

Consolidated Financial Statements of

**SIX NATIONS OF THE
GRAND RIVER**

And Independent Auditors' Report Thereon

For the year ended March 31, 2020

SIX NATIONS OF THE GRAND RIVER

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For the year ended March 31, 2020

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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, 2020 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 Auditors' 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 Mark B. Hill

DocuSigned by:

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Darrin Jamieson, Senior Administrative Officer



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INDEPENDENT AUDITORS' 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, 2020,
- 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, 2020, 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain 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.



- 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
March 15, 2021

SIX NATIONS OF THE GRAND RIVER

Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash	\$ 78,387,337	\$ 61,297,240
Investments (note 2)	25,630,127	25,127,197
Accounts receivable (note 3, note 9)	8,783,128	8,591,150
Housing loans receivable (note 4)	25,877,452	23,299,275
Other assets (note 5)	1,406,441	1,644,661
Investment in Six Nations Natural Gas Company Limited Partnership (note 6)	4,302,196	5,819,820
	<u>144,386,681</u>	<u>125,779,343</u>
Financial liabilities		
Accounts payable and accrued liabilities (note 9)	23,592,700	21,337,271
Deferred revenue (note 7)	23,311,751	20,580,659
Other liabilities (note 10)	10,207,683	13,907,289
	<u>57,112,134</u>	<u>55,825,219</u>
Net financial assets	87,274,547	69,954,124
Non-financial assets		
Tangible capital assets (note 11)	133,638,305	127,430,212
Inventory	96,468	101,711
Prepaid expenses	2,263,688	722,184
	<u>135,998,461</u>	<u>128,254,107</u>
Commitments (note 13)		
Contingencies (note 14)		
COVID-19 (note 21)		
Accumulated surplus (note 12)	<u>\$ 223,273,008</u>	<u>\$ 198,208,231</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, 2020, with comparative information for 2019

	Budget (note 18)	2020	2019
Revenues:			
User charges:			
Rental income	\$ 2,425,863	\$ 2,184,346	\$ 2,090,951
Accommodation charges	790,627	1,038,267	949,829
User charges	1,199,214	704,623	705,780
	4,415,704	3,927,236	3,746,560
Government transfers (note 16):			
Province of Ontario	38,972,305	48,890,964	51,418,452
Other federal	16,118,372	15,770,696	12,115,290
Crown-Indigenous Relations and Northern Affairs Canada (note 15)	6,756,826	25,510,140	27,601,516
	61,847,503	90,171,800	91,135,258
Other:			
Ontario First Nations Limited Partnership Agreement	10,500,000	10,133,043	11,732,502
Rent and other land related revenue	8,226,327	5,880,315	5,101,924
Donations (note 9)	–	77,324	1,600,594
Investment income	1,082,607	3,050,785	2,231,031
Grand River Employment and Training Inc.	–	139,205	126,256
Rent to own housing units	–	383,238	597,415
Equity income (loss) in Six Nations Natural Gas Company Limited Partnership (note 6)	–	(1,517,624)	–
	19,808,934	18,146,286	21,389,722
Total revenues (note 17)	86,072,141	112,245,322	116,271,540
Expenses:			
Corporate & Emergency Services & Committee of the Whole	23,756,655	22,774,290	27,134,592
Building & Infrastructure Committee	10,179,858	18,106,924	13,128,212
Human Services Committee	61,247,836	46,299,331	52,193,627
Total expenses (note 17)	95,184,349	87,180,545	92,456,431
Annual surplus	(9,112,208)	25,064,777	23,815,109
Accumulated surplus, beginning of year	198,208,231	198,208,231	174,393,122
Accumulated surplus, end of year	\$ 189,096,023	\$ 223,273,008	\$ 198,208,231

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, 2020, with comparative information for 2019

