\$ 6,926,949</b> |

Principal payments, due in each of the next three years and thereafter, are as follows:

|      |                     |
|------|---------------------|
| 2025 | \$ 1,053,873        |
| 2026 | 2,624,558           |
| 2027 | 2,264,127           |
|      | <b>\$ 5,942,558</b> |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 12. Tangible capital assets:

| March 31, 2024                            | Cost                       |                      |                  | Transfer from    |                       |                            | Amortization        |                      |                       | Net book value, end of year |
|---|----------------------------|----------------------|------------------|------------------|-----------------------|----------------------------|---------------------|----------------------|-----------------------|-----------------------------|
|   | balance, beginning of year | Additions            | Work-in-progress | Disposals        | Balance, end of year  | balance, beginning of year | Disposals           | Amortization expense | Balance end of year   |                             |
| Land and land improvements                | \$ 14,095,763              | \$ 562,765           | \$ —             | \$ —             | \$ 14,658,528         | \$ 5,825,525               | \$ —                | \$ 716,603           | \$ 6,542,128          | \$ 8,116,400                |
| Building and building improvements        | 136,430,523                | 951,350              | —                | (200,294)        | 137,181,579           | 60,681,417                 | (168,938)           | 3,609,144            | 64,121,623            | 73,059,956                  |
| Vehicles, machinery and equipment         | 37,904,751                 | 1,109,557            | —                | (121,699)        | 38,892,609            | 28,543,033                 | (113,031)           | 2,338,971            | 30,768,973            | 8,123,636                   |
| Water and wastewater infrastructure       | 28,937,211                 | —                    | —                | —                | 28,937,211            | 7,174,448                  | —                   | 685,690              | 7,860,138             | 21,077,073                  |
| Roads infrastructure                      | 47,142,014                 | 75,446               | —                | —                | 47,217,460            | 30,216,612                 | —                   | 1,269,788            | 31,486,400            | 15,731,060                  |
| Office equipment, furniture and computers | 7,778,614                  | 14,084               | —                | —                | 7,792,698             | 7,263,779                  | —                   | 416,990              | 7,680,769             | 111,929                     |
| Work-in-progress                          | 6,396,918                  | 11,041,908           | —                | —                | 17,438,826            | —                          | —                   | —                    | —                     | 17,438,826                  |
| <b>Total</b>                              | <b>\$ 278,685,794</b>      | <b>\$ 13,755,110</b> | <b>\$ —</b>      | <b>(321,993)</b> | <b>\$ 292,118,911</b> | <b>\$ 139,704,814</b>      | <b>\$ (281,969)</b> | <b>\$ 9,037,186</b>  | <b>\$ 148,460,031</b> | <b>\$ 143,658,880</b>       |

| March 31, 2023                            | Cost                       |                      |                  | Transfer from    |                       |                            | Amortization        |                      |                       | Net book value, end of year |
|---|----------------------------|----------------------|------------------|------------------|-----------------------|----------------------------|---------------------|----------------------|-----------------------|-----------------------------|
|   | balance, beginning of year | Additions            | Work-in-progress | Disposals        | Balance, end of year  | balance, beginning of year | Disposals           | Amortization expense | Balance end of year   |                             |
| Land and land improvements                | \$ 12,949,207              | \$ 1,146,556         | \$ —             | \$ —             | \$ 14,095,763         | \$ 5,016,398               | \$ —                | \$ 809,127           | \$ 5,825,525          | \$ 8,270,238                |
| Building and building improvements        | 129,680,132                | 5,711,374            | 1,800,053        | (761,036)        | 136,430,523           | 57,812,391                 | (654,570)           | 3,523,596            | 60,681,417            | 75,749,106                  |
| Vehicles, machinery and equipment         | 36,216,307                 | 1,774,649            | —                | (86,205)         | 37,904,751            | 25,728,930                 | (40,395)            | 2,854,498            | 28,543,033            | 9,361,718                   |
| Water and wastewater infrastructure       | 28,002,844                 | 82,515               | 851,852          | —                | 28,937,211            | 6,557,516                  | —                   | 616,932              | 7,174,448             | 21,762,763                  |
| Roads infrastructure                      | 46,571,133                 | 544,031              | 26,850           | —                | 47,142,014            | 28,917,077                 | —                   | 1,299,535            | 30,216,612            | 16,925,402                  |
| Office equipment, furniture and computers | 7,778,614                  | —                    | —                | —                | 7,778,614             | 6,651,394                  | —                   | 612,385              | 7,263,779             | 514,835                     |
| Work-in-progress                          | 3,351,052                  | 5,724,621            | (2,678,755)      | —                | 6,396,918             | —                          | —                   | —                    | —                     | 6,396,918                   |
| <b>Total</b>                              | <b>\$ 264,549,289</b>      | <b>\$ 14,983,746</b> | <b>\$ —</b>      | <b>(847,241)</b> | <b>\$ 278,685,794</b> | <b>\$ 130,683,706</b>      | <b>\$ (694,965)</b> | <b>\$ 9,716,073</b>  | <b>\$ 139,704,814</b> | <b>\$ 138,980,980</b>       |



# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 12. Tangible capital assets (continued):

Work in progress:

Work in progress assets have not been amortized. Amortization of these assets will commence when the assets are put into service.

Contributed Tangible Capital Assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. There have been no contributed assets received during the year or prior year.

Tangible Capital Assets Disclosed at Nominal Values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned, other than described below.

Works of Art and Historical Treasures:

Six Nations holds several historical buildings and artifacts which are recorded at nominal value.

## 13. Asset retirement obligations:

Six Nations' asset retirement obligations primarily relate to the legally required removal or remediation of asbestos-containing materials in certain buildings and monitoring of closed landfill sites. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

|                            | 2024         | 2023         |
|----------------------------|--------------|--------------|
| Balance, beginning of year | \$ 1,571,405 | \$ 1,533,078 |
| Add: accretion expense     | 39,285       | 38,327       |
| Other expense              | 26,784       | —            |
| Balance, end of year       | \$ 1,637,474 | \$ 1,571,405 |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 14. Accumulated surplus:

Accumulated surplus consists of balances as follows at March 31:

|   | 2024           | 2023           |
|---|----------------|----------------|
| Surplus:  |                |                |
| Invested in tangible capital assets                     | \$ 137,716,322 | \$ 130,482,626 |
| Operating fund  | 27,769,381     | 31,076,388     |
|   | 165,485,703    | 161,559,014    |
| Reserve funds set aside by Six Nations Elected Council: |                |                |
| Ontario First Nations Limited Partnership Agreement     | 85,221,200     | 70,913,681     |
| Central Administration                                  | 10,420,596     | 3,819,319      |
| Day care  | 482,874        | 482,874        |
| Economic development                                    | 67,703         | 67,703         |
| Economic development fund                               | 2,556,461      | 2,430,695      |
| Fire  | 50,365         | 50,365         |
| Health services   | 820,016        | 801,941        |
| Housing   | 3,023,016      | 2,899,664      |
| Iroquois lodge  | 80,953         | 80,953         |
| Public works  | 633,933        | 523,033        |
| Social and correctional services                        | 1,736,296      | 1,736,296      |
|   | 105,093,413    | 83,806,524     |
|   | \$ 270,579,116 | \$ 245,365,538 |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 15. Commitments:

- (a) Six Nations has outstanding contractual obligations totaling approximately \$30,179,931 (2023 – \$42,000,000 ) outlined as follows by project:

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Housing Loans Guarantees with RBC and BMO                                       | \$ 30,000,000        | \$ 30,000,000        |
| Six Nations Development Corporation loan guarantees for Wind and Solar projects | 179,931              | 12,000,000           |
| <b>Total commitments authorized</b>   | <b>\$ 30,179,931</b> | <b>\$ 42,000,000</b> |

- (b) Six Nations has at March 31, 2024, approved funding of community development, economic development, health, and education projects in the amounts of \$907,390, \$191,968, and \$560,002 through the Ontario First Nations Limited Partnership Agreement funds.

