



Financial Statements

Six Nations of the Grand River Community
Development Trust

December 31, 2007

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Auditors' report

Grant Thornton LLP
Standard Life Centre
1040 - 120 King Street W
Hamilton, ON
L8P 4V2

T (905) 525-1930
F (905) 527-4413
www.GrantThornton.ca

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

We have audited the statement of financial position of Six Nations of the Grand River Community Development Trust as at December 31, 2007, and the statements of operations and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the trust's management. 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. Those 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles as set out in Note 2 applied on a basis consistent with that of the preceding year.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of Trustees of the Six Nations of the Grand River Community Development Trust for complying with the Trust Agreement provisions and filing of the required trust returns. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

The comparative figures presented were audited by another firm of chartered accountants.

Grant Thornton LLP

Hamilton, Canada
March 19, 2008

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

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

As at December 31, 2007

	Operating Fund	Endowment Fund	Investment Fund	2007 Total	2006 Total
Assets					
Current					
Cash	\$ 2,097	\$ -	\$ 81,525	\$ 83,622	\$ 114,600
Accrued interest	-	-	117,200	117,200	112,747
Prepaid expenses	5,266	-	-	5,266	5,571
Investment (Note 5)	-	10,000,000	3,117,970	13,117,970	13,751,559
	7,363	10,000,000	3,316,695	13,324,058	13,984,477
Property and equipment (Note 6)	4,093	-	-	4,093	9,185
	\$ 11,456	\$ 10,000,000	\$ 3,316,695	\$ 13,328,151	\$ 13,993,662
Liabilities					
Current					
Payables and accruals	\$ 915	\$ -	\$ -	\$ 915	\$ 13,298
Fund balances					
Invested in capital assets	4,093	-	-	4,093	9,185
Restricted	-	10,000,000	3,316,695	13,316,695	13,960,524
Unrestricted	6,448	-	-	6,448	10,655
	10,541	10,000,000	3,316,695	13,327,236	13,980,364
	\$ 11,456	\$ 10,000,000	\$ 3,316,695	\$ 13,328,151	\$ 13,993,662

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

Six Nations of the Grand River Community Development Trust
Statement of Operations and Changes in Fund Balance
For the Year Ended December 31, 2007

	Operating Fund	Endowment Fund	Investment Fund	2007 Total	2006 Total
Revenue					
Investment income	\$ -	\$ -	\$ 604,955	\$ 604,955	\$ 611,849
Expenses					
Administration	92,886	-	-	92,886	139,439
Amortization	5,422	-	-	5,422	6,210
Bank charges and interest	55	-	-	55	175
Insurance	4,672	-	-	4,672	447
Professional	23,013	-	33,848	56,861	21,379
Project Expenses (Note 7)	-	-	994,936	994,936	1,418,176
Rent	12,294	-	-	12,294	10,627
Repairs and Maintenance	180	-	-	180	435
Salaries and benefits	65,540	-	-	65,540	43,856
Professional development	25,237	-	-	25,237	3,783
	<u>229,299</u>	<u>-</u>	<u>1,028,784</u>	<u>1,258,083</u>	<u>1,644,527</u>
Excess of revenue over expenses (expenses over revenue) for the year	(229,299)	-	(423,829)	(653,128)	(1,032,678)
Fund balances, beginning of year	19,840	10,000,000	3,960,524	13,980,364	13,620,176
Capital contribution	-	-	-	-	1,392,866
Inter-fund transfer	<u>220,000</u>	<u>-</u>	<u>(220,000)</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,541</u>	<u>\$ 10,000,000</u>	<u>\$ 3,316,695</u>	<u>\$ 13,327,236</u>	<u>\$ 13,980,364</u>

See accompanying notes to the financial statements.