	Budget (note 18)	2020	2019
Annual surplus	\$ (9,112,208)	\$ 25,064,777	\$ 23,815,109
Acquisition of tangible capital assets	—	(14,934,193)	(18,648,678)
Amortization of tangible capital assets	—	8,651,056	7,943,511
Gain on sale of tangible capital assets	—	(383,238)	(597,415)
Proceeds on sale of tangible capital assets	—	458,282	688,282
Change in supplies of inventory	—	5,243	(26,264)
Change in prepaid expense	—	(1,541,504)	980,583
Change in net financial assets	(9,112,208)	17,320,423	14,155,128
Net financial assets, beginning of year	69,952,124	69,954,124	55,798,996
Net financial assets, end of year	\$ 60,839,916	\$ 87,274,547	\$ 69,954,124

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, 2020, with comparative information for 2019

	2020	2019
Operating activities:		
Annual surplus	\$ 25,064,777	\$ 23,815,109
Items not involving cash:		
Amortization	8,651,056	7,943,511
Gain on sale of tangible capital assets	(383,238)	(597,415)
Equity in Six Nations Natural Gas Company Limited Partnership (note 6)	1,517,624	-
Change in non-cash assets and liabilities:		
Accounts receivable	(191,978)	(4,109,478)
Housing loans receivable	(2,578,177)	(2,152,166)
Other assets	238,220	(296,918)
Accounts payable and accrued liabilities	2,255,429	5,583,424
Deferred revenue	2,731,091	8,446,821
Inventory	5,243	(26,264)
Prepaid expenses	(1,541,504)	980,584
Net change in cash from operating activities	35,768,543	39,587,208
Capital activities:		
Proceeds on sale of tangible capital assets	458,283	688,282
Cash used to acquire tangible capital assets	(14,934,193)	(18,648,676)
Net change in cash from capital activities	(14,475,910)	(17,960,394)
Investing activities:		
Net change in investments	(502,930)	(315,951)
Financing activities:		
Net change in long-term liabilities	(3,699,606)	(1,555,020)
Increase in cash	17,090,097	19,755,843
Cash, beginning of year	61,297,240	41,541,397
Cash, end of year	\$ 78,387,337	\$ 61,297,240

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, 2020

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 enterprise (Six Nations Natural Gas Company Limited Partnership and Six Nations Natural Gas Limited) 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 consist of bonds and mutual funds and are recorded at cost. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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 Six Nations Natural Gas Limited Partnership:

The investment in Six Nations Natural Gas Limited Partnership ("SNNGLP") has 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 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.

(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, 2020

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 of 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 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, 2020

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. Government transfers paid are recognized as a liability and an expense when the transfer is authorized and all eligibility criteria have been met by the recipient.

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, 2020

1. Significant accounting policies (continued):

(k) 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.

(l) Investment income:

Investment income earned is reported as revenue in the period earned.

(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.

(n) 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.

(o) Liability for contaminated sites:

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Entity is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(o) Liability for contaminated sites (continued):

The best estimates of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available.

(p) 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.

(q) Future accounting pronouncements:

(i) Financial instruments:

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2022 for governments, with early adoption encouraged.

(ii) Foreign currency translation:

This accounting pronouncement establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements. It is effective for fiscal years beginning on or after April 1, 2022 for governments, with early adoption encouraged.

(iii) Asset retirement obligations:

In August 2018, the Public Sector Accounting Board issued this accounting standard that addresses the reporting of legal obligations associated with the retirement of tangible capital assets. This new standard takes effect for annual reporting periods beginning on or after April 1, 2022 with early adoption permitted.

(iv) Revenue:

This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between arising from transactions that includes performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non–exchange transactions". This new standard takes effect for annual reporting periods beginning on or after April 1, 2023.

Management is assessing the impact of the adoption of these standards which is not known or able to be reasonably estimated at this time.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

2. Investments:

Investments reported on the consolidated statement of financial position have cost and market values as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
Investments	\$ 25,630,127	\$ 26,629,986	\$ 25,127,197	\$ 26,056,310

3. Accounts receivable:

Accounts receivable are reported net of an allowance for doubtful accounts of \$2,035,444 (2019 – \$1,910,792).

