Financial Statements of

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

And Independent Auditor's Report thereon

Year ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Haudenosaunee Confederacy Chiefs Council

Opinion

We have audited the financial statements of Haudenosaunee Development Institute (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

(date)

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 8,946,557	$ 5,471,071
Accounts receivable (note 2)	1,536,875	1,112,520
Due from 2438543 Ontario Inc. (note 4)	364,343	1,290,797
Due from Ogwawihsta Dedwahsnye (note 4)	13,878	–
Prepaid expenses	5,857	23,738
	10,867,510	7,898,126
Investment in subsidiary (note 4)	3,669,375	3,304,375
Capital assets (note 3)	18,380	18,918
	$ 14,555,265	$ 11,221,419
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	$ 506,204	$ 397,060
Due to Dwadewayehsta Gayogohono (DG)'s Operations	10,217	-
Deferred revenue	55,000	15,000
	571,421	412,060
Fund balances:		
Unrestricted fund	8,395,673	5,363,865
Invested in capital assets	18,382	18,919
Land lease fund	1,394,411	1,610,077
Land acquisition fund	3,669,375	3,304,375
Old Council house restoration fund	119,922	137,932
Enbridge - capacity	50,000	50,000
Joint Stewardship Board	346,300	324,191
	13,983,843	10,809,359
Contingencies (note 5)		
	$ 14,555,265	$ 11,221,419

See accompanying notes to financial statements.

On behalf of Haudenosaunee Development Institute:

______________________ HCCC Delegate ______________________ HCCC Delegate

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenues (Schedule):		
Archaeological monitoring fees	$ 8,905,865	$ 8,172,674
Land lease fees	1,006,452	999,580
Environmental monitoring fees	563,306	932,800
Land acquisition fees	365,000	365,000
Joint Stewardship Board	199,310	182,610
Technical fees	–	136,871
Haudenosaunee Development Institute administration fees	230,778	122,834
Burtch farm revenue	65,500	65,500
Other revenue	193,849	55,385
Enbridge capacity revenue	–	50,000
Application fees	34,000	44,000
	11,564,060	11,127,254
Expenses (Schedule):		
Salaries, benefits and contract fees	2,853,397	2,705,179
Legal expenses - litigation	259,234	1,065,369
Community language and cultural development	1,538,806	1,060,433
Professional fees	1,101,605	829,884
Travel	753,844	725,036
Office and general	411,505	367,862
Legal expenses - business development	537,536	352,658
Operating subsidy - 2438543 Ontario Inc.	175,845	141,156
Rent	79,200	39,622
Advertising	27,093	22,368
Bad debt expense	102,287	22,334
Amortization	15,643	15,405
Training	–	8,875
Communications	3,272	897
	8,389,575	7,357,078
Excess of revenues over expenses	$ 3,174,485	$ 3,770,176

See accompanying notes to financial statements.

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Unrestricted fund	Invested in capital assets	Land lease	Land acquisition	Old Council house restoration fund	Enbridge capacity	Joint Stewardship Board	2025 Total
Balance, beginning of year	$ 5,363,865	$ 18,919	$ 1,610,077	$ 3,304,375	$ 137,932	$ 50,000	$ 324,191	$ 10,809,359
Excess (deficiency) of revenues over expenses	3,046,913	(15,643)	(225,885)	365,000	(18,010)	–	22,109	3,174,485
Net change in invested capital	(15,105)	15,105	–	–	–	–	–	–
Balance, end of year	$ 8,395,673	$ 18,382	$ 1,384,192	$ 3,669,375	$ 119,922	$ 50,000	$ 346,300	$ 13,983,843

	Unrestricted fund	Invested in capital assets	Land lease	Land acquisition	Old Council house restoration fund	Enbridge capacity	Joint Stewardship Board	2024 Total
Balance, beginning of year	$ 1,947,860	$ 26,650	$ 1,633,930	$ 2,939,375	$ 196,035	$ –	$ 295,333	$ 7,039,183
Excess (deficiency) of revenues over expenses	3,423,679	(15,405)	(23,853)	365,000	(58,103)	50,000	28,858	3,770,176
Net change in invested capital	(7,674)	7,674	–	–	–	–	–	–
Balance, end of year	$ 5,363,865	$ 18,919	$ 1,610,077	$ 3,304,375	$ 137,932	$ 50,000	$ 324,191	$ 10,809,359

See accompanying notes to financial statements.

