
Consolidated financial statements of Six Nations Polytechnic Inc.

March 31, 2026

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Independent Auditor's Report

To the Board of Directors of
Six Nations Polytechnic Inc.

Opinion

We have audited the consolidated financial statements of Six Nations Polytechnic Inc. (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Organization'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 Organization'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 Organization 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Organization as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a bold, sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
September 25, 2026

Six Nations Polytechnic Inc.
Consolidated statement of financial position
As at March 31, 2026

	Notes	2026 \$	2025 \$
Assets			
Current assets			
Cash		15,305,543	6,373,573
Investments and marketable securities		204,034	150,000
Accounts receivable	3	10,504,176	4,065,240
Prepaid expenses		585,175	326,744
		26,598,928	10,915,557
Capital assets	4	29,144,844	28,267,496
Artwork collection	2	1,566,990	1,566,990
Derivative financial asset	11	704,513	543,692
		58,015,275	41,293,735
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		6,542,946	1,753,263
Deferred revenue	7	8,620,787	4,594,093
Current portion of long-term debt	11	909,548	892,963
		16,073,281	7,240,319
Long-term debt	11	21,447,925	22,357,473
Deferred capital contributions	8	8,826,030	5,830,317
		46,347,236	35,428,109
Net assets			
Invested in capital assets	9	271,174	(221,065)
Unrestricted		11,396,865	6,086,691
		11,668,039	5,865,626
		58,015,275	41,293,735

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

Six Nations Polytechnic Inc.
Consolidated statement of operations
Year ended March 31, 2026

	Notes	2026 \$	2025 \$
Revenue			
Ministry of Colleges and Universities ("MCU")		5,472,456	7,615,100
Post-Secondary Partnership Program		921,229	2,515,486
One-time gift	6	10,000,000	—
Tuition		5,090,092	4,404,636
Other funding	10	1,622,171	2,358,794
Other income		1,190,223	988,466
		24,296,171	17,882,482
Expenses			
Salaries and benefits		7,589,981	8,243,569
Instruction fees		2,586,043	2,405,079
Facility and supplies		1,703,122	2,117,157
General and administrative	10	1,715,660	1,444,035
Interest expense		675,910	703,101
Tuition and program fees		708,700	934,161
Program development		737,015	708,160
Student services		788,876	705,452
Professional development		81,199	55,553
Education materials		92,705	145,984
Awards and bursaries		87,736	13,284
Cultural support		85,006	67,724
		16,851,953	17,543,259
Excess of revenue over expenses before other items		7,444,218	339,223
Other expenses (income)			
Amortization of capital assets		2,406,913	2,617,090
Amortization of deferred capital contributions	8	(604,287)	(610,870)
Gain on derivative financial asset		(160,821)	(491,024)
		1,641,805	1,515,196
Excess (deficiency) of revenue over expenses		5,802,413	(1,175,973)

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

Six Nations Polytechnic Inc.**Consolidated statement of changes in net assets**

Year ended March 31, 2026

	Invested in capital assets	Unrestricted	2026 Total
	\$	\$	\$
Net assets, beginning of year	(221,065)	6,086,691	5,865,626
(Deficiency) excess of revenue over expenses	(1,641,805)	7,444,218	5,802,413
Net change in invested in capital assets	2,134,044	(2,134,044)	—
Net assets, end of year	271,174	11,396,865	11,668,039

	Invested in capital assets	Unrestricted	2025 Total
	\$	\$	\$
Net assets, beginning of year	33,414	7,008,185	7,041,599
(Deficiency) excess of revenue over expenses	(1,515,196)	339,223	(1,175,973)
Net change in invested in capital assets	1,260,717	(1,260,717)	—
Net assets, end of year	(221,065)	6,086,691	5,865,626

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

Six Nations Polytechnic Inc.
Consolidated statement of cash flows
Year ended March 31, 2026

	2026	2025
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	5,802,413	(1,175,973)
Items not involving cash		
Amortization of capital assets	2,406,913	2,617,090
Amortization of deferred capital contributions	(604,287)	(610,870)
Gain on derivative financial asset	(160,821)	(491,024)
	7,444,218	339,223
Changes in non-cash operating working capital		
Accounts receivable	(6,438,936)	(359,862)
Prepaid expenses	(258,431)	97,301
Accounts payable and accrued liabilities	4,789,683	849,699
Deferred revenue	4,026,694	470,631
	9,563,228	1,396,992
Financing activities		
Repayment of long-term debt	(892,963)	(875,471)
Capital contributions received	3,600,000	386,700
	2,707,037	(488,771)
Investing activities		
Purchase of capital assets	(3,284,261)	(771,946)
Purchase of investments and marketable securities	(54,034)	—
	(3,338,295)	(771,946)
Net change in cash	8,931,970	136,275
Cash, beginning of year	6,373,573	6,237,298
Cash, end of year	15,305,543	6,373,573

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

1. Description of organization

Six Nations Polytechnic Inc. (the "Organization") operates a post-secondary school of instruction to advance education to students attending the school through scholarships, bursaries, awards and other forms of financial assistance. It also operates a resource library for Indigenous knowledge and languages to educate and increase the public's appreciation of Indigenous culture. It has been in operation since 1993, incorporated without share capital on October 29, 2001, and on September 19, 2014, was designated a Charitable Organization under the provisions of the Income Tax Act of Canada.