4. 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:

	2020	2019
Loans with interest at 0% per annum	\$ 465,438	\$ 526,041
Loans with interest at 3.70% to 7.0% per annum	26,021,797	23,383,017
Less: allowance for doubtful accounts	(609,783)	(609,783)
	\$ 25,877,452	\$ 23,299,275

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 \$537,055 (2019 – \$609,000). Additionally, Six Nations has approved funding further to specific members in the amount of \$2,029,692 (2019 - \$1,421,178), which have not been advanced at year-end.

5. Other assets:

Included in other assets is a loan receivable from Six Nations Police in the amount of \$471,562 (2019 – \$504,418), which does not bear interest. The loan is repayable in monthly principal payments of \$2,738 over a term of 35 years and is due in 2045. The face value of the loan is \$621,556 (2019 – \$752,900). Also included within other assets are \$1,033,447 in long-term receivables related to foreclosed properties (2019 - \$1,140,243), net of an allowance for doubtful accounts of \$204,216 (2019 - \$204,216).

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

6. 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, 2020 and March 31, 2019. 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.

Financial position:

	2020	2019
Current assets	\$ 1,048,151	\$ 1,141,376
Capital assets	4,503,523	4,876,714
Total assets	5,551,674	6,018,090
Total liabilities	614,241	524,416
Partners' Equity	4,937,433	5,493,674
Six Nations Natural Gas Limited's interest in partnership	1,517,624	997,383
Government assistance treated as a capital transaction	(635,237)	(671,237)
Investment in Six Nations Natural Gas LP	\$ 5,819,820	\$ 5,819,820

Results of operations:

	2020	2019
Revenues (net of gas purchases)	\$ 1,855,599	\$ 1,926,747
Operating expenses	2,375,840	2,144,183
Net loss	(520,241)	(217,436)
Six Nations Natural Gas Limited's interest	520,241	217,436
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):

	2020	2019
Opening balance	\$ 5,819,820	\$ 5,819,820
Net loss	(1,517,624)	-
Closing balance	\$ 4,302,196	\$ 5,819,820

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

7. Deferred revenue:

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

	2020			
	Deposits	Rent-to-own properties	Other deferred revenue	Total
Balance, beginning of year	\$ 195,796	\$ 2,313,695	\$ 18,071,168	\$ 20,580,659
Deposits collected	72,678	-	-	72,678
Housing payments	-	146,152	-	146,152
Federal funding	-	-	15,822,697	15,822,697
Provincial funding	-	-	3,931,878	3,931,878
Other	-	-	221,097	221,097
	268,474	2,459,847	38,046,840	40,775,161
Less:				
Deposits returned	65,441	-	-	65,441
Contributions used in operations	-	266,000	17,064,267	17,330,267
Other	-	-	67,702	67,702
	65,441	266,000	17,131,969	17,463,410
Balance, end of year	\$ 203,033	\$ 2,193,847	\$ 20,914,871	\$ 23,311,751

	2019			
	Deposits	Rent-to-own properties	Other deferred revenue	Total
Balance, beginning of year	\$ 181,535	\$ 3,191,980	\$ 8,760,323	\$ 12,133,838
Deposits collected	71,957	-	-	71,957
Housing payments	-	1,280,096	-	1,280,096
Federal funding	-	-	2,765,290	2,765,290
Other	-	-	12,000	12,000
Provincial funding	-	-	14,378,357	14,378,357
	253,492	4,472,076	25,915,970	30,641,538
Less:				
Deposits returned	57,696	-	-	57,696
Contributions used in operations	-	868,240	9,134,943	10,003,183
	57,696	868,240	9,134,943	10,060,879
Balance, end of year	\$ 195,796	\$ 3,603,836	\$ 16,781,027	\$ 20,580,659

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

7. Deferred revenue (continued):

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.

8. 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 \$1,114,878 (2019 – \$1,025,622).

9. Related party transactions:

	2020	2019
Six Nations Development Corporation:		
Bingo Hall operations:		
Lease payments received	\$ 676,062	\$ 713,051
Loan repayments received	555,282	555,362
Operating expenses paid	\$ (761,200)	\$ (761,200)
Amounts receivable from, net of amounts payable	\$ 17,494	\$ 99,870

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.

