

Consolidated Financial Statements of

**SIX NATIONS OF THE
GRAND RIVER**

And Independent Auditors' Report Thereon

For the year ended March 31, 2021

SIX NATIONS OF THE GRAND RIVER

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For the year ended March 31, 2021

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Management's Responsibility for the Consolidated Financial Statements

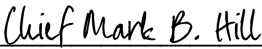
The accompanying consolidated financial statements of Six Nations of the Grand River ("Six Nations") as at and for the year end March 31, 2021 are the responsibility of Six Nations' management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting 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:

DocuSigned by:

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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, 2021,
- 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, 2021, 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 22 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2020 has been restated.

Note 22 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2021, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2020. In our opinion, such adjustments are appropriate and have been properly applied.

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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single, long, horizontal stroke that tapers at both ends.

Chartered Professional Accountants, Licensed Public Accountants,

Hamilton, Canada
September 28, 2021

SIX NATIONS OF THE GRAND RIVER

Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020 (restated – note 22)
Financial assets		
Cash	\$ 82,316,519	\$ 77,909,524
Investments (note 2)	26,087,105	25,630,127
Accounts receivable (note 3, note 9)	25,564,242	8,783,128
Housing loans receivable (note 4)	29,398,268	25,877,452
Other assets (note 5)	1,144,937	1,406,441
Investment in Six Nations Natural Gas Company Limited Partnership (note 6)	4,181,787	4,302,196
	<u>168,692,858</u>	<u>143,908,868</u>
Financial liabilities		
Accounts payable and accrued liabilities (note 9)	30,435,993	26,858,115
Deferred revenue (note 7)	40,500,737	32,021,816
Other liabilities (note 10)	9,064,711	10,207,683
	<u>80,001,441</u>	<u>69,087,614</u>
Net financial assets	88,691,417	74,821,254
Non-financial assets		
Tangible capital assets (note 11)	134,964,468	133,638,305
Inventory	79,984	96,468
Prepaid expenses	1,383,867	2,263,688
	<u>136,428,319</u>	<u>135,998,461</u>
Commitments (note 13)		
Contingencies (note 14)		
COVID-19 (note 21)		
Accumulated surplus (note 12)	<u>\$ 225,119,736</u>	<u>\$ 210,819,715</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, 2021, with comparative information for 2020

	Budget (note 18)	2021	2020 (restated – note 22)
Revenues:			
User charges:			
Rental income	\$ 2,527,971	\$ 2,055,383	\$ 2,184,346
Accommodation charges	1,186,596	1,029,097	1,038,267
User charges	217,500	876,846	704,623
	<u>3,932,067</u>	<u>3,961,326</u>	<u>3,927,236</u>
Government transfers (note 16):			
Province of Ontario	47,523,756	50,048,345	45,166,616
Other federal	19,558,086	17,771,835	13,905,897
Crown-Indigenous Relations and Northern Affairs Canada (note 15)	12,266,688	27,283,805	25,388,689
	<u>79,348,530</u>	<u>95,103,985</u>	<u>84,461,202</u>
Other:			
Ontario First Nations Limited Partnership Agreement	9,682,356	9,748,744	10,133,043
Rent and other land related revenue	2,818,860	5,132,869	5,880,315
Donations	55,000	109,612	77,324
Investment income	1,588,115	1,880,118	3,050,785
Grand River Employment and Training Inc.	–	161,884	139,205
Rent to own housing units	–	512,040	383,238
Equity income (loss) in Six Nations Natural Gas Company Limited Partnership (note 6)	–	(120,409)	(1,517,624)
	<u>14,144,331</u>	<u>17,424,858</u>	<u>18,146,286</u>
Total revenues (note 17)	97,424,928	116,490,169	106,534,724
Expenses:			
Corporate & Emergency Services & Committee of the Whole	30,848,726	29,956,419	22,774,290
Building & Infrastructure Committee	11,706,399	11,367,789	18,106,924
Human Services Committee	62,678,943	60,865,940	46,777,144
Total expenses (note 17)	105,234,068	102,190,148	87,658,358
Annual surplus	(7,809,140)	14,300,021	18,876,366
Accumulated surplus, beginning of year	210,819,715	210,819,715	191,943,349
Accumulated surplus, end of year	\$ 203,010,575	\$ 225,119,736	\$ 210,819,715