The Organization operates two campuses, one in Brantford and one in Ohsweken. The land upon which the Organization's Ohsweken building is situated form part of the Six Nations Indian Reserve, No. 40, and has been set aside under band council resolution for the use and benefit of Six Nations Polytechnic Inc. for as long as required for educational purposes in accordance with Section 18(2) of the Indian Act and this land will revert back to the Six Nations Indian Reserve when no longer required for such purposes. The Organization does not have title to this land, and accordingly has not reflected its value in its books and records. No amounts are due to band council for the utilization of the land.

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting. The Organization's significant accounting policies are as follows:

Basis of presentation

These consolidated financial statements include the accounts of Six Nations Polytechnic Inc. and all of its wholly-owned subsidiaries, as follows:

Six Nations Polytechnic Brantford Campus Inc.

Six Nations Polytechnic Ohsweken Campus Inc.

All significant intercompany balances and transactions have been eliminated upon consolidation.

The activities of the Organization are reflected in the various funds:

- Invested in capital assets - Reflects the investment of the Organization in capital assets net of external funding and debt.
- Unrestricted - Reflects the transactions of the Organization that are not subject to any restrictions by the Board or from an external funder or donor.

Revenue recognition

The Organization follows the deferral method of accounting for contributions which include donations, government grants and special events revenue.

Contributions from grants, donations and special events that are unrestricted are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grants approved but not received at the end of an accounting period are accrued.

Revenue derived from grants and donations which are restricted are recognized when the related expenses have been made or the external restrictions have been fulfilled, depending on the nature of the restriction. Funds received for which the related expenditures have not been made or the external restrictions have not been fulfilled are recorded as deferred revenue.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate of the related capital asset.

Tuition revenue is recognized as revenue as the corresponding instruction is delivered.

Both investment income and other income are recognized as earned.

2. Significant accounting policies (continued)

Cash

Cash balances consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by actual invoice amounts.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for the derivative interest rate swap, which is carried at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in excess of revenue over expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in excess of revenue over expenses an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to excess of revenue over expenses the period the reversal occurs.

Income taxes

The Organization follows the taxes payable method of accounting for income taxes. Under this method, the Organization reports as an expense of the period only the cost of current income taxes payable determined in accordance with the rules established by tax authorities.

For the year ended March 31, 2026, Six Nations Polytechnic Brantford Campus Inc. did not generate taxable income and, accordingly, no current income taxes were payable. Six Nations Polytechnic Ohsweken Campus Inc. is not subject to income taxes. As a result, no income tax expense has been recognized in the consolidated financial statements.

Capital assets

Capital assets are stated at cost, less accumulated amortization. In the year of acquisition, the Organization applies the half-year rule for amortization of capital assets. Amortization is provided using the declining balance method and following annual rates:

Assets	Rate
Building	10%
Machinery and equipment	30%
Vehicles	30%
Computers	30%

2. Significant accounting policies (continued)

Capital assets (continued)

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Software in development represents eligible costs incurred to develop and implement software; amortization will commence in the year the software development is completed and ready for use.

Collections

The collection consists of artwork and artifacts related to Indigenous language and culture. The artwork and artifacts are used for the purposes of educating and increasing the public's appreciation of Indigenous culture.

The collection is measured at fair value estimated using market or appraisal values at the time of receipt. The collection is not subject to amortization. The value of a collection that is recorded on the consolidated statement of financial position will be written down whenever events or changes in circumstances indicate that its net carrying amount may exceed its fair value. The net carrying amount of the collection or collection item shall be written down to its fair value or replacement cost and the write-down will be recognized as an expense in the consolidated statement of earnings.

Based on the most recent appraisal completed in 2020 by an accredited Personal Property Appraiser, the fair market value of the collection is \$1,566,990 and is presented on the consolidated statement of financial position as a separate line item.

Impairment of long-lived assets

Long-lived assets, such as capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful life of capital assets, certain accrued liabilities, as well as revenue and deferred revenue relating to grant funding. Actual results could differ from those estimates.

