



Grant Thornton

Financial Statements

Six Nations of the Grand River Community
Development Trust

December 31, 2009

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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 balance sheet of Six Nations of the Grand River Community Development Trust as at December 31, 2009 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, 2009 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
March 4, 2010

Chartered Accountants
Licensed Public Accountants

**Six Nations of the Grand River Community
Development Trust**
Statement of Loss and Changes in Distributable Reserves
For the Year Ended December 31 2009 2008

Revenue		
Investment income	<u>\$ 662,160</u>	<u>\$ 573,400</u>
Expenses		
Administration	57,597	60,596
Amortization	950	2,815
Bank charges and interest	22	232
Honorarium (Note 10)	27,900	44,400
Insurance	4,750	4,700
Investment management fees	44,057	43,997
Professional development	4,100	12,839
Professional fees	18,752	27,876
Project expenditures (Note 8)	501,753	450,316
Rent	11,190	12,202
Repairs and maintenance	121	644
	<u>671,192</u>	<u>660,617</u>
Net loss	<u>\$ (9,032)</u>	<u>\$ (87,217)</u>
<hr/>		
Distributable reserves, beginning of year	\$ 13,240,019	\$ 13,327,236
Net loss	<u>(9,032)</u>	<u>(87,217)</u>
Distributable reserves, end of year	<u>\$ 13,230,987</u>	<u>\$ 13,240,019</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

2009

2008

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (9,032)	\$ (87,217)
Amortization	950	2,815
Realized (gains) losses	<u>(80,834)</u>	<u>10,880</u>
	<u>(88,916)</u>	<u>(73,522)</u>

**Change in non-cash operating
working capital**

Accrued interest	7,797	6,140
Prepaid expenses	-	(1)
Payables and accruals	<u>(194)</u>	<u>(43)</u>
	<u>81,313</u>	<u>67,426</u>

Investing

Proceeds on sale of investments	5,916,080	1,125,589
Purchase of investments	(5,906,374)	(1,015,695)
Purchase of property and equipment	<u>-</u>	<u>1,500</u>
	9,706	108,394

Net (decrease) increase in cash and cash equivalents (71,607) 40,968

Cash and cash equivalents

Beginning of year	<u>124,590</u>	<u>83,622</u>
End of year	\$ <u>52,983</u>	\$ <u>124,590</u>

See accompanying notes to the financial statements.

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

December 31, 2009

1. Nature of operations

The Six Nations of the Grand River Community Development Trust was formed by the Six Nations of the Grand River. A Trust Agreement dated January 6, 2004 (the Trust Agreement), was signed with the original trustees. The purpose of the Trust is to invest 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 and cash equivalents, 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.

Six Nations of the Grand River Community Development Trust

Notes to the Financial Statements

December 31, 2009

2. Summary of significant accounting policies (continued)

Comparative Figures

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

3. Recently issued pronouncements

Effective January 1, 2009, the Trust adopted the Canadian Institute of Chartered Accountants (CICA) new accounting standard, Section 1535, Capital Disclosures, which requires the disclosure of both quantitative and qualitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital. The new standard did not have an effect on the financial position of the Trust.

4. Cash	<u>2009</u>	<u>2008</u>
Operating account	\$ 12,437	\$ 7,064
Investment account	<u>40,546</u>	<u>117,526</u>
	<u>\$ 52,983</u>	<u>\$ 124,590</u>

The Trust maintains its bank accounts at one chartered bank. The Trust has an operating account that does not earn interest. There are also investment accounts that earn interest at rates ranging from 0.25% to 1.75% depending on the balance on deposit.

5. Investments	<u>2009</u>		<u>2008</u>	
	Carrying value	Market value	Carrying value	Market value
Bonds and debentures				
Government of Canada	\$ 2,437,070	\$ 2,584,441	\$ 4,154,025	\$ 4,508,246
Provincial	1,634,434	1,674,699	1,474,373	1,567,190
Canadian corporate	5,630,785	5,799,022	6,627,393	6,505,667
Canadian other	352,171	352,611	391,101	394,427
United States corporate	203,770	207,811	203,770	200,980
Other	<u>146,535</u>	<u>145,772</u>	<u>146,534</u>	<u>135,161</u>
	<u>10,404,765</u>	<u>10,764,356</u>	<u>12,997,196</u>	<u>13,311,671</u>

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

December 31, 2009

5. Investments (continued)	2009		2008	
	Carrying value	Market value	Carrying value	Market value
Canadian Equities				
Consumer discretionary	166,509	172,026	-	-
Consumer staples	56,672	67,650	-	-
Energy	687,017	719,874	-	-
Financials	850,316	886,136	-	-
Industrial	192,197	218,197	-	-
Information technology	91,388	99,442	-	-
Materials	498,625	531,836	-	-
Telecommunications	120,835	136,044	-	-
	<u>2,663,559</u>	<u>2,831,205</u>	-	-
	<u>\$ 13,068,324</u>	<u>\$ 13,595,561</u>	<u>\$ 12,997,196</u>	<u>\$ 13,311,671</u>

The Government of Canada bonds have stated interest rates ranging from 4.00% to 5.10%. These investments will mature as follows: \$1,180,050 within the next year to five years, and \$1,257,020 thereafter.

The Provincial bonds have stated interest rates ranging from 4.20% to 5.25%. These investments will mature as follows: \$712,060 within the next year to five years, and \$922,374 thereafter.

The Canadian corporate bonds have stated interest rates ranging from 4.00% to 6.25%. These investments will mature as follows: \$3,181,072 within the next year to five years, and \$2,449,713 thereafter.