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, 2021, with comparative information for 2020

	Budget (note 18)	2021	2020 (restated – note 22)
Annual surplus	\$ (7,809,140)	\$ 14,300,021	\$ 18,876,366
Acquisition of tangible capital assets	–	(10,688,564)	(14,934,193)
Amortization of tangible capital assets	–	9,265,173	8,651,056
Gain on sale of tangible capital assets	–	(111,896)	(383,238)
Proceeds on sale of tangible capital assets	–	189,125	458,282
Change in supplies of inventory	–	16,483	5,243
Change in prepaid expense	–	879,821	(1,541,504)
Change in net financial assets	(7,809,140)	13,870,163	11,132,012
Net financial assets, beginning of year	74,821,254	74,821,254	63,689,242
Net financial assets, end of year	\$ 67,012,114	\$ 88,691,417	\$ 74,821,254

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, 2021, with comparative information for 2020

	2021	2020 (restated – note 22)
Operating activities:		
Annual surplus	\$ 14,300,021	\$ 18,876,366
Items not involving cash:		
Amortization	9,265,173	8,651,056
Gain on sale of tangible capital assets	(111,896)	(383,238)
Equity in Six Nations Natural Gas Company Limited Partnership (note 6)	120,409	1,517,624
Change in non-cash assets and liabilities:		
Accounts receivable	(16,781,114)	(191,978)
Housing loans receivable	(3,520,816)	(2,578,177)
Other assets	261,504	238,220
Accounts payable and accrued liabilities	3,577,878	5,520,844
Deferred revenue	8,478,921	5,176,275
Inventory	16,483	5,243
Prepaid expenses	879,821	(1,541,504)
Net change in cash from operating activities	16,486,384	35,290,731
Capital activities:		
Proceeds on sale of tangible capital assets	189,125	458,282
Cash used to acquire tangible capital assets	(10,668,564)	(14,934,193)
Net change in cash from capital activities	(10,479,439)	(14,475,911)
Investing activities:		
Net change in investments	(456,978)	(502,930)
Financing activities:		
Net change in long-term liabilities	(1,142,972)	(3,699,606)
Increase in cash	4,406,995	16,612,284
Cash, beginning of year	77,909,524	61,297,240
Cash, end of year	\$ 82,316,519	\$ 77,909,524

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

1. Significant accounting policies (continued):

(o) Liability for contaminated sites (continued):

The best estimates of the liability include 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 or equivalents.

(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 or equivalents.

(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.

(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, 2021

2. Investments:

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

	2021		2020	
	Cost	Market Value	Cost	Market Value
Investments	\$ 26,087,105	\$ 27,095,293	\$ 25,630,127	\$ 26,629,986

3. Accounts receivable:

Accounts receivable are reported net of an allowance for doubtful accounts of \$1,432,464 (2020 – \$1,425,661).

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:

	2021	2020
Loans with interest at 0% per annum	\$ 379,938	\$ 465,438
Loans with interest at 2.45% to 7.0% per annum	29,628,113	26,021,797
Less: allowance for doubtful accounts	(609,783)	(609,783)
	\$ 29,398,268	\$ 25,877,452

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 \$439,804 (2020 – \$537,055). Additionally, Six Nations has approved funding further to specific members in the amount of \$2,600,691 (2020 - \$2,029,692), 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 \$295,854 (2020– \$621,556), 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. Also included within other assets are \$1,063,069 in long-term receivables related to foreclosed properties (2020 - \$1,033,447).