3. Accounts receivable

	2026	2025
	\$	\$
Accounts receivable	9,893,669	3,463,767
Harmonized Sales Tax recoverable	610,507	601,473
	10,504,176	4,065,240

4. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
	\$	\$	\$	\$
Land	7,213,431	—	7,213,431	7,213,431
Building	27,483,349	10,318,576	17,164,773	15,452,884
Machinery and equipment	1,541,875	1,338,537	203,338	275,526
Vehicles	53,581	10,344	43,237	26,959
Computers	2,859,611	2,347,190	512,421	733,521
Leasehold improvements	8,362,960	4,355,316	4,007,644	4,565,175
	47,514,806	18,369,962	29,144,844	28,267,496

5. Credit facilities

The Organization maintains an operating line of credit totaling \$1,000,000, which bears interest at a rate of daily compounded CORRA plus 1.19% per annum. As at March 31, 2026, no amounts were drawn on this facility (nil in 2025).

Additionally, the Organization has access to a committed revolving credit facility of \$500,000. The interest rate on this facility is determined at the time of each drawdown. As at March 31, 2026, no amounts were drawn on this facility (nil in 2025).

6. One-time gift

Included in revenue for the year is a one-time gift of \$10,000,000 received from a private foundation. The contribution was provided to support the Organization's long-term strategic initiatives focused on Indigenous education, employment, and financial inclusion. As there are no specific restrictions relating to the funding received, this has been recognized as revenue in the consolidated statement of operations in the current year.

7. Deferred revenue

The Organization has deferred revenue of \$8,620,787 (\$4,594,093 in 2025), representing funds received that will be used to fund expenses in future years as they are incurred. As at March 31, 2026, the related spending conditions associated with the funding received had not been met and, accordingly, the funding has been deferred and will be recognized as revenue in future periods as the related expenditures are incurred.

8. Deferred capital contributions

- (a) Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2026	2025
	\$	\$
Balance, beginning of year	5,830,317	6,054,487
Add: contributions received for capital purposes	3,600,000	386,700
Less: amortization of deferred capital contributions	(604,287)	(610,870)
	8,826,030	5,830,317

- (b) The deferred contributions related to capital assets consist of the following:

	2026	2025
	\$	\$
Unamortized deferred capital contributions used to purchase capital assets	7,220,710	5,781,817
Unspent contributions	1,605,320	48,500
	8,826,030	5,830,317

9. Invested in capital assets

Net assets invested in capital assets is calculated as follows:

	2026	2025
	\$	\$
Capital assets	29,144,844	28,267,496
Amounts financed by		
Unamortized deferred capital contributions	(7,220,710)	(5,781,817)
Long-term debt net of derivative financial asset	(21,652,960)	(22,706,744)
	271,174	(221,065)

10. Related party transactions

The Interim President and CEO is a board member with eCampus Ontario. There are many transactions between Six Nations Language Commission, the Six Nations Council, Colleges and Institutes Canada and the Indigenous Institute Consortium with the Organization including tuition transfers and research grants.

During the year, Six Nations Polytechnic earned revenue of \$125,698 (\$123,268 in 2025) from Six Nations Development Trust Fund and \$47,318 (\$40,788 in 2025) from the Indigenous Institute Consortium.

Six Nations Polytechnic Inc. incurred expenses of \$49,813 (nil in 2025) to Board Members of Six Nations Polytechnic Inc. These transactions are in 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.

11. Long-term debt

	2026	2025
	\$	\$
TD bank loan, interest at 2.959% per annum, repayable in monthly blended payments of principal and interest of \$84,975, repayable by May 2031	15,472,473	16,025,436
Related party loan, interest at 2.970% per annum, repayable in quarterly principal payments of \$85,000 and monthly interest payments, repayable by May 2046	6,885,000	7,225,000
	22,357,473	23,250,436
Current portion	(909,548)	(892,963)
Long-term portion of long-term debt	21,447,925	22,357,473

The TD bank loan is subject to a floating rate of interest based on CORRA + 1.190% per annum. The Organization has utilized an interest rate swap arrangement to provide a fixed rate of 2.959% over the term and amortization period. The fair value of the interest rate swap as at March 31, 2026 is an asset position of \$704,513 (asset position of \$543,692 in 2025).

The TD bank loan is secured by guarantees, first ranking general security agreement and first priority lien on the Brantford campus property owned by the Organization.

The related party loan is secured by an unlimited guarantee of payment by the Organization, second ranking general security agreement and second ranking lien on the Brantford campus property owned by the Organization.

Under the terms of the loans payable, the Organization must satisfy certain financial covenants. As at March 31, 2026, the Organization is in compliance with the covenants.

Principal repayments required over the next five fiscal years and thereafter are as follows:

	\$
2027	909,548
2028	926,632
2029	944,228
2030	962,352
2031	981,019
Thereafter	17,633,694
	22,357,473

12. Financial instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk primarily through its floating interest rate credit facilities. There has been no change to the risk exposures from 2025.

A portion of the Organization's debt is at floating rates. As a result, the Organization is exposed to interest rate risk. The Organization mitigates the interest rate risk on its term facility through an interest rate swap fixing the interest on the loan.

12. Financial instruments (continued)

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2026, the most significant financial liabilities are: long-term debt, unspent portion of deferred capital contributions, and accounts payable and accrued liabilities.