**Six Nations of the Grand River Community
Development Trust
Statement of Cash Flows**
For Year Ended December 31, 2007

	Operating Fund	Endowment Fund	Investment Fund	2007 Total	2006 Total
Increase (decrease) in cash and cash equivalents					
Operating					
Excess of revenue over expenses (expenses over revenue)	\$ (229,299)	\$ -	\$ (423,829)	\$ (653,128)	\$ (1,032,678)
Amortization	5,422	-	-	5,422	6,210
	(223,877)	-	(423,829)	(647,706)	(1,026,468)
Change in non-cash operating working capital					
Accrued Interest	-	-	(4,453)	(4,453)	(23,722)
Prepaid expenses	304	-	-	304	(5,571)
Accounts payable and accruals	(240)	-	(12,141)	(12,381)	(358,967)
	(223,813)	-	(440,423)	(664,236)	(1,414,728)
Investing					
Purchase of property & equipment	(330)	-	-	(330)	(5,699)
Financing					
Capital contribution	-	-	-	-	1,392,866
Inter-fun transfer	220,000	-	(220,000)	-	-
Net increase (decrease) in cash and cash equivalents	(4,143)	-	(660,423)	(664,566)	(27,561)
Unrestricted cash and cash equivalents-					
Beginning of year	6,240	10,000,000	3,859,918	13,866,158	13,893,720
Fund balance, end of year	\$ 2,097	\$ 10,000,000	\$ 3,199,495	\$ 13,201,592	\$ 13,866,159
Represented by:					
Cash	\$ 2,097	\$ -	\$ 81,525	\$ 83,622	\$ 114,600
Short term investments	-	10,000,000	3,117,970	13,117,970	13,751,559
TOTAL	\$ 2,097	\$ 10,000,000	\$ 3,199,495	\$ 13,201,592	\$ 13,866,159

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2007

1. Nature of operations

The Six Nations of the Grand River Community Development Trust Corporation distributes funds received from the Ontario First Nations Limited Partnership ("OFNLP") for community development projects.

2. Summary of significant accounting policies

Fund accounting

The Trust follows the restricted fund method of accounting for contributions. The Operating Fund reports unrestricted resources to the Trust. 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.

Fixed assets

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

Furniture and equipment	3 years
Computer software	2 years

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.

Financial instruments

The Trust's financial instruments consist of cash, 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 value of the Trust's financial instruments approximate the carrying values because of their short maturity.

Use of estimates

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

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2007

3. Recently issued pronouncements

Financial instruments

On January 1, 2008, the Company is required to and will adopt CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement; CICA Handbook Section 3865, Hedges; CICA Handbook Section 1530, Comprehensive Income; and the amendments to CICA Handbook Sections and Accounting Guidelines resulting from the issuance of these Sections. Under the new standards, all financial assets must be classified as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities must be classified as held-for-trading and other. Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in net income. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading will be measured at amortized cost. Available-for-sale financial assets will be measured at fair value with changes in fair value recognized in other comprehensive income (OCI). All derivative financial instruments will be reported on the balance sheet at fair value with changes in fair value recognized in net income unless the derivative is part of a hedging relationship that qualifies as a fair value hedge, cash flow hedge or hedge of a net investment in a self-sustaining foreign operation. The Trust is required to present OCI and its components as well as the components of accumulated OCI in its financial statements. Major components of OCI include changes in fair value of financial assets classified as available-for-sale, exchange gains and losses arising from the translation of the financial statements of self-sustaining foreign operations, and the changes in fair value of effective cash flow hedging items. The Trust will assess the impact that these Sections will have on its 2008 financial statements and will be designating certain of the financial assets as available for sale and will be required to record derivative financial instruments at fair value.

4. Cash

The Trust maintains its bank accounts at one chartered bank. The Trust has operating accounts that do not earn interest and investment accounts with a balance at year end of \$81,525 in 2007 (\$108,360 in 2006) that earn interest at 0.25%-1.75% depending on the balance.

5. Investments

	<u>2007</u>	<u>2006</u>
Bonds and debentures		
Government of Canada	\$ 4,408,035	\$ 3,899,120
Provincial	1,474,373	1,474,372
Canadian corporate	6,231,052	5,887,586
United States corporate	203,770	203,770
Other	800,740	516,275
	<u>13,117,970</u>	<u>11,981,123</u>
Short-term notes	-	1,770,436
	<u>\$ 13,117,970</u>	<u>\$ 13,751,559</u>

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2007

5. Investments (continued)

The Government of Canada bonds have a carrying value of \$4,408,035, a quoted market value of \$4,442,894 (2006 - \$3,928,450) and stated interest rates of 4.25%-5.10%. These investments will mature as follows: \$1,387,345 within the next year to five years, and \$2,720,690 thereafter.