- (c) Minimum annual lease payments:

Six Nations rents vehicles and equipment under operating leases with minimum annual lease payments for the years ending March 31 as follows:

|      |    |               |
|------|----|---------------|
| 2025 | \$ | 14,070        |
| 2026 |    | 11,976        |
| 2027 |    | 11,976        |
|      | \$ | <b>38,022</b> |

## 16. Contingencies:

From time to time, Six Nations is named as a defendant in legal claims. As at March 31, 2024, there is one claim outstanding to which the outcome is undeterminable. Accordingly, no provision for losses has been reflected in the accounts of Six Nations.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 17. Indigenous Services Canada:

|   | 2024           | 2023           |
|---|----------------|----------------|
| Base budget                                 | \$ 131,588,079 | \$ 127,938,638 |
| Less non-consolidated entities:             |                |                |
| Grand River Post Secondary Education Office | (9,560,527)    | (10,923,366)   |
| Ganohkwa Sra                                | (3,303,954)    | (1,851,356)    |
| Everlasting Tree                            | (2,083,756)    | (1,832,386)    |
| Kawenni:io                                  | (3,893,833)    | (4,160,298)    |
| Grand River Tutoring Academy                | (1,168,385)    | (1,763,212)    |
| Ogwadeni:deo                                | (1,159,084)    | —              |
| Six Nations Polytechnic                     | —              | (5,000)        |
|   | (21,169,539)   | (20,535,618)   |
| Less current year deferred revenue:         |                |                |
| Six Nations of the Grand River              | (58,800,912)   | (68,245,594)   |
| Add prior year deferred revenue:            |                |                |
| Six Nations of the Grand River              | 19,368,023     | 20,284,323     |
| Other adjustments:                          |                |                |
| Six Nations of the Grand River              | 109,535        | (235,287)      |
|   | \$ 71,095,186  | \$ 59,206,462  |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 18. Government transfers:

The Government transfers reported on the Statement of Operations and Accumulated Surplus are:

|  | 2024                  | 2023                 |
|--|-----------------------|----------------------|
| Revenue:                                   |                       |                      |
| Indigenous Services Canada:                |                       |                      |
| Economic development and housing           | \$ 696,762            | \$ 454,458           |
| Education                                  | 526,612               | 395,220              |
| Fire                                       | 1,406,493             | 1,609,975            |
| General government (i)                     | 9,422,415             | 7,616,544            |
| Health services                            | 32,122,440            | 27,628,963           |
| Iroquois lodge                             | 108,476               | 201,400              |
| Lands and resources                        | 129,502               | 41,164               |
| Membership                                 | 600,221               | 599,618              |
| Parks and recreation                       | 1,299,709             | 469,912              |
| Public works                               | 8,746,671             | 7,056,027            |
| Social, correctional services and day care | 12,264,428            | 9,509,175            |
| Welfare                                    | 3,771,457             | 3,624,006            |
|  | <u>71,095,186</u>     | <u>59,206,462</u>    |
| Other federal:                             |                       |                      |
| Economic development and housing           | 476,025               | 347,798              |
| General government                         | 195,554               | 89,347               |
| Health services                            | 344,321               | 1,470,411            |
| Lands and resources                        | 92,027                | 83,149               |
| Parks and recreation                       | -                     | 13,142               |
| Public works                               | -                     | 244,548              |
| Social, correctional services and day care | 241,777               | 180,047              |
|  | <u>1,349,704</u>      | <u>2,428,442</u>     |
| Province of Ontario:                       |                       |                      |
| General government                         | 5,301,658             | 5,786,443            |
| Health services                            | 19,900,715            | 17,509,065           |
| Iroquois lodge                             | 5,237,878             | 4,996,838            |
| Lands and resources                        | 183,713               | 285,329              |
| Parks and recreation                       | 386,300               | 8,000                |
| Public works                               | 401,943               | 791,076              |
| Social, correctional services and day care | 8,825,631             | 20,626,349           |
| Welfare                                    | 7,420,244             | 7,136,394            |
|  | <u>47,658,082</u>     | <u>57,139,494</u>    |
| <b>Total revenues</b>                      | <b>\$ 120,102,972</b> | <b>\$118,774,398</b> |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 18. Government transfers (continued):

|                  | 2024         | 2023         |
|------------------|--------------|--------------|
| Expenses:        |              |              |
| Welfare payments | \$ 7,826,101 | \$ 7,511,930 |