During the year, Six Nations received \$4.5 million (2019 - \$12.5 million) from the Province of Ontario in relation to the OLG Modernization agreement. This amount was contributed to Six Nations Development Corporation for the purpose of funding community development, as further described in Note 16.

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, 2020

10. Other liabilities:

The balance of other liabilities reported on the consolidated balance sheet is made up of the following:

	2020	2019
Bank of Montreal, interest rates ranging from 2.57% to 2.73% with principal payments of \$48,214 monthly, maturing between Feb 2020 and Jan 2023. Amount is unsecured.	\$ 4,055,331	\$ 4,633,813
Bank of Montreal, interest rates at 3.67% with principal payments of \$33,361 monthly, maturing June 2020. Amount is unsecured.	–	3,378,862
Royal Bank of Canada, interest rates ranging from 2.18% to 2.67% with principal payments of \$20,717 monthly, maturing between May, 2020 and April 2022. Amount is secured by a general security agreement.	2,204,889	2,453,351
Canada Mortgage and Housing Corporation, interest rates ranging from 1.05% to 1.37% with principal payments of \$22,036 monthly, maturing between July 2020 and May 2022. Amount is guaranteed by Indigenous Services Canada.	3,947,463	3,441,263
Other liabilities, end of year	\$ 10,207,683	\$ 13,907,289

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

2021	\$ 5,745,191
2022	785,735
2023	2,006,023
2024	554,388
Thereafter	1,116,346
	\$ 10,207,683

Total interest on other liabilities which are reported on the consolidated statement of operations amounted to \$279,081 in 2020 (2019 – \$378,766).

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

11. Tangible capital assets:

March 31, 2020	Cost balance, beginning of year	Additions	Transfer from Work-in- progress	Disposals	Balance, end of year	Amortization balance, beginning of year	Disposals	Amortization expense	Balance end of year	Net book value, end of year
Land and land improvements	\$ 11,412,230	\$ 1,025,417	—	\$ —	\$ 12,437,647	\$ 3,597,015	\$ —	\$ 468,878	\$ 4,065,893	\$ 8,371,754
Building and building improvements	112,856,555	2,842,127	1,070,495	(202,064)	116,567,113	46,677,651	(171,626)	3,463,927	49,969,952	66,597,161
Vehicles, machinery and equipment	30,849,459	2,352,728	—	(139,208)	33,062,979	17,480,861	(69,374)	2,743,080	20,154,567	12,908,412
Water and wastewater infrastructure	12,083,990	1,452,587	12,886,612	—	26,423,189	5,018,706	—	256,296	5,275,002	21,148,187
Roads infrastructure	40,679,439	1,971,476	433,320	—	43,084,235	25,383,113	—	1,116,653	26,499,766	16,584,469
Office equipment, furniture and computers	6,066,704	655,613	—	(48,403)	6,673,914	4,669,763	(48,403)	602,222	5,223,582	1,450,332
Work-in-progress	16,308,944	4,659,473	—	(14,390,427)	6,577,990	—	—	—	—	6,577,990
Total	\$ 230,257,321	\$ 14,959,421	14,390,427	\$ (14,780,102)	\$ 244,827,067	\$ 102,827,109	\$ (289,403)	8,651,056	\$ 111,188,762	\$ 133,638,305