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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, 2021 and March 31, 2020. 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 :

	2021	2020
Current assets	\$ 1,366,945	\$ 1,048,151
Capital assets	4,145,986	4,503,523
Total assets	5,512,931	5,551,674
Total liabilities	659,907	614,241
Partners' Equity	4,853,024	4,937,433
Six Nations Natural Gas Limited's interest in partnership	1,638,033	1,517,624
Government assistance treated as a capital transaction	-	(635,237)
Investment in Six Nations Natural Gas LP	\$ 6,491,057	\$ 5,819,820

Results of operations:

	2021	2020
Revenues (net of gas purchases)	\$ 1,968,155	\$ 1,855,599
Operating expenses	2,088,564	2,375,840
Net loss	(120,409)	(520,241)
Six Nations Natural Gas Limited's interest	120,409	520,241
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):

	2021	2020
Opening balance	\$ 4,302,196	\$ 5,819,820
Net loss	(120,409)	(1,517,624)
Closing balance	\$ 4,181,787	\$ 4,302,196

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

7. Deferred revenue:

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

	2021			
	Deposits	Rent-to-own properties	Other deferred revenue	Total
Balance, beginning of year (restated – note 22)	\$ 203,033	\$ 2,193,847	\$ 29,624,936	\$ 32,021,816
Deposits collected	20,223	–	–	20,223
Housing payments	–	136,126	–	136,126
Federal funding	–	–	15,767,896	15,767,896
Provincial funding	–	–	315,025	315,025
Other	–	–	45,031	45,031
	223,256	2,329,973	45,752,888	48,306,117
Less:				
Deposits returned	14,012	–	–	14,012
Contributions used in operations	–	580,597	7,104,956	7,685,553
Other	–	–	105,815	105,815
	14,012	580,597	7,210,771	7,805,380
Balance, end of year	\$ 209,244	\$ 1,749,376	\$ 38,542,117	\$ 40,500,737

	2020			
	Deposits	Rent-to-own properties	Other deferred revenue	Total (restated – note 22)
Balance, beginning of year	\$ 195,796	\$ 2,313,695	\$ 21,192,086	\$ 23,701,577
Deposits collected	72,678	–	–	72,678
Housing payments	–	146,152	–	146,152
Federal funding	–	–	17,687,496	17,687,496
Other	–	–	7,656,226	7,656,226
Provincial funding	–	–	221,097	221,097
	268,474	2,459,847	46,756,905	49,485,226
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	\$ 29,624,936	\$ 32,021,816

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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 \$1,145,315 (2020 – \$1,114,878).

9. Related party transactions:

	2021	2020
Six Nations Development Corporation:		
Bingo Hall operations:		
Lease payments received	\$ 679,070	\$ 676,062
Loan repayments received	555,363	555,282
Operating expenses paid	\$ (761,200)	\$ (761,200)
Amounts receivable from, net of amounts payable	\$ 665,301	\$ 17,494

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.

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, 2021

10. Other liabilities:

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

	2021	2020
Bank of Montreal, interest rates ranging from 2.49% to 2.73% with principal payments of \$57,778 monthly, maturing between Jan 2023 and Feb 2025. Amount is unsecured.	\$ 3,456,930	\$ 4,055,331
Royal Bank of Canada, interest rates ranging from 2.18% to 2.67% with principal payments of \$24,767 monthly, maturing between July 2021 and May 2025. Amount is secured by a general security agreement.	1,947,933	2,204,889
Canada Mortgage and Housing Corporation, interest rates ranging from 0.67% to 1.87% with principal payments of \$28,339 monthly, maturing between June 2021 and Jan 2026. Amount is guaranteed by Indigenous Services Canada.	3,659,848	3,947,463
Other liabilities, end of year	\$ 9,064,711	\$ 10,207,683

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

2022	\$ 785,735
2023	2,006,023
2024	554,388
2025	467,597
Thereafter	5,250,968
	\$ 9,064,711

Total interest on other liabilities which are reported on the consolidated statement of operations amounted to \$213,164 in 2021 (2020 – \$374,949).

