

Financial Statements of

**SIX NATIONS GRAND RIVER
ECONOMIC DEVELOPMENT
TRUST**

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Trustees of Six Nations Grand River Economic Development Trust ("The Trust")

We have audited the accompanying financial statements of The Trust, which comprise the statement of financial position as at December 31, 2017, the statements of operations, Trustee equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Trust as at December 31, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
March 14, 2018

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

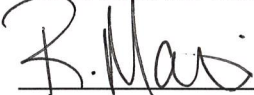
Statement of Financial Position

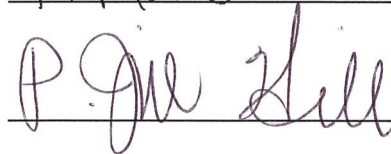
Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 1,953,152	\$ 177,107
Distributions receivable (note 5)	817,981	1,350,846
	<u>\$ 2,771,133</u>	<u>\$ 1,527,953</u>
Liabilities and Trust Capital		
Current liabilities:		
Accrued liabilities (note 2)	\$ 9,783	\$ 136,625
Distributions payable (note 8)	2,761,222	1,304,332
Due to related parties (note 3)	28	87,440
	<u>2,771,033</u>	<u>1,528,397</u>
Trustee's equity (deficit) (note 4)	100	(444)
	<u>\$ 2,771,133</u>	<u>\$ 1,527,953</u>

See accompanying notes to financial statements.

On behalf of the Trustees:

 _____ Trustee

 _____ Trustee

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Distributions (note 5)	\$ 2,937,656	\$ 4,929,029
Interest revenue	22,931	-
	<u>2,960,587</u>	<u>4,929,029</u>
Trustees' Governance Expenses:		
Honoraria	45,450	49,720
Professional fees	19,693	15,964
Office & miscellaneous	9,782	4,205
Computer equipment & software	6,903	8,628
Insurance	4,900	9,466
	<u>86,728</u>	<u>87,983</u>
Excess of revenue over expenses	2,873,859	4,841,046
Trustee's equity (deficit), beginning of year	(444)	100
Distributions to beneficiaries (note 7)	(112,093)	(3,537,258)
Future distributions to beneficiaries (note 8)	(2,761,222)	(1,304,332)
Trustee's equity (deficit), end of year	<u>\$ 100</u>	<u>\$ (444)</u>

See accompanying notes to financial statements.

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Statements of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses before distributions	\$ 2,873,859	\$ 4,841,046
Distributions made to beneficiaries	(112,093)	(3,537,258)
Future distributions payable to beneficiaries	(2,761,222)	(1,304,332)
	544	(544)
Change in non-cash operating working capital:		
Distributions payable (note 8)	1,456,890	1,304,332
Distributions receivable (note 5)	532,865	(1,350,846)
Due to related parties	(87,412)	87,440
Accrued liabilities	(126,842)	136,625
	1,775,501	177,551
Financing activities:		
Increase in trustee capital	-	100
Net increase in cash and cash equivalents	1,776,045	177,107
Cash and cash equivalents, beginning of year	177,107	-
Cash and cash equivalents, end of year	\$ 1,953,152	\$ 177,107

See accompanying notes to financial statements.

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Notes to the Financial Statements

Year ended December 31, 2017

Purpose of the Trust:

The Six Nations of the Grand River Economic Development Trust ("The Trust") was established on December 30, 2015. The Six Nations of the Grand River is listed as the beneficiary of the Trust, for the collective benefit of its Members, as outlined by the Community Purposes listed in the Trust Indenture. The Trust is dedicated to hold, invest in, acquire and/or manage investments, including but not limited to receiving payments and/or property pursuant to the terms of any community benefit, impact benefit or other agreements entered into from time to time between Six Nations of the Grand River Development Corporation and the entities that comprise the organization.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CICA Handbook.

(a) Revenue recognition:

The Trust follows the deferral method of accounting for contributions which include donations and government grants.

The Trust is funded by distributions of net income from the Six Nations of the Grand River Development Corporation and related entities. The distribution amount is approved by the Advisory Committee. Distributions are recorded as revenue in the period to which they relate. Distributions approved but not received at the end of an accounting period are accrued.