March 31, 2019	Cost balance, beginning of year	Additions	Disposals	Balance, end of year	Amortization balance, beginning of year	Disposals	Amortization expense	Balance end of year	Net book value, end of year
Land and land improvements	\$ 10,605,553	\$ 806,677	\$ —	\$ 11,412,230	\$ 3,144,177	\$ —	\$ 452,838	\$ 3,597,015	\$ 7,815,215
Building and building improvements	110,051,188	3,359,519	(554,152)	112,856,555	43,902,503	(463,286)	3,238,434	46,677,651	66,178,904
Vehicles, machinery and equipment	29,236,229	1,691,756	(78,526)	30,849,459	15,101,239	(78,526)	2,458,148	17,480,861	13,368,598
Water and wastewater infrastructure	12,083,990	—	—	12,083,990	4,763,223	—	255,483	5,018,706	7,065,284
Roads infrastructure	39,634,034	1,045,405	—	40,679,439	24,365,795	—	1,017,318	25,383,113	15,296,326
Office equipment, furniture and computers	5,240,800	825,904	—	6,066,704	4,148,473	—	521,290	4,669,763	1,396,941
Work-in-progress	5,389,527	10,919,417	—	16,308,944	—	—	—	—	16,308,944
Total	\$ 212,241,321	\$ 18,648,678	\$ (632,678)	\$ 230,257,321	\$ 95,425,410	\$ (541,812)	\$ 7,943,511	\$ 102,827,109	\$ 127,430,212

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

11. Tangible capital assets (continued):

Work in progress

Work in progress assets having a value of \$6,577,990 (2019 – \$16,308,944) have not been amortized. Amortization of these assets will commence when the assets are put into service. During the year, Six Nations recognized an impairment loss of \$nil (2019 – \$nil).

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.

12. Accumulated surplus:

Accumulated surplus consists of balances as follows at March 31:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 123,430,622	\$ 113,522,924
Operating fund	44,212,742	39,386,901
	167,643,364	152,909,825
Reserve funds set aside by Six Nations Elected Council:		
Ontario First Nations Limited Partnership Agreement	44,378,325	31,984,645
Central Administration	2,412,111	3,961,934
Day care	482,335	482,874
Economic development	67,703	67,703
Economic development fund	2,406,465	2,535,035
Fire	50,365	50,365
Health services	796,341	872,737
Housing	2,624,054	2,631,991
Iroquois lodge	80,953	80,953
Public works	594,156	893,874
Social and correctional services	1,736,836	1,736,295
	55,629,644	45,298,406
	\$ 223,273,008	\$ 198,208,231

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

13. Commitments:

- (a) Six Nations has outstanding contractual obligations totaling approximately \$42,000,000 (2019 – \$46,450,000) outlined as follows by project:

	2020	2019
Housing Loans Guarantees with RBC and BMO	\$ 30,000,000	\$ 30,000,000
Six Nations Development Corporation loan guarantees for Wind and Solar projects	12,000,000	16,450,000
Total commitments authorized	\$ 42,000,000	\$ 46,450,000

At March 31, 2020, the amount utilized and outstanding of the loan for the Six Nations Development Corporation loan guarantees for the Wind and Solar projects was \$3,877,690 (2019 – \$4,289,356).

- (b) Six Nations has at March 31, 2020, approved funding of community, health, education, economic development, and cultural development projects in the amounts of \$521,903, \$1,344,341, \$115,436, \$nil, \$9,916 respectively 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:

2021	\$ 406,683
2022	407,092
2023	409,471
2024	333,580
2025	2,094
Thereafter	–
	\$ 1,558,920

14. Contingencies:

From time to time, Six Nations is named as a defendant in legal claims. As at March 31, 2020, there are no material claims outstanding. 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, 2020

15. Indigenous Services Canada:

	2020	2019
Base budget	\$ 41,327,739	\$ 40,371,677
Less non-consolidated entities:		
Grand River Post Secondary Education Office	(8,899,777)	(9,069,090)
Ganohkwa Sra	(1,254,225)	(1,132,956)
SNDC	-	(509,400)
Everlasting Tree	(1,111,273)	-
Kawenni	(3,770,720)	(2,011,597)
	(15,035,995)	(12,723,043)
Less current year deferred revenue:		
Six Nations of the Grand River	(1,097,585)	(1,015,208)
Add prior year deferred revenue:		
Six Nations of the Grand River	315,981	1,166,438
Other adjustments:		
Six Nations of the Grand River	-	(198,348)
	\$ 25,510,140	\$ 27,601,516

