

Algonquin Treaty Negotiation Funding Trust



Financial Statements

For the year ended 31 March 2024

Independent Auditor's Report

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, 2024, and the statements of revenue and expenses, surplus 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, 2024, 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.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 9 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern.

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.

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 25, 2024
Ottawa, Ontario

Algonquin Treaty Negotiation Funding Trust

Balance Sheet

As at 31 March 2024
(with 2023 figures for comparison)

		<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Current:			
Cash in trust account		\$ 1,388,624	\$ 1,408,596
Accounts receivable		15,142	
Government receivable		-	396,417
Due from related parties (Note 4)		<u>718,771</u>	<u>246,917</u>
		<u>\$ 2,122,537</u>	<u>\$ 2,051,930</u>
Capital assets:			
	<u>Cost</u>	<u>Accumulated Amortization</u>	
Equipment	<u>\$ 29,911</u>	<u>\$ 21,057</u>	
		<u>\$ 8,854</u>	<u>\$ 11,068</u>
		<u>\$ 2,131,391</u>	<u>\$ 2,062,998</u>

LIABILITIES AND SURPLUS

Current liabilities:			
Accounts payable and accrued liabilities		\$ 723,769	\$ 1,094,265
Deferred revenue		<u>214,888</u>	<u>214,888</u>
		\$ 938,657	\$ 1,309,153
Surplus (Note 6)		<u>1,192,734</u>	<u>753,845</u>
		<u>\$ 2,131,391</u>	<u>\$ 2,062,998</u>

Approved on behalf of the Trust:





(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Statement of Surplus

For the year ended 31 March 2024

(with 2023 figures for comparison)

	<u>2024</u>	<u>2023</u>
Surplus at the beginning of the year	\$ 753,845	\$ 1,013,746
Net income (loss) for the year	<u>438,889</u>	<u>(259,901)</u>
Surplus at the end of the year	<u>\$ 1,192,734</u>	<u>\$ 753,845</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust
Consolidated Statement of Revenue and Expenses

For the year ended 31 March 2024
(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ 5,310,422	\$ 5,310,422	\$ 4,662,565
Ministry of Aboriginal Affairs	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,378,502</u>
	<u>\$ 7,710,422</u>	<u>\$ 7,710,422</u>	<u>\$ 7,041,067</u>
Expenses:			
Accommodations, meals and travel	\$ 110,915	\$ 41,900	\$ 108,011
Amortization	-	2,214	2,767
ANR - office support	463,742	415,125	434,272
- payroll costs	67,920	51,127	57,920
Appeals	125,423	-	513,777
Auditors	19,500	23,000	18,000
Capacity building	50,000	47,139	60,759
Community constitution	400,000	214,553	345,228
Conference	-	-	52,551
Consultation office lease	152,520	153,005	148,601
Consultation office overhead	233,000	146,478	204,761
Contracted services	1,423,501	1,352,843	1,416,907
Elders/youth/community members	160,000	102,447	142,759
Election	-	-	20,350
Employee training and development	40,000	13,222	19,652
Enrolment board	6,000	-	-
Enrolment maintenance	22,500	27,778	19,127
Enrolment	101,000	51,017	25,017
Governance training	-	-	3,390
Harvest management	218,281	185,068	199,008
IT equipment	10,000	-	50,248
Land selection pre-planning	16,000	7,000	21,179
Mediation	-	-	17,454
Newsletters	90,000	99,772	28,821
Trapping training	10,450	-	-
Tribunal	536,900	536,465	-
Wages and benefits	4,058,768	3,738,100	3,390,409
Website	<u>75,000</u>	<u>63,280</u>	<u>-</u>
	<u>\$ 8,391,420</u>	<u>\$ 7,271,533</u>	<u>\$ 7,300,968</u>
Net income (loss) for the year	<u>\$ (680,998)</u>	<u>\$ 438,889</u>	<u>\$ (259,901)</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Comprehensive Claims and Treaties (CCT)