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- (i) During 2019, Six Nations entered into an OLG Modernization agreement with the Province of Ontario. As part of the agreement, Six Nations received \$4.5 million (2023 - \$4.5 million) which is to be used for the purposes of furthering community development. As per the terms of the agreement, should the Province successfully appropriate the funds each year, Six Nations is entitled to receive an additional annual payment of \$4.5 million through to December 1, 2037.

## 19. Segmented information:

Segmented information has been identified based upon functional areas by Six Nations. The functions have been separately disclosed in the segmented information as follows:

- (i) Corporate and Emergency Services:

Corporate and Emergency Services consists of fire services and the general management of Six Nations, including adopting bylaws and policy, and providing administrative, human resources, information technology, and communication support, and financial services and programs that benefit the community as a whole such as land claims and Ontario First Nations Limited Partnership Agreement funds.

- (ii) Building and Infrastructure Committee:

The Building and Infrastructure Committee is responsible for the physical assets of the community and to generate economic development within the community. It includes planning, design, operation and maintenance of the roadway system; street lights; the engineering and operation of the water and wastewater systems and waste management. Additionally, Six Nations is committed to providing and advocating for secure, affordable housing in Six Nations, and buildings for commercial lease.

- (iii) Human Services Committee:

The Human Services Committee offers a range of programs related to wellbeing of the community. Included in Human Services Committee are: lands and memberships; health services that includes protection and promotion, disease and injury prevention; and ambulance services; day care; welfare and innovations; social and correctional services; the maintenance and operation of parks and open space; and the Iroquois Lodge.

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 19. Segmented information (continued):

Certain allocation methodologies are employed in the preparation of segmented information. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Investment income has been allocated based on the segment that holds the related investment.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Note: User charges include facility rental fees, water & sewage charges, septic rentals and lodge accommodations.

| March 31, 2024  | Corporate and<br>Emergency Services | Building<br>and<br>Infrastructure<br>Committee | Human<br>Services<br>Committee | Total                |
|---|-------------------------------------|--|--------------------------------|----------------------|
| <b>Revenues:</b>  |                                     |  |                                |                      |
| User charges  | \$ 220,674                          | \$ 2,736,448                                   | \$ 1,729,879                   | \$ 4,687,001         |
| Government transfers:   |                                     |  |                                |                      |
| ISC   | 12,085,243                          | 9,443,433                                      | 49,566,510                     | 71,095,186           |
| Other federal   | 287,581                             | 476,025  | 586,098                        | 1,349,704            |
| Province of Ontario<br>(note 9, note 16(i))                                   | 5,485,371                           | 401,943  | 41,770,768                     | 47,658,082           |
| Investment income   | 9,052,214                           | 1,491,000                                      | 18,076                         | 10,561,290           |
| Equity in Six Nations Natural<br>Gas Company Partnership<br>Limited (note 6a) | 476,750                             | –  | –                              | 476,750              |
| Equity in Six Nations Cannabis<br>Corporation (note 6b)                       | (628,767)                           |  |                                | (628,767)            |
| Other   | 25,394,025                          | 1,466,868                                      | 1,492,887                      | 28,353,780           |
| <b>Total revenues</b>   | <b>52,373,091</b>                   | <b>16,015,717</b>                              | <b>95,164,218</b>              | <b>163,553,026</b>   |
| <b>Expenses:</b>  |                                     |  |                                |                      |
| Salaries, wages and employee<br>benefits                                      | 17,429,607                          | 4,993,547                                      | 44,426,293                     | 66,849,447           |
| Operating and other expenses  | 3,909,638                           | 13,206,327                                     | 45,297,565                     | 62,413,530           |
|   | 21,339,245                          | 18,199,874                                     | 89,723,858                     | 129,262,977          |
| Accretion   | –                                   | 39,285   | –                              | 39,285               |
| Amortization  | 9,037,186                           | –  | –                              | 9,037,186            |
| <b>Total expenses</b>   | <b>30,376,431</b>                   | <b>18,239,159</b>                              | <b>89,723,858</b>              | <b>138,339,448</b>   |
| <b>Annual surplus</b>   | <b>\$ 21,996,660</b>                | <b>\$ (2,223,442)</b>                          | <b>\$ 5,440,360</b>            | <b>\$ 25,213,578</b> |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 19. Segmented information (continued):