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

Statements of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash (used in) provided by:		
Operating activities:		
Excess of revenues over expenses	$ 3,174,484	$ 3,770,176
Items not involving cash:		
Amortization of capital assets	15,643	15,405
Change in non-cash operating working capital:		
Accounts receivable	(424,355)	(698,488)
Prepaid expenses	17,881	(23,738)
Due from 2438543 Ontario Inc.	926,454	1,423,128
Due from Ogwawishta Dedwahsnye	(13,878)	14,511
Accounts payable and accrued liabilities	109,144	(800,250)
Due to DG's Operations	10,217	-
Deferred revenue	40,000	–
	3,855,591	3,700,744
Investing activities:		
Purchase of capital assets	(15,105)	(7,674)
Investment in subsidiary	(365,000)	(574,375)
	(380,105)	(582,049)
Net increase (decrease) in cash	3,475,486	3,118,695
Cash, beginning of year	5,471,071	2,352,376
Cash, end of year	$ 8,946,557	$ 5,471,071

See accompanying notes to financial statements.

Haudenosaunee Development Institute (HDI) (the “Organization”) is a formal, unincorporated Organization established by the Haudenosaunee Confederacy Chiefs Council (“HCCC”). The Organization established and administers a regulatory framework which identifies, registers and regulates development in compliance with a number of regulatory obligations including the Haudenosaunee Green Plan and the Haudenosaunee Development Protocol.

1. Significant accounting policies:

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

(a) Fund accounting:

The Organization follows the restricted fund method of accounting.

The Land lease fund consists of net assets to be used for the sole benefit of the Haudenosaunee people and will be managed by the Haudenosaunee Confederacy Chiefs Council (HCCC). Such funds shall only be used by HCCC to support the advancement and promotion of Haudenosaunee educational programs and initiatives, human health and welfare, Haudenosaunee ceremonies, language, cultural heritage and education on the conservation of the environment and natural heritage. Expenditures must be for the benefit of the Haudenosaunee, as deemed fit by the Royane and Yakoyane on a case-by-case basis.

The Land acquisition fund consists of net assets to be used for the sole benefit of the Haudenosaunee people and will be managed by the Haudenosaunee Confederacy Chiefs Council (HCCC). Such funds shall only be used by the HCCC for purposes of acquisition of land for environmental, social, cultural protection, recreational or economic purposes for the benefit of Haudenosaunee. Expenditures must be for the acquisition of land and for the benefit of the Haudenosaunee, as deemed fit by the Royane and Yakoyane on a case-by-case basis.

The Old Council house restoration fund and the community engagement fund were established for maintaining relationships between local parties and HDI for future mutual benefits. Amounts included are one-time unrestricted funding earned from funders.

The unrestricted fund is available for general daily operations of the Organization as directed and approved by management.

(b) Revenue recognition:

Unrestricted contributions are recognized as revenue in the unrestricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized in the unrestricted fund using the deferral method when an appropriate restricted fund does not exist.

Revenue from fees or contracts is recognized when the services are provided.

1. Significant accounting policies (continued):

(c) Cash and cash equivalents:

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

(d) Investments:

The Organization records its investments in 2438543 Ontario Inc. using the cost method. At the end of each reporting period, the Organization assesses whether there are any indications that an investment may be impaired. When there is an indication of impairment, and the Company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income (loss). If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss is reversed to the extent of the impairment. The adjusted carrying amount of the investment can be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

	Rate
Computer software and equipment	33%
Furniture and fixtures	20%

(f) Use of estimates:

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

1. Significant accounting policies (continued):

(g) Financial instruments:

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

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

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

(h) Allocation of expenses:

The Organization records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program.

2. Accounts receivable:

	2025	2024
Accounts receivable	$ 1,646,109	$ 1,134,854
Less: allowance for doubtful accounts	(109,234)	(22,334)
	$ 1,536,875	$ 1,112,520

3. Capital assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer and equipment	$ 101,837	$ (90,313)	$ 11,524	$ 5,390
Furniture and fixtures	34,059	(27,203)	6,856	13,528
	$ 135,896	$ (117,516)	$ 18,380	$ 18,918

4. Related entities:

(a) Haudenosaunee Confederacy Chiefs Council ("the Council" or "HCCC"):

The Council formed the Organization in 2007 in order to create a process and an institution to ensure certain rights are protected with respect to land development. The Organization represents the Council's interest in development of lands within the Haudenosaunee jurisdiction.

The Organization receives applications for projects on land and recommends approval to the Council and the Council provides final approval. The Organization reports to Council on a regular basis on the status and progress of potential and on-going projects.

(b) 2438543 Ontario Inc.:

On October 20, 2014, HDI incorporated 2438543 Ontario Inc. under the Canada Corporations Act. This entity was incorporated for purposes of establishing a partnership to hold an investment within the Grand Valley Wind Farm project. This corporation, in partnership with five other entities, formed a limited partnership for a combined ownership of 25% of the Grand Valley Wind Farm project. On February 10, 2016, HDI entered into a related party transaction with HCCC to transfer its ownership investment, at cost, in 2438543 Ontario Inc. to HCCC.

