

# **Algonquin Treaty Negotiation Funding Trust**



## **Financial Statements**

**For the year ended 31 March, 2019**

**Baker Tilly Ottawa LLP**  
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## Independent Auditor's Report

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### To the Members of Algonquin Treaty Negotiation Funding Trust

#### Opinion

We have audited the financial statements of Algonquin Treaty Negotiation Funding Trust (the "Trust") which comprise the balance sheet as at March 31, 2019, and the statements of revenue and expenses, deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Private Enterprises, 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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## Independent Auditor's Report (continued)

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
July 17, 2019  
Ottawa, Ontario

Algonquin Treaty Negotiation Funding Trust

Balance Sheet

As at 31 March 2019

(with 2018 figures for comparison)

			<u>2019</u>	<u>2018</u>
		<u>ASSETS</u>		
Current:				
Cash in trust account			\$ 1,441,338	\$ 1,478,876
Accounts receivable			711	711
Due from related parties (Note 4)			<u>197,884</u>	<u>30,990</u>
			<u>\$ 1,639,933</u>	<u>\$ 1,510,577</u>
Capital assets:	<u>Cost</u>	<u>Accumulated Amortization</u>		
Equipment	<u>\$ 29,911</u>	<u>\$ -</u>	<u>\$ 29,911</u>	<u>\$ -</u>
			<u>\$ 1,669,844</u>	<u>\$ 1,510,577</u>
		<u>LIABILITIES AND DEFICIT</u>		
Current liabilities:				
Accounts payable and accrued liabilities			\$ 719,572	\$ 570,595
Deferred revenue (Note 5)			325,203	216,829
Due to related parties (Note 4)			<u>-</u>	<u>199,475</u>
			<u>\$ 1,044,775</u>	<u>\$ 986,899</u>
Long term liability:				
Loan payable (Note 6)			<u>27,932,413</u>	<u>27,932,413</u>
			<u>\$ 28,977,188</u>	<u>\$ 28,919,312</u>
Deficit (Note 9)			<u>\$ (27,307,344)</u>	<u>\$ (27,408,735)</u>
			<u>\$ 1,669,844</u>	<u>\$ 1,510,577</u>

Approved on behalf of the Trust:



(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Statement of Deficit

For the year ended 31 March 2019  
(with 2018 figures for comparison)

	<u>2019</u>	<u>2018</u>
Deficit at the beginning of the year	\$ (27,408,735)	\$ (24,977,861)
Net income (loss) for the year	384,012	(2,430,874)
Repayment of prior year's Provincial surplus	<u>(282,621)</u>	<u>-</u>
Deficit at the end of the year	<u>\$ (27,307,344)</u>	<u>\$ (27,408,735)</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust  
Consolidated Statement of Revenue and Expenses  
For the year ended 31 March 2019  
(with 2019 budget and 2018 actual figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>	2018 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ 3,312,192	\$ 3,203,821	\$ 691,284
Ministry of Aboriginal Affairs	2,365,630	2,365,630	1,935,170
Other funding	<u>2,400</u>	<u>2,400</u>	<u>38,828</u>
	<u>\$ 5,680,222</u>	<u>\$ 5,571,851</u>	<u>\$ 2,665,282</u>
Expenses:			
Accommodations, meals and travel	\$ 297,450	\$ 334,751	\$ 280,320
Accounting and reporting	260,000	269,730	265,885
ANR - alternates	50,000	28,933	24,481
- office support	757,530	688,743	700,136
Archaeologist	25,000	27,909	29,491
Auditors	15,000	15,000	17,500
Capacity building	75,000	59,700	58,894
Community meetings	20,000	14,432	9,950
Consultation office lease	139,343	136,568	135,381
Consultation office overhead	144,000	123,228	98,623
Elders/youth/community members	160,000	128,399	101,312
Election process	-	-	79,434
Enrolment management and consultation	374,992	387,913	330,930
Harvest management	159,033	156,547	112,166
Human resource specialist	-	-	49,764
Interim measures agreement review	25,000	13,613	-
Judicial proceeding	55,000	12,439	-
Land acquisitions administrative costs	19,500	32,452	-
Land selection consultation	352,893	364,889	300,432
Lebreton development	10,000	11,886	8,145
Legal counsel	302,107	284,693	307,023
Nation building	112,200	3,829	-
Newsletters	118,000	60,541	83,480
Other funding expenditures	-	-	38,828
Principal negotiator and senior legal counsel	545,000	482,426	574,094
Rockcliffe development	10,000	5,774	3,164
Strategic policy advisor	30,000	32,242	22,338
Third party activities	2,400	2,400	-
Third party communications	21,000	-	3,517
Wages and benefits	<u>1,599,774</u>	<u>1,538,713</u>	<u>1,460,868</u>
	<u>\$ 5,680,222</u>	<u>\$ 5,217,750</u>	<u>\$ 5,096,156</u>
Income (loss) before capitalization of assets	\$ -	\$ 354,101	\$ (2,430,874)
Capitalization of assets	<u>-</u>	<u>29,911</u>	<u>-</u>
Net income (loss) for the year	<u>\$ -</u>	<u>\$ 384,012</u>	<u>\$ (2,430,874)</u>