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

11. Tangible capital assets:

March 31, 2021	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	\$ 12,437,647	\$ 265,579	\$ —	\$ —	\$ 12,703,226	\$ 4,065,893	\$ —	\$ 478,323	\$ 4,544,216	\$ 8,159,010
Building and building improvements	116,567,113	2,591,648	—	(468,701)	118,690,060	49,969,952	(391,473)	3,521,844	53,100,323	65,589,737
Vehicles, machinery and equipment	33,062,979	1,333,005	—	—	34,395,984	20,154,567	—	2,723,620	22,878,187	11,517,797
Water and wastewater infrastructure	26,423,189	1,579,655	—	—	28,002,844	5,275,002	—	670,248	5,945,250	22,057,594
Roads infrastructure	43,084,235	721,669	—	—	43,805,904	26,499,766	—	1,184,757	27,684,523	16,121,381
Office equipment, furniture and computers	6,673,914	827,969	—	—	7,501,883	5,223,582	—	686,381	5,909,963	1,591,918
Work-in-progress	6,577,990	3,349,041	—	—	9,927,031	—	—	—	—	9,927,031
Total	\$ 244,827,067	\$ 10,668,566	\$ —	\$ (468,701)	\$ 255,026,932	\$ 111,188,762	\$ (391,473)	\$ 9,265,173	\$ 120,062,462	\$ 134,964,468

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

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

11. Tangible capital assets (continued):

Work in progress

Work in progress assets having a value of \$9,927,029 (2020 – \$6,577,990) 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 (2020 – \$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:

	2021	2020 (restated – note 22)
Surplus:		
Invested in tangible capital assets	\$ 125,899,757	\$ 123,430,622
Operating fund	26,700,143	24,115,635
	<u>152,599,900</u>	<u>147,546,257</u>
Reserve funds set aside by Six Nations Elected Council:		
Ontario First Nations Limited Partnership Agreement	60,763,383	51,500,046
Central Administration	2,442,002	2,442,002
Day care	482,874	482,874
Economic development	67,703	67,703
Economic development fund	2,755,460	2,899,616
Fire	50,365	50,365
Health services	801,941	801,941
Housing	2,696,140	2,617,506
Iroquois lodge	80,953	80,953
Public works	642,719	594,156
Social and correctional services	1,736,296	1,736,296
	<u>72,519,836</u>	<u>63,273,458</u>
	<u>\$ 225,119,736</u>	<u>\$ 210,819,715</u>

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

13. Commitments:

- (a) Six Nations has outstanding contractual obligations totaling approximately \$42,000,000 (2020 – \$42,000,000) outlined as follows by project:

	2021	2020
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	12,000,000
Total commitments authorized	\$ 42,000,000	\$ 42,000,000

At March 31, 2021, the amount utilized and outstanding of the loan for the Six Nations Development Corporation loan guarantees for the Wind and Solar projects was \$3,559,268 (2020 – \$3,877,690).

- (b) Six Nations has at March 31, 2021, approved funding of community, health, and education projects in the amounts of \$89,546, \$5,370, and \$127,569 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:

2022	\$ 407,092
2023	409,471
2024	333,580
2025	2,094
Thereafter	–
	\$ 1,152,237

14. Contingencies:

From time to time, Six Nations is named as a defendant in legal claims. As at March 31, 2021, there is one claim outstanding to which the outcome is undeterminable. Accordingly, no provision for losses has been reflected in the accounts of Six Nations.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

15. Indigenous Services Canada:

	2021	2020 (restated – note 22)
Base budget	\$ 47,779,043	\$ 41,327,739
Less non-consolidated entities:		
Grand River Post Secondary Education Office	(10,609,823)	(8,899,777)
Ganohkwa Sra	(1,625,936)	(1,254,225)
Everlasting Tree	(1,233,817)	(1,111,273)
Kawenni:io	(3,976,534)	(3,770,720)
	(17,446,110)	(15,035,995)
Less current year deferred revenue:		
Six Nations of the Grand River	(8,654,109)	(1,219,036)
Add prior year deferred revenue:		
Six Nations of the Grand River	5,397,927	315,981
Other adjustments:		
Six Nations of the Grand River	207,054	–
	\$ 27,283,805	\$ 25,388,689

