

**The Six Nations of the  
Grand River Community  
Development Trust  
Financial Statements  
For the period ended December 31, 2004**

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## Auditors' Report

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**To the Trustees of  
The Six Nations of the Grand River Community Development Trust**

We have audited the statement of financial position of The Six Nations of the Grand River Community Development Trust as at December 31, 2004 and the statements of operations and change in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Brantford, Ontario  
March 3, 2005

**The Six Nations of the Grand River  
Community Development Trust  
Statement of Financial Position**

**As at December 31**

**2004**

	Operating Fund	Endowment Fund	Investment Fund	Total
<b>Current assets</b>				
Cash (Note 1)	\$ 5,155	\$ -	\$ 296,832	\$ 301,987
Accrued interest	-	-	87,369	87,369
Short-term investments (Note 2)	-	10,000,000	6,263,889	16,263,889
Capital (Note 3)	6,538	-	6,648,090	16,653,245
	<b>\$ 11,693</b>	<b>\$ 10,000,000</b>	<b>\$ 6,648,090</b>	<b>\$ 16,659,783</b>
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,724	\$ -	\$ 316,868	\$ 318,592
<b>Fund balances</b>				
Invested in capital assets	6,538	-	-	6,538
Restricted	-	10,000,000	6,331,222	16,331,222
Unrestricted	3,431	-	-	3,431
	<b>9,969</b>	<b>10,000,000</b>	<b>6,331,222</b>	<b>16,341,191</b>
	<b>\$ 11,693</b>	<b>\$ 10,000,000</b>	<b>\$ 6,648,090</b>	<b>\$ 16,659,783</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**The Six Nations of the Grand River  
Community Development Trust  
Statement of Operations and  
Changes in Fund Balances**

For the period ended December 31

2004

	Operating Fund	Endowment Fund	Investment Fund	Total
<b>Revenues</b>				
OFNLP funding	\$ -	\$ 10,000,000	\$ 7,705,731	\$ 17,705,731
Investment income	-	-	370,366	370,366
	-	10,000,000	8,076,097	18,076,097
<b>Expenses</b>				
Administration	66,774	-	50,213	116,987
Amortization	1,326	-	-	1,326
Bank charges and interest	147	-	-	147
Insurance	4,750	-	-	4,750
Professional	36,393	-	-	36,393
Project expenses	-	-	1,551,572	1,551,572
Rent	5,456	-	-	5,456
Salaries and benefits	18,275	-	-	18,275
	133,121	-	1,601,785	1,734,906
<b>Excess of revenues over expenses (expenses over revenues) for the year</b>	<b>(133,121)</b>	<b>10,000,000</b>	<b>6,474,312</b>	<b>16,341,191</b>
<b>Inter-fund transfers</b>	<b>143,090</b>	<b>-</b>	<b>(143,090)</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 9,969</b>	<b>\$ 10,000,000</b>	<b>\$ 6,331,222</b>	<b>\$ 16,341,191</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**The Six Nations of the Grand River  
Community Development Trust  
Statement of Cash Flows**

**For the year ended December 31**

**2004**

<b>Cash flows from operating activities</b>	
Excess of revenue over expenses for the year	\$ 16,341,191
Items not involving cash	
Amortization	1,326
	<u>16,342,517</u>
Changes in non-cash working capital balances	
Accrued interest	(87,369)
Accounts payable and accrued liabilities	318,592
	<u>16,573,740</u>
<b>Cash flows from investing activities</b>	
Purchase of capital assets	(7,864)
	<u>16,565,876</u>
<b>Increase in cash position during the year</b>	<b>16,565,876</b>
Cash, beginning of year	-
	<u>16,565,876</u>
<b>Cash, end of year</b>	<b>\$ 16,565,876</b>
<b>Represented by</b>	
Cash	\$ 301,987
Short-term investments	16,263,889
	<u>\$ 16,565,876</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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# The Six Nations of the Grand River Community Development Trust Summary of Significant Accounting Policies

December 31, 2004

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**Nature of Operations**

The Trust was formed under the laws of Ontario. It was formed for the purposes of distributing funds received from Ontario First Nations Limited Partnership Agreement ("OFNLP") for community development projects.