Algonquin Treaty Negotiation Funding Trust  
2019 Comprehensive Claims and Treaty Negotiation Funding  
2018 Negotiation Loan Funding  
Statement of Revenue and Expenses  
For the year ended 31 March 2019  
 (with 2019 budget and 2018 actual figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>	2018 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ 2,008,704	\$ 2,008,704	\$ -
Expenses:			
Accommodations and meals	\$ 297,450	\$ 334,751	\$ 20,000
Accounting and reporting	-	-	149,683
ANR - administrative office support	368,550	367,668	362,474
- alternates	50,000	28,933	-
- community travel	38,000	19,706	19,160
- office overhead support	252,250	205,709	221,908
- rent	96,000	92,930	96,594
Elders/youth/community members	53,460	21,859	6,312
Enrolment management and research	3,270	3,278	98,299
Human resource specialist	-	-	19,764
Land selection consultation	-	-	51,124
Legal counsel	-	-	207,023
Newsletters	65,300	19,052	33,480
Principal negotiator and senior legal counsel	-	-	322,757
Wages and benefits	784,424	784,424	822,296
	<u>\$ 2,008,704</u>	<u>\$ 1,878,310</u>	<u>\$ 2,430,874</u>
Net income (loss) for the year	<u>\$ -</u>	<u>\$ 130,394</u>	<u>\$ (2,430,874)</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Negotiation Preparedness Initiative

Statement of Revenue and Expenses

For the year ended 31 March 2019

(with 2019 budget and 2018 actual figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>	2018 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ 691,288	\$ 691,288	\$ 691,284
Expenses:			
Archaeologist	\$ 25,000	\$ 27,909	\$ 29,491
Audit	15,000	15,000	17,500
Capacity building	-	-	37,500
Consultation office overhead	79,000	79,000	98,623
Consultation office lease	110,843	110,843	135,381
Enrolment management and research	39,730	39,730	55,281
Elders/youth/community members	45,000	45,000	45,000
Judicial proceeding	41,847	-	-
Lebreton development	10,000	11,886	8,145
Newsletters	35,000	23,789	35,000
Rockcliffe development	10,000	5,774	3,164
Strategic policy advisor - third party	30,000	32,242	22,338
Third party communications	21,000	-	3,517
Wages and benefits	228,868	148,927	200,344
	<u>\$ 691,288</u>	<u>\$ 540,100</u>	<u>\$ 691,284</u>
Net income for the year	<u>\$ -</u>	<u>\$ 151,188</u>	<u>\$ -</u>

(See accompanying notes)



Algonquin Treaty Negotiation Funding Trust  
Ministry Support for Algonquin Negotiation Funding  
Statement of Revenue and Expenses  
For the year ended 31 March 2019  
(with 2019 budget and 2018 actual figures for comparison)

	<u>2019</u> <u>Budget</u> (unaudited)	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Revenue:			
Ministry of Aboriginal Affairs	\$ 2,365,630	\$ 2,365,630	\$ 1,935,171
Expenses:			
Accommodations and meals	\$ -	\$ -	\$ 260,320
Accounting and financial reporting	260,000	269,730	116,202
ANR - alternates	-	-	24,481
- administrative office support	2,730	2,730	-
Capacity building	35,000	35,000	21,394
Community meetings	20,000	14,432	9,950
Elders/youth/community members	61,540	61,540	50,000
Election process	-	-	79,434
Enrolment management and research	331,992	344,905	177,350
Harvest management	159,033	156,547	112,166
Human resource specialist	-	-	30,000
Interim measures agreement review	25,000	13,613	-
Judicial proceeding	13,153	12,439	-
Land acquisitions administrative costs	19,500	32,452	-
Land selection consultation	277,483	289,479	249,308
Legal counsel	68,017	68,017	100,000
Newsletters	17,700	17,700	15,000
Principal negotiator and senior legal counsel	545,000	482,426	251,338
Wages	529,482	539,560	438,228
	<u>\$ 2,365,630</u>	<u>\$ 2,340,570</u>	<u>\$ 1,935,171</u>
Net income for the year	<u>\$ -</u>	<u>\$ 25,060</u>	<u>\$ -</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Government Capacity Development

