

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2007

(see accompanying notes)

Wilfred J. Lamb
CHARTERED ACCOUNTANT

Wilfred J. Lamb
CHARTERED ACCOUNTANT

11 Humphrey Way.
Kanata, Ontario
K2L 2S9

Tel: (613) 836-3196
FAX: (613) 591-6061

AUDITOR'S REPORT

To the Trustees and Members of

Algonquin Treaty Negotiation Funding Trust

I have audited the balance sheet as at March 31, 2007 of the Algonquin Treaty Negotiation Funding Trust and the statements of revenue and expenses for the Workplan and the Negotiations Preparedness Initiative for the year then ended. These financial statements are the responsibility of the Trust's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform an audit to obtain reasonable assurance whether these 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 and significant estimates made by management, as well as evaluating the overall statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2007 and the results of the operations of the Workplan and the Negotiations Preparedness Initiative for the year then ended in accordance with generally accepted accounting principles.



Wilfred J. Lamb CA
Licensed Public Accountant

June 7, 2007

Kanata, Ontario

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

BALANCE SHEET

AS AT MARCH 31, 2007

ASSETS

| | <u>2007</u> | <u>2006</u> |
|-----------------------|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash in trust account | \$ 186,139 | \$ 10,217 |
| Grants receivable | <u>87,500</u> | <u>409,270</u> |
| | <u>\$ 273,639</u> | <u>\$ 419,487</u> |

LIABILITIES AND NET LIABILITIES

CURRENT LIABILITIES

| | | |
|--|------------|------------|
| Accounts payable and accrued liabilities | \$ 267,653 | \$ 419,487 |
|--|------------|------------|

LONG TERM DEBT

| | | |
|-----------------------|------------------|----------------|
| Loan payable - note 4 | 6,076,000 | - |
| | <u>6,343,653</u> | <u>419,487</u> |

NET LIABILITIES

| | | |
|--|--------------------|-------------------|
| Balance at beginning of year | - | - |
| Excess of (Expenses over Revenues) for year - Workplan | (1,200,000) | - |
| Excess of Revenue over Expenses for year -Negotiation Preparedness Initiative | 5,986 | - |
| Total loans assumed for prior years - note 4 | <u>(4,876,000)</u> | <u>-</u> |
| Balance at end of year | <u>(6,070,014)</u> | <u>-</u> |
| | <u>\$ 273,639</u> | <u>\$ 419,487</u> |

(see accompanying notes)

Wilfred J. Lamb
CHARTERED ACCOUNTANT

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

WORKPLAN

STATEMENT OF REVENUE AND EXPENSES

FOR YEAR ENDED MARCH 31, 2007

| | <u>Budget</u> | <u>Workplan</u> | <u>2006 Workplan</u> |
|---|-----------------------|-----------------------|--------------------------|
| Revenue | | | |
| Ontario Secretariat for Aboriginal Affairs | \$ 500,000 | \$ 500,000 | \$ 405,000 |
| Indian and Northern Affairs Canada - note 4 | | | 405,000 |
| Ontario Ministry of Natural Resources | 70,960 | 70,960 | |
| Miscellaneous income | | 9,982 | |
| | <u>570,960</u> | <u>580,942</u> | <u>810,000</u> |
| Expenditures | | | |
| Salaries and wages | 776,000 | 739,800 | 347,833 |
| Professional services | 445,040 | 466,562 | 234,208 |
| Travel expenses | 27,500 | 37,092 | 17,601 |
| Accommodations | 43,200 | 32,468 | 8,200 |
| Meals | 34,560 | 31,933 | 15,560 |
| Office expenses | 330,000 | 369,639 | 174,807 |
| Newsletter, community meetings | 43,700 | 27,488 | 10,945 |
| Contingency for trustees | | | 846 |
| Algonquin Harvest | 70,960 | 75,960 | |
| | <u>1,770,960</u> | <u>1,780,942</u> | <u>810,000</u> |
| Excess of (Expenses over Revenue) for year | \$ <u>(1,200,000)</u> | \$ <u>(1,200,000)</u> | \$ <u>-</u> |

(see accompanying notes)

Wilfred J. Lamb
CHARTERED ACCOUNTANT

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

NEGOTIATIONS PREPAREDNESS INITIATIVE

STATEMENT OF REVENUE AND EXPENSES

FOR YEAR ENDED MARCH 31, 2007

| | <u>Budget</u> | <u>Actual</u> |
|---|-------------------|-------------------|
| Revenue | | |
| Indian and Northern Affairs Canada | \$ <u>700,000</u> | \$ <u>700,000</u> |
| Expenditures | | |
| Accounting | 30,000 | 35,646 |
| Audit | 6,500 | 6,500 |
| Community meeting hall rentals | 2,100 | |
| Consulting work on EDP | 355,870 | 374,330 |
| Assistance with EDP/ Consulting | 165,000 | 159,660 |
| Consultation capacity | 40,000 | 21,571 |
| Elders | 80,000 | 80,005 |
| Miscellaneous | 2,130 | - |
| Travel | <u>18,400</u> | <u>16,301</u> |
| | <u>700,000</u> | <u>694,013</u> |
| Excess of Revenue over Expenses for year | \$ <u>-</u> | \$ <u>5,987</u> |

(see accompanying notes)

Wilfred J. Lamb
CHARTERED ACCOUNTANT

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2007

Note 1 **The Algonquin Treaty Negotiations Funding Trust was created December 20, 2005. The objects of the Trust are to facilitate the negotiations for self-government and land claim agreements with the Crown. The trust is overseen by sixteen elected individuals from ten Algonquin communities, three of whom are appointed as trustees.**

Note 2 **Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies;

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles require the Trust's management to make estimates that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period presented.

Revenue and expenditures are recorded on the accrual basis of accounting.

Note 3 **Financial instruments**

The Trust's financial instruments consist of cash, grants receivables, accounts payable and accrued liabilities and Loan Payable. Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.

**Wilfred J. Lamb
CHARTERED ACCOUNTANT**

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2007

Note 4 **Loan payable represents advances from the Minister of Indian Affairs and Northern Development for the purpose of financing costs incurred in the negotiations of land claims. The loans are to be deemed advances on an eventual claim settlement.**

Total advances in the year amounted to \$ 1,200,000. Loans will be interest free until the earliest of;

- 1) The date such advances become due**
- 2) The actual claims settlement date**
- 3) The date of demand by the Minister in event of a default having occurred**

Interest to be based on formula set down by the Ministry.

| | |
|---|--|
| During the year, the trust assumed prior years' loans to Algonquin of Pikwakanagan First Nation and Algonquin Nation Negotiations Directorate in the amount of | \$ 4,471,000 |
| And advances to the Trust for period ended March 31, 2006 | <u>405,000</u> |
| Total loans assumed for prior years | 4,876,000 |
| Advances in current year on Workplan | <u>1,200,000</u> |
| Balance March 31, 2007 | \$ <u><u>6,076,000</u></u> |

**Wilfred J. Lamb
CHARTERED ACCOUNTANT**