Statement of Revenue and Expenses

For the year ended 31 March 2024

(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	<u>\$ 2,178,105</u>	<u>\$ 2,178,105</u>	<u>\$ 2,175,377</u>
Expenses:			
Accommodations, meals and travel	\$ -	\$ -	\$ 6,388
ANR - office support	-	-	32,768
- payroll costs	67,920	51,127	
Auditors			5,000
Contracted services	857,030	800,185	533,707
Consultation office overhead	102,500	12,615	204,761
IT equipment	-	-	11,510
Newsletters	45,000	45,000	28,821
Tribunal	75,000		
Wages and benefits	<u>1,613,032</u>	<u>1,393,150</u>	<u>1,295,566</u>
	<u>\$ 2,760,482</u>	<u>\$ 2,302,077</u>	<u>\$ 2,118,521</u>
Net income (loss) for the year	<u>\$ (582,377)</u>	<u>\$ (123,972)</u>	<u>\$ 56,856</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Negotiation Preparedness Initiative

Statement of Revenue and Expenses

For the year ended 31 March 2024

(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ <u>531,981</u>	\$ <u>531,981</u>	\$ <u>259,138</u>
Expenses:			
Accommodations, meals and travel	\$ 91,839	\$ 29,944	\$ -
ANR - office support	-	-	131,130
Capacity building	50,000	47,140	60,759
Contracted services	-	-	34,857
Land selection pre-planning	16,000	7,000	5,000
Wages and benefits	<u>374,142</u>	<u>325,794</u>	<u>101,969</u>
	\$ <u>531,981</u>	\$ <u>409,878</u>	\$ <u>333,715</u>
Net income (loss) for the year	\$ <u>-</u>	\$ <u>122,103</u>	\$ <u>(74,577)</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 2024
(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Ministry of Aboriginal Affairs	\$ 2,400,000	\$ 2,400,000	\$ 2,378,502
Expenses:			
Accommodations, meals and travel	\$ 19,076	\$ 11,956	\$ 98,233
ANR - office support	187,047	197,047	136,596
- payroll costs	-	-	57,920
Appeals	91,923		240,765
Auditors	19,500	23,000	13,000
Community constitution	84,250	109,250	-
Contracted services	512,471	504,316	568,240
Consultation office lease	152,520	153,005	135,045
Consultation office overhead	130,500	133,863	-
Election	-	-	20,350
Employee training and development	40,000	13,222	19,652
Enrolment maintenance			3,985
Harvest management	218,281	185,068	199,008
IT equipment	-	-	38,738
Land selection pre-planning	-	-	16,179
Newsletters	45,000	54,773	-
Trapping training	10,450	-	-
Tribunal	301,000	400,860	
Wages and benefits	512,982	550,360	830,791
Website	75,000	63,280	-
	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>	<u>\$ 2,378,502</u>
Net income for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Other Expenditures

Statement of Revenue and Expenses

For the year ended 31 March 2024

(with 2024 budget and 2023 actual figures for comparison)

	<u>2024</u> <u>Budget</u> (unaudited)	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Revenue	\$ -	\$ -	\$ -
Expenses:			
Amortization	\$ -	\$ 2,214	\$ 2,767
	\$ -	\$ 2,214	\$ 2,767
Net loss for the year	<u>\$ -</u>	<u>\$ (2,214)</u>	<u>\$ (2,767)</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Governance Capacity Development (GCD)

Statement of Revenue and Expenses

For the year ended 31 March 2024

(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ <u>1,978,761</u>	\$ <u>1,978,761</u>	\$ <u>1,500,000</u>
Expenses:			
Accommodations, meals and travel	-	-	3,390
ANR - office support	\$ 276,695	\$ 218,078	\$ 133,778
Community constitution	200,000	14,553	-
Conference	-	-	52,551
Contracted services	-	-	280,103
Consultation office lease	-	-	13,556
Wages and benefits	<u>1,502,066</u>	<u>1,412,250</u>	<u>1,094,085</u>
	\$ <u>1,978,761</u>	\$ <u>1,644,881</u>	\$ <u>1,577,463</u>
Net income (loss) for the year	\$ <u><u>-</u></u>	\$ <u><u>333,880</u></u>	\$ <u><u>(77,463)</u></u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Nation Building