Statement of Revenue and Expenses

For the year ended 31 March 2019  
(with 2019 budget figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>
Revenue:		
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ <u>500,000</u>	\$ <u>500,000</u>
Expenses:		
Capacity building	\$ 40,000	\$ 24,700
Legal counsel	234,090	216,676
Land selection consultation	75,410	75,410
Consultation office lease	28,500	25,725
Consultation office overhead	65,000	44,228
Wages	<u>57,000</u>	<u>65,802</u>
	\$ <u>500,000</u>	\$ <u>452,541</u>
Net income for the year	\$ <u>-</u>	\$ <u>47,459</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Nation Building Program

Statement of Revenue and Expenses

For the year ended 31 March 2019  
(with 2019 budget figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>
Revenue:		
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ 112,200	\$ 112,200
Less amount transferred to deferred revenue	<u>-</u>	<u>108,371</u>
	<u>\$ 112,200</u>	<u>\$ 3,829</u>
Expenses:		
Program expenses	<u>\$ 112,200</u>	<u>\$ 3,829</u>
Net income for the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Other Revenue

Statement of Revenue and Expenses

For the year ended 31 March 2019

(with 2019 budget and 2018 actual figures for comparison)

	2019 <u>Budget</u> (unaudited)	2019 <u>Actual</u>	2018 <u>Actual</u>
Revenue:			
Other funding	\$ <u>2,400</u>	\$ <u>2,400</u>	\$ <u>38,828</u>
Expenses:			
Miscellaneous expenditures	\$ <u>2,400</u>	\$ <u>2,400</u>	\$ <u>38,828</u>
Net income for the year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Statement of Cash Flows

For the year ended 31 March 2019  
(with 2018 figures for comparison)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net income (loss) for the year	\$ 384,012	\$ (2,430,874)
Repayment of prior year's Provincial surplus	<u>(282,621)</u>	<u>-</u>
	<u>\$ 101,391</u>	<u>\$ (2,430,874)</u>
Net change in non cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	\$ -	\$ 4,002
Decrease (increase) in funding receivables	-	60,000
Decrease (increase) in due from related parties	(166,894)	(25,566)
Increase (decrease) in accounts payable and accrued liabilities	148,977	(17,842)
Increase (decrease) in deferred revenue	108,374	125,000
Increase (decrease) in due to related parties	<u>(199,475)</u>	<u>(63,526)</u>
	<u>\$ (109,018)</u>	<u>\$ 82,068</u>
Cash flows used for operating activities	<u>\$ (7,627)</u>	<u>\$ (2,348,806)</u>
Cash flows from financing activities:		
Increase in loan payable	<u>\$ -</u>	<u>\$ 2,382,155</u>
Cash flows used for investing activities:		
Addition to - equipment	<u>\$ (29,911)</u>	<u>\$ -</u>
Net increase (decrease) in cash in trust account during the year	\$ (37,538)	\$ 33,349
Cash in trust account at the beginning of the year	<u>1,478,876</u>	<u>1,445,527</u>
Cash in trust account at the end of the year	<u><u>\$ 1,441,338</u></u>	<u><u>\$ 1,478,876</u></u>

(See accompanying notes)

# Algonquin Treaty Negotiation Funding Trust

## Notes to the Financial Statements

For the year ended 31 March 2019

### 1. NATURE OF THE TRUST

The Algonquin Treaty Negotiation Funding Trust was created on 20 December 2005. The objective of the Trust is to facilitate the negotiations for claim agreements with the Crown. The Trust is overseen by sixteen elected individuals from ten Algonquin communities, three of whom are appointed as trustees.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises which are part of Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Equipment:

Equipment is accounted for at cost and amortized on the basis of their useful life using the following methods and rates:

Computers	5 years - straight-line basis
Office equipment	20% - declining balance basis

Additions during the year are not amortized until year following purchase.

c) Use of estimates:

The preparation of financial statements in accordance with Canadian Accounting Standards for Private Enterprises requires 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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

d) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash in trust account and investments due no greater than three months from the date of acquisition or that are cashable on demand.

e) Income taxes:

The Trust uses the income taxes payable method of accounting for income taxes. Under this method, the Trust reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

f) Revenue recognition:

Revenue is recognized on an accrual basis as expenditures are made against the approved line items from the funding agencies.

g) Financial instruments:

The Trust's financial instruments consist of cash in trust account, accounts receivable, due from related parties, accounts payable and accrued liabilities, due to related parties and loan payable. The carrying amount approximates their fair value, except where fair values are not readily obtainable.

### 3. FINANCIAL INSTRUMENTS

Risks and concentrations:

The Trust is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Trust's risk exposure at the balance sheet date, 31 March 2019.