The Canadian other investments consists of a Royal Bank MTN, which has a stated interest rate of 4.53% and matures May 2012 and a Government of Canada Treasury Bill due January 21, 2010.

The United States corporate bond has a stated interest rate of 4.80%. This investment matures June 2011.

The other investment consists of a Bank of America Corp. Senior Note with a stated interest rate of 4.36%. This investment matures September 2009.

6. Property and equipment	Cost	Accumulated Amortization	2009	2008
			Net Book Value	Net Book Value
Furniture and equipment	\$ 20,381	\$ 18,882	\$ 1,499	\$ 2,449
Computer software	<u>2,149</u>	<u>1,820</u>	<u>329</u>	<u>329</u>
	<u>\$ 22,530</u>	<u>\$ 20,702</u>	<u>\$ 1,828</u>	<u>\$ 2,778</u>

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

December 31, 2009

7. Distributable reserves	<u>2009</u>	<u>2008</u>
Operating reserve	\$ 18,855	\$ 14,237
Restricted trust principal	10,000,000	10,000,000
Restricted investment reserve	<u>3,212,132</u>	<u>3,225,782</u>
	<u>\$ 13,230,987</u>	<u>\$ 13,240,019</u>

In accordance with the Trust Agreement dated January 6, 2004, the \$10,000,000 trust principal cannot be drawn upon until January 6, 2009. At that time, the principal may be reduced to no lower than \$6,000,000 based on the direction of the Trustees. The principal has not been drawn upon as of December 31, 2009.

8. Project expenditures	<u>2009</u>	<u>2008</u>
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During the year funds were distributed to the following approved projects:

A GWE GON SAHT GA RIHSE RON NIH	\$ 500	\$ 15,500
Aka:we Canoe Club	-	7,849
Arts After School Kids Inc.	24,840	-
Arts Council (SN) – Red Barn	10,750	10,750
Brantford Native Housing	43,175	15,691
Chiefswood Museum National Historic	25,876	-
Childcare Resource Centre (SN)	15,158	10,090
Community Living (SN)	-	5,000
Cultural Communications Group Inc.	-	24,321
Emergency Management Program (SN)	26,872	31,940
Environment Office (SN)	47,330	45,000
Farmers Partnership (SN)	49,050	-
Fire Department (SN) – Fire Prevention	6,810	-
Fire Department (SN) – Training Division	-	18,450
First Nations Youth Choir	15,334	9,250
Haldimand Proclamation Monument	13,333	36,667
Indian Pagent (SN) – Revitalization Project	17,364	26,554
Iroquois Lodge	-	73,850
Kawenniio/Gaweniyo Language Preservation	10,955	20,235
Mohawk Immersion Onkwawenna Kentyohkwa	6,000	18,000
Ogwehoweh Skills and Trades Centre	36,720	6,625
Police (SN)	15,000	50,834
Polytechnic (SN) – Homework Support	32,400	10,800
Public Library (SN)	31,752	-
Seneca Longhouse	71,534	-
Skating Club (SN)	1,000	2,691
Woodland Cultural Centre – Book Upgrade	-	10,219
	<u>\$ 501,753</u>	<u>\$ 450,316</u>

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

December 31, 2009

9. Income taxes

Pursuant to the Trust Agreement, any income applicable to the Trust is allocated to the Members of the Six Nations and as a consequence no income tax liability exists for the Trust.

10. Honorarium

Honorarium includes all regular meetings, committee meetings, presentations, trustee development and proposal review expenses incurred during the year. The following is a breakdown by trustee:

	<u>2010</u>
Darnay, Tom	\$ 4,800
Jonathan, Roger	5,250
Martin, Tammy	5,100
Smith, Rosemary	5,400
Thomas, Melba	4,950
White, Levi	<u>2,400</u>
	<u>\$ 27,900</u>

Six Nation Council Appointed Trustees are required to remit their honorarium cheque to Council and they are reimbursed from Council at a rate of \$70 per meeting.

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 are intended to approximate the arm's length equivalent value for services rendered. These expenses totalled \$18,590 in 2009 (2008 - \$28,529).

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

December 31, 2009

12. Commitments

The Trust has a remaining commitment for approved projects totalling \$651,553. Of this amount, \$68,431 pertains to existing projects which were not complete by year end and \$583,122 pertains to projects commencing in 2010.

	Carried to	
	<u>2010</u>	<u>2010</u>
Arts After School Kids Inc.	\$ 1,080	\$ -
Brantford Native Housing	30,840	78,574
Chiefswood Museum National Historic	8,954	-
First Nations Youth Choir	4,276	15,345
Iroquois Lodge	-	145,000
Ogwehoweh Skills and Trades Training – HOPE	12,240	-
Seneca Longhouse	5,256	-
Six Nations Art Council	-	8,062
Six Nations Childcare Resource Centre	-	12,412
Six Nations Childcare – Transportation	5,785	-
Six Nations Health Foundation Inc.	-	25,000
Six Nations Police Services	-	45,000
Six Nations Polytechnic – Homework Support	-	24,975
Six Nations Public Library – Book Shelves	-	44,629
St. Lukes Anglican Church – Renovation	-	81,000
WCC – Education Extention Program	-	28,125
WCC – Roof	-	75,000
	<u>\$ 68,431</u>	<u>\$ 583,122</u>

13. Capital disclosure

The Trust considers its cash and investments as capital. The Trust manages its capital to have sufficient resources to satisfy its commitments for the year. In accordance with the Trust Agreement, a minimum principal balance of \$6,000,000 (2008 - \$10,000,000) must be held at year end. This restriction was tested for the period ended December 31, 2009 and the company was in compliance.