Statement of Revenue and Expenses

For the year ended 31 March 2024

(with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue:			
Minister of Indian Affairs and Northern Development and Minister of Indigenous Services	\$ <u>241,129</u>	\$ <u>241,129</u>	\$ <u>329,427</u>
Expenses:			
Community constitution	115,750	90,750	345,228
Elders/youth/community members	160,000	102,447	142,759
Equipment and travel	10,000	-	-
Contracted Services	54,000	48,341	-
Governance training	<u> </u>	<u> </u>	<u>3,390</u>
	\$ <u>339,750</u>	\$ <u>241,538</u>	\$ <u>491,377</u>
Net income (loss) for the year	\$ <u>(98,621)</u>	\$ <u>(409)</u>	\$ <u>(161,950)</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust
Federal Enrolment and Ratification
Statement of Revenue and Expenses
For the year ended 31 March 2024
 (with 2024 budget and 2023 actual figures for comparison)

	2024 <u>Budget</u> (unaudited)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue	\$ 380,446	\$ 380,446	\$ 398,623
Expenses:			
Appeals	\$ 33,500	\$ -	\$ 273,012
Enrolment board	6,000	-	-
Enrolment maintenance	22,500	27,778	15,142
Enrolment	101,000	51,017	25,017
Mediation	-	-	17,454
Tribunal	160,900	135,604	-
Wages and benefits	56,546	56,546	67,998
	<u>\$ 380,446</u>	<u>\$ 270,945</u>	<u>\$ 398,623</u>
Net income (loss) for the year	<u>\$ -</u>	<u>\$ 109,501</u>	<u>\$ -</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Statement of Cash Flows

For the year ended 31 March 2024
(with 2023 figures for comparison)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income (loss) for the year	\$ 438,889	\$ (259,901)
Add amortization which does not involve cash	<u>2,214</u>	<u>2,767</u>
	<u>\$ 441,103</u>	<u>\$ (257,134)</u>
Net change in non cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	\$ (15,142)	\$ -
Decrease (increase) in government receivable	396,417	(396,417)
Decrease (increase) in due from related parties	(471,854)	(68,502)
Increase (decrease) in accounts payable and accrued liabilities	<u>(370,496)</u>	<u>183,209</u>
	<u>\$ (461,075)</u>	<u>\$ (281,710)</u>
Cash flows from (used for) operating activities	<u>\$ (19,972)</u>	<u>\$ (538,844)</u>
Net increase (decrease) in cash in trust account during the year	\$ (19,972)	\$ (538,844)
Cash in trust account at the beginning of the year	<u>1,408,596</u>	<u>1,947,440</u>
Cash in trust account at the end of the year	<u>\$ 1,388,624</u>	<u>\$ 1,408,596</u>

(See accompanying notes)

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended 31 March 2024

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:

Financial instruments are financial assets or liabilities of the Trust where, in general, the Trust has the right to receive cash or another financial asset from another party or the Trust has the obligation to pay another party cash or other financial assets.

Measurement of arm's length financial instruments

The Trust initially measures its arm's length financial instruments at fair value.

The Trust subsequently measures arm's length financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended March 31, 2024

Arm's length financial assets and financial liabilities measured at amortized cost include cash in trust account, accounts receivable, and accounts payable and accrued liabilities.

There are no arm's length financial assets or financial liabilities measured at fair value.

Measurement of related party financial instruments

The Trust initially measures its related party financial assets at fair value, cost or the exchange amount and its related party financial liabilities at cost or the exchange amount.