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

16. Government transfers:

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

	2021	2020 (restated – note 22)
Revenue:		
Indigenous Services Canada:		
Economic development and housing	\$ 767,055	\$ 1,241,714
Education	1,210,178	733,160
Fire	3,078,118	1,276,349
General government (i)	6,015,360	3,270,053
Health services	657,500	96,932
Iroquois lodge	201,400	201,400
Lands and resources	15,942	527,315
Membership	479,215	572,948
Parks and recreation	123,821	172,507
Public works	10,438,481	10,138,938
Social, correctional services and day care	2,226,278	6,138,079
Welfare	2,070,457	1,019,294
	<u>27,283,805</u>	<u>25,388,689</u>
Other federal:		
Economic development and housing	460,088	410,712
Health services	15,722,129	13,129,529
Public works	59,829	28,584
Social, correctional services and day care	1,529,789	337,072
	<u>17,771,835</u>	<u>13,905,897</u>
Province of Ontario:		
General government	6,521,330	8,264,779
Health services	16,177,156	10,483,045
Iroquois lodge	3,299,593	2,589,595
Lands and resources	85,000	206,158
Parks and recreation	3,000	–
Public works	1,111,472	203,842
Social, correctional services and day care	15,816,404	16,134,191
Welfare	7,034,390	7,285,006
	<u>50,048,345</u>	<u>45,166,616</u>
Total revenues	\$ 95,103,985	\$ 84,461,202

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

16. Government transfers (continued):

	2021	2020
Expenses:		
Welfare payments	\$ 5,748,529	\$ 4,623,018

- (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 (2020 - \$4.5 million) which is to be used for the purposes of furthering community development. As per the terms of the agreement, should the Province successfully appropriate the funds each year, Six Nations is entitled to receive an additional annual payment of \$4.5 million through to December 1, 2037.

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, 2021

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, 2021	Corporate and emergency services and Committee of the Whole	Building and Infrastructure Committee	Human Services Committee	Total
Revenues:				
User charges	\$ 27,373	\$ 2,544,053	\$ 1,389,900	\$ 3,961,326
Government transfers:				
ISC	10,798,813	11,205,536	5,279,456	27,283,805
Other federal	–	519,918	17,251,917	17,771,835
Province of Ontario (note 9, note 16(i))	6,606,330	1,111,471	42,330,544	50,048,345
Investment income	996,845	882,773	500	1,880,118
Equity in Six Nations Natural Gas Company Partnership Limited (note 6)	(120,409)	–	–	(120,409)
Other	13,684,284	243,642	1,737,223	15,665,149
Total revenues	\$ 31,993,236	\$ 16,507,393	\$ 67,989,540	\$ 116,490,169
Expenses:				
Salaries, wages and employee benefits	8,367,038	3,363,333	35,559,932	47,290,303
Operating expenses	12,266,752	7,881,317	25,274,138	45,422,207
Debt services	57,456	123,139	31,870	212,465
Amortization	1,019,169	6,392,969	1,853,035	9,265,173
Total expenses	\$ 21,710,415	\$ 17,760,758	\$ 62,718,975	\$ 102,190,148
Annual surplus	\$ 10,282,821	\$ (1,253,365)	\$ 5,270,565	\$ 14,300,021

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

17. Segmented information (continued):

March 31, 2020	Corporate and emergency services and Committee of the Whole	Building and Infrastructure Committee	Human Services Committee	Total (restated – note 22)
Revenues:				
User charges	\$ –	\$ 2,480,696	\$ 1,445,978	\$ 3,926,674
Government transfers:				
ISC	8,322,171	10,361,804	6,614,619	25,298,594
Other federal	32,085	407,341	15,177,865	15,617,291
Province of Ontario (note 9, note 16(i))	14,499,000	636,497	30,006,347	45,141,844
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	54,864,446	106,534,724
Expenses:				
Salaries, wages and employee benefits	9,063,589	3,484,816	32,470,210	45,018,615
Operating expenses	12,675,971	8,586,856	12,505,933	33,768,760
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	18,106,924	46,777,144	87,658,358
Annual surplus	\$ 13,003,079	\$ (2,124,015)	\$ 8,087,302	\$ 18,876,366