2. Accrued liabilities:

	2017	2016
Other	\$ 9,783	\$ -
Payments due to Six Nations Polytechnic	-	110,000
Payments due to Six Nations Public Works	-	26,625
	<u>\$ 9,783</u>	<u>\$ 136,625</u>

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Notes to the Financial Statements

Year ended December 31, 2017

3. Due to related parties:

	2017	2016
Six Nations of the Grand River Development Corporation	\$ 28	\$ 87,440

In fiscal 2016, the amounts due to Six Nations of the Grand River Development Corporation pertain to governance expenditures paid on behalf of the Trust during the year. This amount is comprised of the governance expenditures included within Trustee Governance Expenses.

In fiscal year 2017, all Trustee Governance Expenditures were be paid directly from the Trust bank account.

4. Trustee's equity:

Trustee's equity is comprised of the following items:

	2017	2016
Share Capital		
Authorized:		
Unlimited number of common shares		
Issued:		
100 common shares	\$ 100	\$ 100
Excess of distributions and expenses over distributions received	-	(544)
	\$ 100	\$ (444)

5. Distributions received:

	2017	2016
Six Nations of the Grand River Development Corporation	\$ 1,389,246	\$ 1,526,912
Six Nations of the Grand River Master Trust	730,429	2,051,271
Six Nations of the Grand River Master Trust (receivable as at December 31)	817,981	1,350,846
	\$ 2,937,656	\$ 4,929,029

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Notes to the Financial Statements

Year ended December 31, 2017

6. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements and approved distributions. There has been no change to the risk exposures from 2016.

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Notes to the Financial Statements

Year ended December 31, 2017

7. Distributions to beneficiaries:

	2017	2016
Six Nations Public Works	\$ 1,373,375	\$ 639,490
Grand River Pow Wow Committee	5,050	9,905
Six Nations Public Library	24,000	85,156
Two Row on the Grand	14,000	-
Six Nations Fire – Ageing Fire Truck Replacement	-	1,083,883
Six Nations Fire – Self-contained Breathing Apparatus	-	491,927
Kawenni:io/Gaweni:yo Private School	-	227,000
SONICS-CKRZ fm	-	210,586
Mohawk Village Memorial Park	-	150,000
Iroquois Lodge	-	130,000
Six Nations Polytechnic	-	110,000
Kayanase – Longhouse Project	-	103,232
Six Nations Housing	-	90,000
Six Nations Police	-	33,600
Ganohkwasra Family Assault Support Services	-	29,595
Six Nations Public Works (re-allocation)	-	26,625
Woodland Cultural Centre	-	20,000
Six Nations of the Grand River Territory Ontario Works	-	19,958
Juddah's Place	-	11,000
Rekindling our Fires	-	10,093
Miles to Go Cancer Support Group	-	9,895
Six Nations Community Food Bank	-	8,900
Six Nations Child Care Services	-	8,386
Six Nations Pentecostal Church	-	7,500
Friends of Stump Hall	-	4,486
Seneca Longhouse	-	3,479
Brightening our Spirit – Breaking the Silence Suicide Awareness Committee	-	2,828
Kayanase – Road side elimination	-	2,404
Six Nations Pride	-	2,339
Six Nations Imagination Library	-	2,189
Six Nations Ohero:kon Youth Rites of Passage	-	1,300
Community Living Six Nations "Ronatahskats" Self Advocates Committee	-	607
Walking with our Sisters – Six Nations	-	895
	1,416,425	3,537,258
Distributions previously approved - 2016	1,304,332	-
	\$ 112,093	\$ 3,537,258

SIX NATIONS GRAND RIVER ECONOMIC DEVELOPMENT TRUST

Notes to the Financial Statements

Year ended December 31, 2017

7. Distributions to beneficiaries (continued):

Distributions are received from the Six Nations of the Grand River Development Corporation and Six Nations of the Grand River Master Trust. As the sole beneficiary of the Master Trust, the Six Nations of the Grand River Economic Development Trust is charged with awarding and investing these funds for the collective benefit of the Six Nations members.

8. Future distributions payable to beneficiaries:

	2017	2016
Six Nations of the Grand River	\$ 2,761,222	\$ 1,304,332

Each year, the net income of the Six Nations of the Grand River Master Trust is made payable to the Six Nations of the Grand River Economic Development Trust as at December 31st. These funds are to be received at a future date and have been made payable to the beneficiaries of the Trust, Six Nations of the Grand River, via promissory note. This amount will be used to fund annual distributions to be awarded to beneficiaries as part of the next fiscal period's call for applicants. At December 31, 2017, an amount of \$1,729,382 was authorized through board resolutions to fund various community projects for the benefit of the beneficiaries of the Trust. The remaining future distributions payable of \$1,031,840 is included within a promissory note payable to the beneficiaries for future projects.