| March 31, 2023  | Corporate and<br>Emergency Services | Building<br>and<br>Infrastructure<br>Committee | Human<br>Services<br>Committee | Total                |
|---|-------------------------------------|--|--------------------------------|----------------------|
| <b>Revenues:</b>  |                                     |  |                                |                      |
| User charges  | \$ 156,948                          | \$ 2,543,297                                   | \$ 1,712,269                   | \$ 4,412,514         |
| Government transfers:   |                                     |  |                                |                      |
| ISC   | 9,800,634                           | 8,153,617                                      | 41,252,211                     | 59,206,462           |
| Other federal   | 449,118                             | 672,995  | 1,306,329                      | 2,428,442            |
| Province of Ontario<br>(note 9, note 16(i))                                   | 6,071,772                           | 103,008  | 50,964,714                     | 57,139,494           |
| Investment income   | 4,846,641                           | 1,268,527                                      | 9,755                          | 6,124,923            |
| Equity in Six Nations Natural<br>Gas Company Partnership<br>Limited (note 6a) | 151,601                             | -  | -                              | 151,601              |
| Equity in Six Nations Cannabis<br>Corporation (note 6b)                       | (815,261)                           | -  | -                              | (815,261)            |
| Other   | 13,614,821                          | 1,013,094                                      | 2,489,069                      | 17,116,984           |
| <b>Total revenues</b>   | <b>34,276,274</b>                   | <b>13,754,538</b>                              | <b>97,734,347</b>              | <b>145,765,159</b>   |
| <b>Expenses:</b>  |                                     |  |                                |                      |
| Salaries, wages and employee<br>benefits                                      | 13,129,172                          | 4,278,121                                      | 42,928,960                     | 60,336,253           |
| Operating and other expenses  | 1,858,444                           | 10,865,256                                     | 48,778,415                     | 61,502,115           |
|   | 14,987,616                          | 15,143,377                                     | 91,707,375                     | 121,838,368          |
| Accretion   | -                                   | 38,327   | -                              | 38,327               |
| Amortization  | 9,716,073                           | -  | -                              | 9,716,073            |
| <b>Total expenses</b>   | <b>24,703,689</b>                   | <b>15,181,704</b>                              | <b>91,707,375</b>              | <b>131,592,768</b>   |
| <b>Annual surplus</b>   | <b>\$ 9,572,585</b>                 | <b>\$ (1,427,166)</b>                          | <b>\$ 6,026,972</b>            | <b>\$ 14,172,391</b> |



# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 20. Budget data:

The budget data presented in these consolidated financial statements are based upon the 2024 operating and capital budgets approved by Six Nations Council on March 6, 2023. The operating budget is prepared without expected amortization of tangible capital assets and other non-cash accounting expenses. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. As such, it is not practical to present annualized budget information for the acquisition of tangible capital assets on the statement of changes in net financial assets.