The Trust subsequently measures related party financial assets and financial liabilities quoted in an active market at fair value. All other related party financial assets and financial liabilities are subsequently measured at cost or the exchange amount.

When the related party financial instrument has repayment terms, cost is determined using the undiscounted cash flows of the instrument, excluding interest and dividend payments, less any impairment losses previously recognized. If the related party financial instrument does not have repayment terms, cost is determined using the exchange amount. The exchange amount is the amount of consideration paid or received as established and agreed to by the related parties.

Related party financial assets and financial liabilities measured at the exchange amount are amounts due from related parties.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in net income.

Transaction costs

The Trust recognizes its transaction costs in net income in the period incurred. However, arm's length financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

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 2024.

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.

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 Accounts receivable, Government receivable and amounts due from related parties. The Trust provides credit in the normal course of its operations.

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended 31 March 2024

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. 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.

AOO Energy (Denbigh) Corp., Algonquin Opportunity (No. 3) Corporation and AOO Realty (Carlsbad) Inc. are 100% owned by the AOO Property Preservation Inc. which is owned 100% by the Algonquins of Ontario Opportunities Trust and in turn is controlled by the members of the Algonquin Treaty Negotiation Funding Trust.

AOO Realty (Carlsbad) Inc. owns 15% interest in Algonquins of Ontario Realty Corp.

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 2024 was \$ 1,661,813 (2023 - \$ 1,424,836). All transactions with related parties were in the normal course of business and recorded at exchange value.

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

	<u>2024</u>	<u>2023</u>
Algonquin Opportunity (No.1) Corporation	\$ 2,435	\$ 15,773
AOO Energy (Denbigh) Corp.	26,858	23,468
Algonquin Opportunity (No.3) Corporation	3,536	853
AOO Realty (Rockcliffe) Inc.	3,531	(111,982)
AOO Realty (Lebreton) Corp.	52,113	45,543
Algonquin Opportunity (No.2) Corporation	574,015	221,254
AOO Realty (Carlsbad) Inc.	13,936	10,056
AOO Property Preservation Inc.	22,989	20,717
Algonquins of Ontario Realty Corp.	-	9,563
Algonquins of Ontario Opportunities Trust	<u>19,358</u>	<u>11,672</u>
Due to/from related parties	<u>\$ 718,771</u>	<u>\$ 246,917</u>

5. ECONOMIC DEPENDENCE

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

6. SURPLUS

The surplus of \$ 1,122,100 represents unspent Federal funding and is available to finance operations in 2024 - 2025, if unspent is due back to the Minister of Indian Affairs and Northern Development and Minister of Indigenous Services.

Algonquin Treaty Negotiation Funding Trust

Notes to the Financial Statements

For the year ended 31 March 2024

7. COMPARATIVE FIGURES

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

8. INCOME TAXES

Income taxes are accounted for by the taxes payable method. Under the taxes payable method, only current income tax assets and liabilities are recognized. As a result, the Trust's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	<u>2024</u>	<u>2023</u>
Net income (loss) before income taxes	<u>\$ 438,889</u>	<u>\$ (259,901)</u>
Expected income tax at the combined tax rate of 53.53%		
2023 - 53.53%	\$ 234,938	\$ (139,127)
Amounts recoverable by Government of Canada	<u>(234,938)</u>	<u>139,127</u>
	<u>\$ -</u>	<u>\$ -</u>

9. GOING CONCERN

The financial statements are prepared on a going concern basis which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. However, the trust in 2024-2025 will receive reduced government funding with the funding being directed at operating the AOO consultation office and to define and receive tripartite acceptance of the Algonquin treaty negotiation structure to continue to operate under.

If tripartite acceptance is not obtained, future government funding is in doubt, raising substantial doubt about the ability of the trust to continue as a going concern.

The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary, should the Trust not continue as a going concern.