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

18. Budget data:

The budget data presented in these consolidated financial statements are based upon the 2021 operating and capital budgets approved by Six Nations Council on August 20, 2020. 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)	\$ 97,424,928
Expenses:	
Operating (budget)	105,234,068
Annual deficit	\$ (7,809,140)

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
Darrin Jamieson	Senior Administrative Officer	8	\$ 170,000 – 210,000	\$ 2,771
Ana Cecil Perez	Chief Financial Officer	4	160,000 – 190,000	–
Lori Davis Hill	Director of Health Services	12	99,000 – 157,325	–
Cindy Jamieson	Director of Ogwadeni:deo	12	75,000 – 149,000	287
Beverly Petheram	Director of Human Resources	12	75,000 – 149,000	–
Arliss Skye	Director of Social Services	12	99,000 – 157,325	–
Michael Montour	Director of Public Works	12	75,000 – 149,000	887
Lonny Bomberry	Director of Lands and Resources	12	75,000 – 149,000	311
Janice Burning	Manager, Lands and Membership	12	65,000 – 95,000	–
Dereck Manitowabi	Fire Chief, Acting	5	75,000 – 149,000	–
Karen Bomberry	Director of Housing	12	75,000 – 149,000	–
Cheryl Henhawk	Director of Parks and Recreation	12	65,000 – 95,000	–
Sandy Porter	Director of Ontario Works	12	65,000 – 95,000	–

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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 Mark Hill	\$ 75,900	\$ 777	\$ 89	\$ 76,766
Wendelyn Johnson	41,200	1,628	–	42,828
Audrey Powless–Bomberry	41,200	1,475	–	42,675
Hazel Johnson	41,200	1,458	–	42,658
Sherri–Lynn Hill Pierce	41,200	1,628	–	42,828
Kerry Bomberry	41,200	1,492	–	42,692
Helen Miller	41,200	606	–	41,806
Melba Thomas	41,200	503	–	41,703
Michelle Bomberry	41,200	1,628	–	42,828
Nathan Wright	41,200	103	–	41,303
Total Chief and Councilors	\$ 446,700	\$ 11,298	\$ 89	\$ 458,087

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, 2021

21. COVID 19:

In March 2020, 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 continues to be indeterminable.

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 which may also have a direct impact on the Entity's revenues, annual surplus or deficit 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.

SIX NATIONS OF THE GRAND RIVER

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

22. Restatement of comparative information – correction of error:

During the year, certain adjustments to revenue, accounts payable and deferred revenue in prior periods were required related to amounts that had been recognized as revenue rather than being deferred or accrued as repayable to the funding agency, resulting in the understatement of accrued payables and deferred revenues, and a corresponding overstatement of revenues and accumulated surplus. In addition, an error was identified with unreconciled legacy cash clearing transactions which has been corrected concurrently through prior period expenses. The following table summarizes the aggregate impact on the consolidated financial statements:

March 31, 2020	As previously reported	Adjustments	As restated
Cash	\$ 78,387,337	\$ (477,813)	\$ 77,909,524
Total assets	\$ 143,908,868	\$ (477,813)	\$ 144,386,681
Accounts payable and accrued liabilities	\$ 23,592,700	\$ 3,265,415	\$ 26,858,115
Deferred revenue	23,311,751	8,710,065	32,021,816
Total liabilities	\$ 57,112,134	\$ 11,975,480	\$ 69,087,614
Accumulated surplus, opening	\$ 198,208,231	\$ (6,264,882)	\$ 191,943,349
Accumulated surplus, ending	\$ 223,273,008	\$(12,453,293)	\$ 210,819,715
Government transfers	\$ 90,171,800	\$ (5,710,598)	\$ 84,461,202
Expenses – Human Services Committee	\$ 46,299,331	\$ 477,813	\$ 46,777,144