



Grant Thornton

Financial Statements

Six Nations of the Grand River Community
Development Trust

December 31, 2008

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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 balance sheet of Six Nations of the Grand River Community Development Trust as at December 31, 2008 and statements of loss and changes in distributable reserves 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, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Hamilton, Ontario
April 6, 2009

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

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

As at December 31

2008

2007

Assets

Current

Cash (Note 4)	\$ 124,590	\$ 83,622
Accrued interest	111,060	117,200
Prepaid expenses	<u>5,267</u>	<u>5,266</u>
	240,917	206,088

Investments (Note 5)	12,997,196	13,117,970
Property and equipment (Note 6)	<u>2,778</u>	<u>4,093</u>
	<u>\$ 13,240,891</u>	<u>\$ 13,328,151</u>

Liabilities

Current

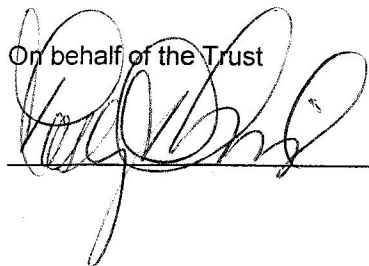
Payables and accruals	\$ 872	\$ 915
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Trust Equity

Distributable reserves (Note 7)	<u>13,240,019</u>	<u>13,327,236</u>
	<u>\$ 13,240,891</u>	<u>\$ 13,328,151</u>

Commitments (Note 12)

On behalf of the Trust



Trustee



Trustee

See accompanying notes to the financial statements.

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

Statement of Loss and Changes in Distributable Reserves

For the Year Ended December 31

2008

2007

Revenue		
Investment income	<u>\$ 573,400</u>	<u>\$ 604,955</u>
Expenses		
Administration	60,596	97,096
Amortization	2,815	5,422
Bank charges and interest	232	55
Honourarium (Note 9)	44,400	61,330
Insurance	4,700	4,672
Professional fees	71,873	56,861
Project expenses (Note 10)	450,316	994,936
Rent	12,202	12,294
Repairs and maintenance	644	180
Professional development	<u>12,839</u>	<u>25,237</u>
	<u>660,617</u>	<u>1,258,083</u>
Net loss	<u>\$ (87,217)</u>	<u>\$ (653,128)</u>
<hr/>		
Distributable reserves, beginning of year	\$ 13,327,236	\$ 13,980,364
Net loss	<u>(87,217)</u>	<u>(653,128)</u>
Distributable reserves, end of year	<u>\$ 13,240,019</u>	<u>\$ 13,327,236</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

2008

2007

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (87,217)	\$ (653,128)
Amortization	<u>2,815</u>	<u>5,422</u>
	<u>(84,402)</u>	<u>(647,706)</u>

Change in non-cash operating
working capital

Accrued interest	6,140	(4,453)
Prepaid expenses	(1)	304
Investments	120,774	633,589
Payables and accruals	<u>(43)</u>	<u>(12,381)</u>
	<u>126,870</u>	<u>617,059</u>

Investing

Purchase of property and equipment	<u>(1,500)</u>	<u>(331)</u>
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Net increase (decrease) in cash and cash equivalents 40,968 (30,978)

Cash and cash equivalents

Beginning of year	<u>83,622</u>	<u>114,600</u>
End of year	\$ <u>124,590</u>	\$ <u>83,622</u>

See accompanying notes to the financial statements.

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2008

1. Nature of operations

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

2. Summary of significant accounting policies

Revenue recognition

Investment revenue on endowment reserve resources, that must be spent on projects or operations, is recognized as revenue as earned.

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 values of the Trust's financial instruments approximate the carrying values because of their short time to maturity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less from the date of acquisition.

Property and equipment

Property and equipment 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

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 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.

Comparative Figures

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

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2008

3. Recently issued pronouncements

Effective January 1, 2009, the Trust will adopt the CICA Handbook Section 1400. This Section establishes standards for financial statement presentation. This Section was amended to require management to disclose any uncertainties that cast significant doubt upon the entity's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate management must take into account all available information about the future, which is at least, but is not limited to, twelve months from the balance sheet date.

4. Cash

The Trust maintains its bank accounts at one chartered bank. The Trust has an operating account that does not earn interest with a balance at year end of \$7,064 (2007 - \$2,097). There are also investment accounts with a balance at year end of \$117,526 (2007 - \$81,525) that earn interest at rates ranging from 0.25% to 1.75% depending on the balance on deposit.

5. Investments

	<u>2008</u>	<u>2007</u>
Bonds and debentures		
Government of Canada	\$ 4,154,025	\$ 4,408,035
Provincial	1,474,373	1,474,373
Canadian corporate	6,627,393	6,231,052
United States corporate	203,770	203,770
Other	<u>146,534</u>	<u>800,740</u>
	12,606,095	13,117,970
Short-term notes	<u>391,101</u>	-
	<u>\$ 12,997,196</u>	<u>\$ 13,117,970</u>

The Government of Canada bonds have a carrying value of \$4,154,025, a quoted market value of \$4,508,246 (2007 - \$4,442,894) and stated interest rates ranging from 4.25% to 5.10%. These investments will mature as follows: \$1,133,335 within the next year to five years, and \$3,020,690 thereafter.