## 21. Compensation and travel expenses paid to senior officials:

Compensation and travel expenses paid to senior officials included in the consolidated financial statements are as follows:

|                       | Position                                       | Number of months | Compensation range per annum | Travel expenses |
|-----------------------|--|------------------|------------------------------|-----------------|
| Darrin Jamieson       | Chief Executive Officer                        | 5                | \$ 226,400 – \$ 339,600      | \$ 344          |
| Nathan Wright         | Interim Chief Executive Officer                | 7                | 226,400 – 339,600            | 798             |
| Holly Smith           | Director of Service Excellence                 | 12               | 168,000 – 252,000            | 426             |
| Trevor Bomberry       | Director of Nation Building                    | 12               | 144,800 – 217,200            | 13,743          |
| Zack Miller           | Director of Planning, Performance & Evaluation | 12               | 144,800 – 217,200            | 31              |
| Derek Hill            | Director of Built Environment                  | 4                | 126,400 – 189,600            | –               |
| Nicole Cathcart       | Director of Human Resources                    | 12               | 126,400 – 189,600            | 307             |
| Jennifer Court        | Co Acting Chief Financial Officer              | 12               | 111,200 – 166,800            | 303             |
| Wayne Staats          | Co Acting Chief Financial Officer              | 12               | 111,200 – 166,800            | –               |
| Michael Montour       | Director of Public Works                       | 12               | 111,200 – 166,800            | 261             |
| Arliss Skye           | Director of Social Services                    | 12               | 111,200 – 166,800            | 5,976           |
| Ashley Russell-Taylor | Fire Chief                                     | 8                | 111,200 – 166,800            | 6,492           |
| Michael Seth          | Fire Chief                                     | 2                | 111,200 – 166,800            | 8,489           |
| Duane Jacobs          | Director of Policy, Communications & Records   | 12               | 98,400 – 147,600             | 851             |
| Lily-Anne Mt Pleasant | Senior Manager of Housing                      | 12               | 98,400 – 147,600             | 4,239           |
| Milles Turner         | Education Manager                              | 12               | 98,400 – 147,600             | –               |

# SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 22. Salaries, honoraria and travel expenses paid to elected senior officials:

Salaries, honoraria and travel expenses paid to senior officials included in the consolidated financial statements are as follows:

|                                    | Honorarium        | Life and health  | Travel expense    | Total expenses    |
|------------------------------------|-------------------|------------------|-------------------|-------------------|
| Elected Chief Mark Hill            | \$ 65,694         | \$ 990           | \$ 25,909         | \$ 92,593         |
| Elected Chief Sherri-Lyn Hill      | 42,330            | 483              | 15,497            | 58,310            |
| Audrey Powless-Bomberry            | 56,596            | 2,650            | 5,801             | 65,047            |
| Nathan Wright                      | 27,698            | –                | 1,275             | 28,973            |
| Dayle Bomberry                     | 21,828            | –                | –                 | 21,828            |
| Alaina VanEvery                    | 22,578            | –                | 1,407             | 23,985            |
| Michelle Bomberry                  | 34,018            | 2,021            | 4,760             | 40,799            |
| Cynthia Jamieson                   | 22,053            | –                | 287               | 22,340            |
| Amos Keye                          | 22,278            | –                | 2,069             | 24,347            |
| Sherri-Lyn Hill (Councillor)       | 34,918            | 2,504            | 8,240             | 45,662            |
| Dean Hill                          | 23,328            | 483              | 3,668             | 27,479            |
| Greg Frazer                        | 58,096            | –                | 16,884            | 74,980            |
| Rheva Helen Miller                 | 57,571            | 1,126            | 11,405            | 70,102            |
| Kerry Bomberry                     | 54,796            | 2,717            | –                 | 57,513            |
| Hazel Johnson                      | 56,296            | 2,650            | 6,082             | 65,028            |
| Carole Leslie Greene               | 23,028            | –                | –                 | 23,028            |
| Melba Thomas                       | 57,196            | 1,126            | 8,631             | 66,953            |
| <b>Total Chief and Councillors</b> | <b>\$ 680,302</b> | <b>\$ 16,750</b> | <b>\$ 111,915</b> | <b>\$ 808,967</b> |

Travel expense includes out-of-pocket expenses such as accommodation, airfare, mileage, meals and incidentals. The amounts included above do not include reimbursements from event sponsors.