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

16. Government transfers:

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

	2020	2019
Revenue:		
Indigenous Services Canada:		
Economic development and housing	\$ 1,241,714	\$ 390,603
Education	733,160	1,100,171
Fire	1,276,349	678,938
General government (i)	3,270,053	3,816,760
Health services	96,932	193,200
Iroquois lodge	201,400	201,140
Lands and resources	527,315	476,460
Membership	572,948	617,238
Parks and recreation	172,507	237,189
Public works	10,138,938	13,136,368
Social, correctional services and day care	6,259,530	5,697,780
Welfare	1,019,294	1,055,669
	25,510,140	27,601,516
Other federal:		
Economic development and housing	410,712	433,552
General government	-	91,191
Health services	13,129,529	9,627,591
Iroquois lodge	-	45,414
Public works	28,584	303,054
Social, correctional services and day care	2,201,871	1,614,488
	15,770,696	12,115,290
Province of Ontario:		
General government	8,264,779	18,064,482
Health services	14,207,393	11,957,914
Iroquois lodge	2,589,595	2,637,939
Lands and resources	206,158	476,460
Parks and recreation	-	21,010
Public works	203,842	780,776
Social, correctional services and day care	16,134,191	9,290,871
Welfare	7,285,006	8,189,000
	48,890,964	51,418,452
Total revenues	\$ 90,171,800	\$ 91,135,258

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

16. Government transfers (continued):

	2020	2019
Expenses:		
Welfare payments	\$ 4,623,018	\$ 5,348,268

- (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 (2019 - \$4.5 million) which is to be used for the purposes of furthering community development. Additionally, a further one-time amount of \$12.5 million received in 2019 as part of the agreement was to be directed and contributed to the Six Nations of the Grand River Economic Development Corporation for the same purpose and these amounts were expensed within Corporate and Emergency Services and Committee of the Whole. 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.

17. 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 and Committee of the Whole:

Corporate and Emergency Services and Committee of the Whole 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.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

17. Segmented information (continued):

(iii) Human Services Committee (continued):

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.

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, 2020	Corporate and emergency services and Committee of the Whole	Building and Infrastructure Committee	Human Services Committee	Total
Revenues:				
User charges	\$ -	\$ 2,480,696	\$ 1,445,978	\$ 3,926,674
Government transfers:				
ISC	8,322,171	10,361,804	6,736,070	25,420,045
Other federal	32,085	407,341	15,299,316	15,738,742
Province of Ontario (note 9, note 16(i))	14,499,000	636,497	35,474,043	50,609,540
Investment income	1,208,020	1,375,636	(248,901)	2,334,755
Equity in Six Nations Natural Gas Company Partnership Limited (note 6)	(1,517,624)	-	-	(1,517,624)
Other	13,233,717	630,935	1,868,538	15,733,190
Total revenues	35,777,369	15,892,909	60,575,044	112,245,322
Expenses:				
Salaries, wages and employee benefits	9,063,589	3,484,817	32,470,209	45,018,615
Operating expenses	12,675,971	8,586,856	12,028,120	33,290,947
Debt services	72,603	90,718	56,604	219,925
Amortization	962,127	5,944,534	1,744,397	8,651,058
Total expenses	22,774,290	18,106,925	46,299,330	87,180,545
Annual surplus	\$ 13,003,079	\$ (2,124,016)	\$ 14,275,714	\$ 25,064,777

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

17. Segmented information (continued):

March 31, 2019	Corporate and emergency services and Committee of the Whole	Building and Infrastructure Committee	Human Services Committee	Total
Revenues:				
User charges	\$ —	\$ 2,401,938	\$ 1,344,622	\$ 3,746,560
Government transfers:				
ISC	6,689,567	13,526,971	7,384,978	27,601,516
Other federal Province of Ontario (note 9, note 16(i))	91,191	736,606	5,788,611	6,616,408
Investment income	20,232,219	780,776	35,904,339	56,917,334
Other	1,087,791	1,134,773	8,467	2,231,031
	14,901,348	2,230,794	2,026,549	19,158,691
Total revenues	43,002,116	20,811,858	52,457,566	116,271,540
Expenses:				
Salaries, wages and employee benefits	7,307,977	3,043,394	31,679,435	42,030,805
Operating expenses	6,310,082	4,472,745	18,917,686	29,700,512
Debt services	132,817	151,994	(5,730)	279,081
Amortization	883,716	5,460,079	1,602,236	7,946,031
Other (note 9)	12,500,000	—	—	12,500,000
Total expenses	27,134,592	13,128,212	52,193,627	92,456,431
Annual surplus	\$ 15,867,524	\$ 7,683,646	\$ 263,939	\$ 23,815,109