The amounts owing from 2438543 Ontario Inc. are non-interest bearing with no scheduled repayment terms and is due on demand and primarily involve providing cash flow for operations and administrative and financial services.

During the year, $365,000 (2024 - $365,000) was provided to 2438543 Ontario Inc. as a capital contribution for the purposes of community development and land acquisition. This amount is presented as an investment, at cost, in the entity on the statement of financial position. $175,845 was also provided to 2438543 Ontario Inc. as an operating subsidy (2024 - $141,156).

During the year, $79,200 (2024 - $39,622) was charged to HDI by 2438543 Ontario Inc. for office space rentals provided.

Commented [MM1]: 2024's value (before correction) was $18,000 and was not correct. We have updated the 2024 value to what it should be according to our TB.

4. Related entities (continued):

(c) Ogwawishta Dedwahsnye:

On March 22, 2016, HCCC incorporated Ogwawishta Dedwahsnye under the Canada Not-for-profit Corporation Act of Canada. Ogwawishta Dedwahsnye works with the HCCC on the disbursement of its land lease funds. Previously, the entity provided payroll services to HDI however the arrangement was ended in the previous year. All transactions were in the normal course of operations and measured at the exchange amount. The amount due of $nil (2024 - $nil) is non-interest bearing.

(d) Delegates and key personnel:

The Organization enters into transactions with delegates of the Council as well as the secretary of the Council on an ongoing basis. The delegates of the Council include the entity's senior management team. The Organization has paid success fees to a delegate during the year totalling $166,240 (2024 - $154,896).

5. Contingencies:

The nature of the Organization's activities is such that there may be litigation pending or in prospect at any time. Motions and claims have been filed against the Organization in previous years. The Organization continues to defend against and deny such claims, which have indeterminable outcomes as at March 31, 2025. Those with the final outcome concluded by the Court have been duly accrued for as at March 31, 2025.

6. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2024.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts as described in Note 2.

HAUDENOSAUNEE DEVELOPMENT INSTITUTE

Program Schedule

Year ended March 31, 2025, with comparative financial information for 2024

	HDI Admin	Land Lease	Land Acq.	HCCC	HERC	Lands Research	HDI East/	IMC	Protect the Tract	Old Council House	Joint Stew. Board	Archaeol. Monitor	Burtch Farming	Env. Monitor	HRC	Mar.31 2025	Mar.31 2024
Revenues:																	
Fees	264,778	1,006,452	365,000	0	0	0	0	0	0	0	186,810	8,905,865	65,500	563,306	0	11,357,711	11,071,869
Other revenue	193,849	0	0	0	0	0	0	0	0	0	12,500	0	0	0	0	206,349	55,385
	458,627	1,006,452	365,000	0	0	0	0	0	0	0	199,310	8,905,865	65,500	563,306	0	11,564,060	11,127,254
Expenses:																	
Salaries, benefits and contract fees	228,333	0	0	0	0	0	0	0	0	0	90,000	1,990,760	0	230,988	313,315	2,853,397	2,705,179
Legal - business development	1,067,845	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,067,845	352,658
Legal - litigation and general	259,234	0	0	0	0	0	0	0	0	0	0	0	0	0	0	259,234	1,065,369
Communications	3,272	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,272	700
Consultant/Professional fees	627,273	0	0	110,000	0	70,352	0	32,719	13,000	0	61,314	57,562	0	9,367	120,019	1,101,605	799,170
Language/cultural development/capacity	0	1,232,338	0	288,459	0	0	0	0	0	18,010	0	0	0	0	0	1,538,806	1,118,536
Travel	20,688	0	0	127,008	23,075	0	0	0	0	0	0	507,425	0	57,556	18,092	753,844	725,036
Office and general	346,606	0	0	30,730	0	0	0	5,195	0	0	4,288	0	0	0	24,686	411,505	340,670
Operating subsidy - 2438543 Ontario Inc.	175,845	0	0	0	0	0	0	0	0	0	0	0	0	0	0	175,845	141,156
Bad debt expense	102,287	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,287	22,334
Rent	21,600	0	0	14,400	10,800	10,800	0	0	0	0	21,600	0	0	0	0	79,200	39,622
Advertising	27,093	0	0	0	0	0	0		0	0	0	0	0	0	0	27,093	22,368
Amortization expense	15,643	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,643	15,405
Training	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,875
	2,895,718	1,232,338	0	570,597	33,875	81,152	0	37,914	13,000	18,010	177,201	2,555,747	0	297,911	476,112	8,389,575	7,357,078
Excess of revenues over expenses	(2,437,091)	(225,885)	365,000	(570,597)	(33,875)	(81,152)	-	(37,914)	(13,000)	(18,010)	22,109	6,350,117	65,500	265,395	(476,112)	3,174,484	3,770,176