The Provincial bonds have a carrying value of \$1,474,373, a quoted market value of \$1,567,190 (2007 - \$1,531,047) and stated interest rates ranging from 4.00% to 5.70%. These investments will mature as follows: \$709,540 within the next year to five years, and \$764,833 thereafter.

The Canadian corporate bonds have a carrying value of \$6,627,393, a quoted market value of \$6,505,667 (2007 - \$6,112,425) and stated interest rates ranging from 4.00% to 5.69%. These investments will mature as follows: \$2,694,803 within the next year to five years, and \$3,932,590 thereafter.

The United States corporate bonds have a carrying value of \$203,770, a quoted market value of \$200,980 (2007 - \$200,980) and stated interest rate of 4.36%. This investment matures June 2011.

The other investment consists of a Bank of America Corp. Senior Note with a carrying value of \$146,535, a quoted market value of \$135,161 (2007 - \$139,344) and stated interest rate of 4.36%. This investment matures September 2009.

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

December 31, 2008

6. Property and equipment		<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Furniture and equipment	\$ 20,381	\$ 17,932	\$ 2,449	\$ 3,764	
Computer software	<u>2,148</u>	<u>1,819</u>	<u>329</u>	<u>329</u>	
	<u>\$ 22,529</u>	<u>\$ 19,751</u>	<u>\$ 2,778</u>	<u>\$ 4,093</u>	

7. Distributable reserves		<u>2008</u>		<u>2007</u>	
Operating reserve		\$ 14,237	\$ 10,541		
Restricted trust principal		10,000,000	10,000,000		
Restricted investment reserve		<u>3,225,782</u>	<u>3,316,695</u>		
		<u>\$ 13,240,019</u>	<u>\$ 13,327,236</u>		

In accordance with the Trust Agreement dated January 4, 2004, the \$10,000,000 trust principal cannot be drawn upon until January 4, 2009. At that time, the principal may be reduced to no lower than \$6,000,000 based on the direction of the Trustees.

8. Income taxes

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

9. Honourarium

Honorarium includes all regular meetings, committee meetings, presentations, board development and proposal review expenses incurred during the year.

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

December 31, 2008

10. Project expenditures

During 2008, funds were distributed to the following approved projects:

	<u>2008</u>	<u>2007</u>
A GWE GON SAHT GA RIHSE RON NIH	\$ 15,500	\$ 75,000
Aka:we Canoe Club	7,849	4,151
Arts Council (SN) – Red Barn	10,750	10,750
Brantford Native Housing - Transitional Home Project	15,691	55,672
Cayuga Immersion	-	154,857
Childcare Resource Centre (SN)	10,090	-
Community Living (SN)	5,000	-
Cultural Communications Group Inc.	24,321	20,088
Emergency Management Program (SN)	31,940	-
Environment Office (SN)	45,000	39,090
Farmers Partnership (SN)	-	28,500
Fire Department (SN) – Training Division	18,450	-
Fire Department (SN) – Fire Prevention	-	9,476
First Nations Youth Choir	9,250	7,500
Haldimand Proclamation Monument	36,667	-
Indian Pageant (SN) – Revitalization Project	26,554	-
Iroquois Lodge	73,850	20,878
J.C. Hill Elementary School	-	16,986
Kawenniio/Gaweniyo Language Preservation	20,235	-
Ogwehoweh Skills and Trades Centre	6,625	14,875
Onkwawenna Kentyohkwa	18,000	157,021
Onandaga Immersion	-	152,350
Parks and Recreation (SN)	-	179,975
Polytechnic (SN) – Homework Support	10,800	-
Six Nations Police	50,834	40,917
Skating Club (SN)	2,691	-
SN/NC Marketing Collective	-	3,000
Writers (SN)	-	3,850
Woodland Cultural Centre – Book Upgrade	10,219	-
	<u>\$ 450,316</u>	<u>\$ 994,936</u>

11. 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. These expenses totalled \$28,529 in 2008 (2007 - \$30,531).

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

December 31, 2008

12. Commitments

The Trust has a remaining commitment for approved projects totalling \$655,718. Of this amount, \$255,718 pertains to existing projects which were not complete by year end and \$400,000 pertains to projects commencing in 2009.

	Carried to 2009	2009
A GWE GON SAHT GA RIHSE RON NIH	\$ 500	\$ -
Agricultural Society (SN)	76,789	-
Arts After School Kids Inc.	-	25,920
Arts Council (SN) – Red Barn	-	10,750
Brantford Native Housing	-	74,015
Chiefswood Museum National Historic	-	34,830
Childcare Resource Centre (SN)	14,910	8,100
Emergency Management Program (SN)	8,060	19,890
Environment Office (SN)	15,000	33,000
Fire Department (SN) – Fire Prevention	7,000	-
First Nations Youth Choir	3,250	16,360
Haldimand Proclamation Monument	13,333	-
Indian Pageant (SN) – Revitalization Project	21,823	-
Kawennio/Gaweniyo Language Preservation	10,955	-
Ogwehoweh Skills and Trades Training – HOPE	-	48,960
Onkwawenna Kentyohkwa	6,000	-
Police (SN) – Promotional	-	15,000
Polytech (SN) – Homework Support	-	32,400
Public Library (SN) – Research Centre	-	31,725
Seneca Longhouse	76,789	-
Six Nations Farmers Association	-	49,050
Skating Club (SN)	1,309	-
	<u>\$ 255,718</u>	<u>\$ 400,000</u>