The Provincial bonds have a carrying value of \$1,474,373, a quoted market value of \$1,531,047 (2006 - \$1,545,277) and stated interest rates of 4.00%-5.70%. These investments will mature as follows: \$201,120 within the next year to five years, and \$1,273,253 thereafter.

The Canadian corporate bonds have a carrying value of \$6,231,052, a quoted market value of \$6,112,425 (2006 - \$5,916,277) and stated interest rates of 4.00%-5.69%. These investments will mature as follows: \$2,186,608 within the next year to five years, and \$4,044,444 thereafter.

The United States corporate bonds have a carrying value of \$203,770, a quoted market value of \$200,980 (2006 - \$203,968) and stated interest rate of 4.36%. This investment matures June 2011.

The other bond consists of a Government of Canada Treasury Bill with a carrying value of \$654,205 and a quoted market value of \$655,479 (2006 - \$Nil). This investment matures March 2008. It also consists of a Bank of America Corp Senior Note with a carrying value of \$146,535, a quoted market value of \$139,344 (2006 - \$506,950) and stated interest rate of 4.36%. This investment matures September 2009.

6. Property and equipment

			<u>2007</u>		<u>2006</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>		<u>Net Book Value</u>
Furniture and Equipment	\$ 18,881	\$ 15,117	\$ 3,764	\$	8,775
Computer Software	<u>2,148</u>	<u>1,819</u>	<u>329</u>	<u>\$</u>	<u>410</u>
	<u>\$ 21,029</u>	<u>\$ 16,936</u>	<u>\$ 4,093</u>	<u>\$</u>	<u>9,185</u>

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

December 31, 2007

7. Project Expenditures

During 2007, funds were distributed to the following approved projects:

	<u>Expenditures</u> <u>2007</u>	<u>Carried to</u> <u>2008</u>
A GWE GON SAHT GA RIHSE RON NIH Aka:we Canoe Club	\$ 75,000 4,151	\$ - 7,849
Brantford Native Housing - Transitional Home Project	32,573	-
Brantford Native Housing - Transitional Home Project	23,099	21,361
First Nations Youth Choir	7,500	2,500
Iroquois Lodge	20,878	82,922
J.C. Hill Elementary School - Olympia Sports Camp	16,986	-
Niagara Regional Native Centre - Abbey House	20,088	24,552
Ogwehoweh Skills and Trades Centre - OSTTC Driving School	14,875	50,125
Onkwawenna Kentyohkwa - Mohawk Language Program	157,021	-
Onodagega Odehyesdakhwa - Onondaga Language Program	152,350	-
Six Nations Arts Council	10,750	-
Six Nations Environment Office	39,090	-
Six Nations Farmers Partnership - Corn Production Initiative	28,500	-
Six Nations Fire Department - Fire Prevention	9,476	-
Six Nations Parks and Recreation - Parking Lot	179,975	-
Six Nations Police - Drug Awareness Strategy	2,600	-
Six Nations Police - Empowering Our Community	38,317	51,233
Six Nations Writers	3,850	-
SN/NC Marketing Collective	3,000	-
Wadewayesdanih - Cayuga Immersion for Adults	154,857	-
	<u>\$ 994,936</u>	<u>\$ 240,543</u>

8. Income taxes

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

**Six Nations of the Grand River Community
Development Trust**

Notes to the Financial Statements

December 31, 2007

9. Commitments

The Trust has a remaining commitment for approved projects totalling \$766,543. Of this amount, \$526,000 pertains to projects commencing in 2008 and \$240,543 pertains to existing projects which were not complete by year end.

10. Related party transactions

The Trust reimburses the settler, 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 amounts which approximate the arm's length equivalent value for services rendered. The expenses totalled \$30,531 in 2007 (\$20,102 in 2006).

11. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.