

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED MARCH 31, 2006

Wilfred J. Lamb
CHARTERED ACCOUNTANT

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AUDITOR'S REPORT

To the Trustees and Members of

Algonquin Treaty Negotiation Funding Trust

I have audited the balance sheet as at March 31, 2006 of The Algonquin Treaty Negotiation Funding Trust and the statement of revenue and expenses for the six-month period 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, 2006 and the results of its operations for the six-month period then ended in accordance with generally accepted accounting principles.


CHARTERED ACCOUNTANT

May 24, 2006

Kanata, Ontario

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

BALANCE SHEET

AS AT MARCH 31, 2006

ASSETS

CURRENT ASSETS

Cash in bank	\$	10,217
Grants receivable		<u>409,240</u>
	\$	<u>419,457</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$	419,457
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EQUITY

		<u>-</u>
	\$	<u>419,457</u>

(See accompanying notes)

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

STATEMENT OF REVENUE AND EXPENSES

FOR SIX MONTHS ENDED MARCH 31, 2006

	<u>Budget</u>	<u>Actual</u> <u>Workplan</u>	<u>Workshop</u>
Revenue			
Ontario Secretariat for Aboriginal Affairs	\$ 405,000	\$ 405,000	\$ 4,240
Indian and Northern Affairs Canada	<u>405,000</u>	<u>405,000</u>	<u>-</u>
	<u>810,000</u>	<u>810,000</u>	<u>4,240</u>
Expenditures			
Salaries and wages	338,400	347,833	-
Professional services	235,921	234,208	-
Travel expenses	16,395	17,601	-
Accommodations	10,800	8,200	-
Meals	14,400	15,560	-
Office expenses	180,000	174,807	-
Newsletters, community meetings	14,250	10,945	-
Contingency for trustees	1,500	846	-
Workshop	-	-	<u>4,240</u>
	<u>811,666</u>	<u>810,000</u>	<u>4,240</u>
Excess of (Expenses over Revenue) for period	\$ (<u>1,666</u>)	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

Wilfred J. Lamb
CHARTERED ACCOUNTANT

ALGONQUIN TREATY NEGOTIATION FUNDING TRUST

NOTES TO FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED MARCH 31, 2006

Note 1 The Algonquin Treaty Negotiation Funding Trust was created December 20, 2005. The objects of the Trust are to facilitate the negotiations of self-government and land claim agreements with the Crown. The trust is overseen by sixteen elected individuals from ten Algonquin communities, three of which 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 periods presented.

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

Financial instruments - For cash, grants receivable and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximates their fair market value due to their short term maturity.

Capital assets are expensed in the year of acquisition.