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended 31 March 2019

3. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The Trust is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to Algonquin Opportunity (No.2) Corporation and loan payable.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust's main credit risks relate to the accounts receivable, amounts due from Algonquin Opportunity (No. 1) Corporation and Algonquin Opportunity (No. 2) Corporation. The Trust provides credit in the normal course of its operations.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency risk, interest rate risk and other price risk. The Trust is not exposed to any significant market risks.

4. RELATED PARTY TRANSACTIONS

Algonquin Opportunity (No. 2) Corporation, Algonquin Opportunity (No. 1) Corporation, AOO Realty (Rockcliffe) Inc., AOO Energy (Denbigh) Corp., Algonquin Opportunity (No. 3) Corporation and AOO Realty (Lebreton) Corp. are 100% owned by the Algonquins of Ontario Opportunities Trust which is controlled by the members of the Algonquin Treaty Negotiation Funding Trust.

The Algonquin Treaty Negotiation Funding Trust provided funding to cover certain costs of assisting the operations of the Algonquin Treaty Negotiation Funding Trust operating within Algonquin Opportunity (No. 2) Corporation. The total funding provided for in 2019 was \$ 579,456 (2018 - \$ 522,101). All transactions with related parties were in the normal course of business and recorded at exchange value.

The amounts due from (to) related Corporations are interest free and have no specific repayment terms. The financial statements of Algonquin Opportunity (No. 2) Corporation are consolidated with the Algonquin Treaty Negotiation Funding Trust for reporting purposes under the funding program.

Due to related parties consists of Algonquin Opportunity (No. 2) Corporation of Nil (2018 - \$ 199,475).

Due from related parties consists of Algonquin Opportunity (No. 1) Corporation of \$ 16,408 (2018 - \$ 6,780), AOO Energy (Denbigh) Corp. \$ 5,947 (2018 - \$ 3,220), Algonquin Opportunity (No. 3) Corporation \$ 5,770 (2018 - \$ 3,220), AOO Realty (Rockcliffe) Inc. Nil (2018 - \$ 7,292), AOO Realty (Lebreton) Corp \$ 49,523 (2018 - \$ 10,477) and Algonquin Opportunity (No. 2) Corporation \$ 120,236 (2018 - Nil).

5. DEFERRED REVENUE

The Trust has received funding in advance to be applied to expenditures of subsequent years as follows:

	<u>2019</u>	<u>2018</u>
Native values	\$ 18,517	\$ 18,517
Forestry	9,712	9,712
Fisheries	4,500	4,500
Nation Gathering	54,100	54,100
Other	5,000	5,000
Trans Canada Pipeline	125,000	125,000
Nation Building	108,374	-
	<u>\$ 325,203</u>	<u>\$ 216,829</u>

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended 31 March 2019

6. LOAN PAYABLE

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

Total advances in the year amounted to \$ Nil as the funding is now received in the form of contribution dollars. Loans will be interest free until the earliest of:

- 1) The date such advances become due 31 March 2023;
- 2) The actual claims settlement date;
- 3) The date of demand by the Minister in event of a default having occurred.

Interest rates on advances bear interest rates equal to rates payable by Crown Corporations on loans from the consolidated revenue fund for a term of years equal to the term of years between the cheque issue date for the advance and the due date of the advance.

	<u>2019</u>	<u>2018</u>
Balance at the beginning of the year	\$ 27,932,413	\$ 25,550,258
Advances in current year on Workplan	<u>-</u>	<u>2,382,155</u>
Balance at the end of the year	<u>\$ 27,932,413</u>	<u>\$ 27,932,413</u>

According to "Investing in the Middle Class: Budget 2019," tabled in the House of Commons on 19 March 2019, the government of Canada has proposed funding of \$ 1.4 billion over seven years to forgive all outstanding comprehensive negotiation loans. That budget has now been implemented by the *Budget Implementation Act, 2019, No.1*, Statutes of Canada 2019, chapter 29.

7. ECONOMIC DEPENDENCE

The Trust is dependent on the Government of Ontario and the Government of Canada for 100% of its revenue.

8. INCOME TAX LOSSES CARRYFORWARD

The Trust has losses carryforward for income tax purposes that expire as follows:

2028	\$ 1,194,014
2029	1,205,986
2030	1,200,001
2031	1,309,986
2032	1,966,603
2033	2,021,961
2034	2,264,256
2035	2,134,578
2036	2,307,126
2037	2,250,310
2038	2,247,042
2039	2,430,874

9. DEFICIT

The deficit is funded by loan payable to AANDC. The difference between the deficit of \$ 27,307,344 and loan payable of \$ 27,932,413 is \$ 625,069 representing the funding surplus of \$ 570,098 which can be used for future operations with \$ 25,060 repayable to Ministry of Aboriginal Affairs and \$ 29,911 relating to capitalization of assets.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.