**Income Tax**

The organization is a trust and, as such, is subject to trust income tax rules.

**Fund Accounting**

The Trust follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's administrative and operating expenses. This fund reports unrestricted resources.

The Endowment Fund represents a base level of funding received according to the terms of the OFNLP that cannot be distributed or spent according to the Trust Agreement. Investment income earned on resources of the Endowment Fund is recognized in the Investment Fund.

The Investment Fund accounts for additional funding received according to the terms of the OFNLP. The investments and the income earned on them are used to fund approved projects as well as transfers to the operating fund.

**Capital Assets**

Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is provided on the straight line basis as follows:

Furniture and equipment	3 years
Computer software	2 years

One-half of the above rate is provided in the year of acquisition.

**Revenue Recognition**

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Investment revenue earned on Endowment Fund resources that must be spent on projects or operations is recognized as revenue of the Investment Fund. Investment revenue earned on Investment Fund resources is recognized as revenue of the Investment Fund.

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**The Six Nations of the Grand River  
Community Development Trust  
Summary of Significant Accounting Policies**

**December 31, 2004**

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**Financial Instruments**

The Trust's financial instruments consist of cash and short-term investments, accrued interest, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest, currency or credit risks arising from its financial instruments.

The fair values of the Trust's financial instruments approximate their carrying values because of the short maturity of these instruments.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**The Six Nations of the Grand River  
Community Development Trust  
Notes to Financial Statements**

**December 31, 2004**

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**1. Cash**

The Trust maintains its bank accounts at two chartered banks. The Trust has operating accounts that do not earn interest and investment accounts with a balance of \$296,832 that earn interest at 0.25%-1.75% depending on the balance.

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**2. Investments**

	<u>2004</u>
Bonds and debentures	
Government of Canada	\$ 3,868,455
Provincial	1,680,053
Canadian corporate	<u>3,651,170</u>
	9,199,678
Short Term Notes	<u>7,064,211</u>
	<u>\$ 16,263,889</u>

The Government of Canada bonds have a carrying value of \$3,868,455, a stated value of \$3,800,000, a quoted market value of \$3,907,474 and effective interest rates of 3.00%-5.10%. These investments will mature as follows: \$500,850 within one year; \$1,519,140 within two to five years, and \$1,848,465 after five years.

The Provincial bonds have a carrying value of \$1,680,053, a stated value of \$1,650,000, a quoted market value of \$1,711,597 and effective interest rates of 3.50%-5.70%. These investments will mature as follows: \$406,800 within two to five years, and \$1,273,253 after five years.

The Canadian corporate bonds have a carrying value of \$3,651,169, a stated value of \$3,600,000, a quoted market value of \$3,696,172 and effective interest rates of 3.65%-5.69%. These investments will mature as follows: \$1,226,080 within two to five years, and \$2,425,090 after five years.

The short term notes consist of a Canada T-Bill maturing March 24, 2005.



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**The Six Nations of the Grand River  
Community Development Trust  
Notes to Financial Statements**

**December 31, 2004**

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**3. Capital Assets**

	<u>2004</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and equipment	\$ 7,689	\$ 1,282
Computer software	175	44
	<u>\$ 7,864</u>	<u>\$ 1,326</u>
Net book value		<u>\$ 6,538</u>

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**4. Related Party Transactions**

The Trust reimburses the settlor, Six Nations of the Grand River, for various expenses paid on the Trust's behalf in addition to paying honorariums for council members that are trustees. Transactions are recorded at exchange amount. These expenses totalled \$5,247 in 2004. Accounts payable includes \$1,735 due to the settlor.

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**5. Commitments**

The Board of Trustees has approved projects totalling \$5,158,192 for 2005.

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**6. Date of Organization**

The trust was settled on January 6, 2004.