

**ALGONQUIN OPPORTUNITY (NO. 2) CORPORATION**

**FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2010**

**(see accompanying notes)**

## **AUDITOR'S REPORT**

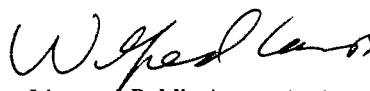
**To the Directors of**

**Algonquin Opportunity (No. 2) Corporation**

**I have audited the balance sheet of the Algonquin Opportunity (No. 2) Corporation as at March 31, 2010 and the statements of income and deficit and cash flows for the year then ended. These financial statements are the responsibility of 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 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 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 Algonquin Opportunity (No. 2) Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.**

A handwritten signature in black ink, appearing to read 'Wilfred J Lamb', with a stylized flourish at the end.

**Licensed Public Accountant  
Wilfred J Lamb CA**

**Kanata, Ontario**

**June 15, 2010**

**ALGONQUIN OPPORTUNITY (NO. 2) CORPORATION**

**BALANCE SHEET**

**AS AT MARCH 31, 2010**

**ASSETS**

**CURRENT ASSET**

Cash	\$ 8,656
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**LONG TERM ASSET**

Due from Algonquins of Ontario Opportunities Trust (note 5)	<u>10</u>
	\$ <u><u>8,666</u></u>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$ 1,974
Due to Algonquin Treaty Negotiation Funding Trust (note 5)	<u>6,682</u>
	<u><u>8,656</u></u>

**SHAREHOLDER'S EQUITY**

**Capital stock**

Authorized - unlimited number of common shares

Issued - 100 common shares	10
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Retained earnings	<u>-</u>
	<u><u>10</u></u>

	\$ <u><u>8,666</u></u>
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Approved on behalf on the board:

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(see accompanying notes)

**ALGONQUIN OPPORTUNITY (NO. 2) CORPORATION**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

**FOR YEAR ENDED MARCH 31, 2010**

Consultation operations - Algonquin Treaty Negotiation Funding Trust \$ 87,646

**Expenses**

Office	7,270
Insurance	18
Interest and bank charges	147
Meals and entertainment	2,173
Rent	42,206
Repairs and maintenance	75
Telephone	1,892
Salary	28,387
Supplies	2,868
Travel	<u>2,610</u>
	<u>87,646</u>

Net income from consultation \$ -

New Relationship Funding Program - Provincial funding \$ 85,000

**Expenses**

Administration	7,525
Office setup	7,810
Professional fees	34,424
Training	15,073
Travel	4,841
Workshop	<u>15,327</u>
	<u>85,000</u>

Net income from New Relationship Funding \$ -

Net income for the year -

Retained earnings at beginning of year -

Retained earnings at end of year \$ -

(see accompanying notes)

**ALGONQUIN OPPORTUNITY (NO. 2) CORPORATION**

**STATEMENT OF CASH FLOWS**

**FOR YEAR ENDED MARCH 31, 2010**

**Cash flows from operating activities**

Net income for year	\$ -
Changes in working capital items related to operations	
(Increase) in due to Algonquins of Ontario Opportunities Trust	(10)
Increase in due to Algonquin Treaty Negotiation Funding Trust	6,682
Increase in accounts payable and accrued liabilities	<u>1,974</u>
	<u>8,646</u>

**Financing activities**

Proceeds from issuance of capital stock	<u>10</u>
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Net increase in cash during year and cash at end of year	\$ <u><u>8,656</u></u>
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(see accompanying notes)

**ALGONQUIN OPPORTUNITY (NO. 2) CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED MARCH 31, 2010**

**Note 1 Nature of business**

The company was incorporated March 23, 2009 under the Laws of Ontario and its operations consist of assisting in the Algonquins of Ontario treaty settlement.

**Note 2 a) Revenue recognition**

Provincial funding and transfers from Algonquin Treaty Negotiation Funding Trust are recognized at the time expenses are incurred.

**b) 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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from managements' best estimates as additional information becomes available in the future.

**Note 3 Financial instruments**

Where not disclosed, the carrying amount of the company's financial instruments, being due from Algonquins of Ontario Opportunities Trust, accounts payable and accrued liabilities and due to Algonquin Treaty Negotiation Funding Trust, approximates their fair values, except where fair values are not readily obtainable. Unless otherwise noted, it is managements' opinion that the company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

**Note 4 Economic dependence**

The company is dependent on the Government of Ontario and the Algonquin Treaty Negotiation Funding Trust for 100% of its revenue.

**Note 5 Related party transactions**

Algonquin Opportunity (No. 2) Corporation is 100% owned by Algonquin of Ontario Opportunities Trust. The amount due from Algonquins of Ontario Opportunities Trust is interest free and has no specific repayment terms.

The Algonquin Treaty Negotiation Funding Trust provides funding to cover programs operating within Algonquin Opportunity (No. 2) Corporation.

The amount due to Algonquin Treaty Negotiation Funding Trust is interest free and has no specific repayment terms.

**Note 6 Consolidation**

The results are consolidated with Algonquin Treaty Negotiation Funding Trust for reporting purposes under the funding programs.