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

18. Budget data:

The budget data presented in these consolidated financial statements are based upon the 2020 operating and capital budgets approved by Six Nations Council. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements. 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.

	Budget Amount
Revenues:	
Operating (budget)	\$ 86,072,141
Expenses:	
Operating (budget)	\$ 95,184,349
Annual deficit	\$ (9,112,208)

19. Salaries and travel expenses paid to senior officials:

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

	Position	Number of months	Salary range per annum	Travel expenses
Dayle Bomberry	Senior Administrative Officer	9	\$ 89,000 – 179,000	\$ 1,321
Gary Phillips	Director of Finance	9	99,000 – 157,325	–
Wayne Staats	Chief Financial Officer (Acting)	2.5	65,000 – 95,000	793
Lonny Bomberry	Director of Lands and Resources	12	65,000 – 95,000	1,986
Lori Davis Hill	Director of Health Services	12	75,000 – 149,000	1,023
Mike Montour	Director of Public Works	12	65,000 – 95,000	2,094
Arliss Skye	Director of Social Services	12	75,000 – 149,000	2,573
Sandy Porter	Director of Ontario Works	12	65,000 – 95,000	1,864
Cheryl Henhawk	Director of Parks and Recreation	12	65,000 – 95,000	–
Karen Bomberry	Director of Housing	12	65,000 – 95,000	–
Matthew Miller	Fire Chief	12	65,000 – 95,000	1,438
Janice Burning	Manager, Lands and Membership	12	65,000 – 95,000	2,670

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

20. 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
Chief Ava Hill	\$ 50,186	\$ 857	\$ 20,715	\$ 71,758
Chief Mark Hill	28,708	526	2,214	31,448
Audrey Powless–Bomberry	43,000	2,979	13,987	59,966
David Hill	15,846	506	160	16,512
Carl Hill	29,013	3,337	17,852	50,202
Terry General	27,513	371	6,328	34,212
Wendelyn Johnson	14,895	1,091	–	15,986
Charles Wayne Martin	26,463	371	1,873	28,707
Michelle Bomberry	15,345	1,091	432	16,868
Nathan Wright	16,245	–	2,979	19,224
Sherri–Lynn Hill Pierce	43,202	3,229	12,058	58,489
Kerry Bomberry	41,200	2,979	–	44,179
Helen Miller	43,010	1,224	4,838	49,072
Wray Maracle	–	–	1,883	1,883
Hazel Johnson	41,650	2,916	3,452	48,018
Mark Hill	28,934	1,010	16,692	46,636
Melba Thomas	42,250	1,224	6,809	50,283
Total Chief and Councilors	\$ 507,460	\$ 23,711	\$ 112,272	\$ 643,443

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.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

21. COVID 19:

During the fiscal year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and Municipal governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Government entities and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the success of these interventions is not currently determinable.

Six Nations of the Grand River has enacted several measures in response to the ongoing pandemic. The Entity has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Closure of parks and recreation facilities and administrative buildings for non-essential personnel
- Strict health and safety actions such as screening, social distancing, use of personal protective equipment and working space renovations for those workers that were requested to work on site

The current challenging economic climate may lead to reduction of service levels and budgetary constraints, which may also have a direct impact on the Entity's revenues, annual surplus or deficit and reserve and reserve funds in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the Entity, surrounding economy and services, are not known at this time.

These factors present uncertainty over future cash flows and timing of revenues and expenditures and may have a significant impact on operations into future periods. It is impracticable to estimate the aggregate financial impact of the COVID-19 pandemic at this time.