
Financial statements of Future Generations Foundation

March 31, 2024

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Independent Auditor's Report

To the Trustees of
Future Generations Foundation

Opinion

We have audited the financial statements of the Future Generations Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Foundation 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 not-for-profit organizations, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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 Foundation 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 8, 2024

Future Generations Foundation
Statement of operations and changes in fund balances
Year ended March 31, 2024

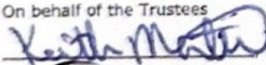
		2024					2023						
Notes	General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other Funds	Total	General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other Funds	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
					(Note 9)					(Note 9)			
Revenue													
Investment income	3	77,861	21,788,318	14,525,545	193,707	—	36,585,431	49,182	3,399,075	2,266,049	28,281	—	5,742,587
Donations	8	2,526,930	—	—	—	—	2,526,930	449,729	—	—	—	—	449,729
		2,604,791	21,788,318	14,525,545	193,707	—	39,112,361	498,911	3,399,075	2,266,049	28,281	—	6,192,316
Distributions to beneficiaries													
Payment to organizations	6	390,799	7,570,619	—	668,147	3,607	8,633,172	—	6,232,858	—	220,283	23,079	6,476,220
Payment to individuals	6	1,395,000	3,695,132	—	412,710	10,931	5,513,773	—	3,614,942	—	868,250	—	4,483,192
Payment to CTJ program	6	—	339,825	—	—	—	339,825	—	684,999	—	—	—	684,999
		1,785,799	11,605,576	—	1,080,857	14,538	14,486,770	—	10,532,799	—	1,088,533	23,079	11,644,411
Expenses													
Salaries and benefits		968,601	—	—	—	—	968,601	900,244	—	—	—	—	900,244
Professional services		1,066,531	—	—	—	—	1,066,531	455,771	—	—	—	—	455,771
Travel		246,184	—	—	—	—	246,184	197,029	—	—	—	—	197,029
Rent	5	98,388	—	—	—	—	98,388	75,653	—	—	—	—	75,653
Office expenses		108,789	—	—	—	—	108,789	75,422	—	—	—	—	75,422
Advertising, promotion and publications		111,156	—	—	—	—	111,156	46,923	—	—	—	—	46,923
Insurance		19,293	—	—	—	—	19,293	17,391	—	—	—	—	17,391
Administration and management fees	5	—	—	—	—	—	—	653	—	—	—	—	653
		2,618,942	—	—	—	—	2,618,942	1,769,086	—	—	—	—	1,769,086
		4,404,741	11,605,576	—	1,080,857	14,538	17,105,712	1,769,086	10,532,799	—	1,088,533	23,079	13,413,497
Excess (deficiency) of revenue over distributions and expenses		(1,799,950)	10,182,742	14,525,545	(887,150)	(14,538)	22,006,649	(1,270,175)	(7,133,724)	2,266,049	(1,060,252)	(23,079)	(7,221,181)
Fund balances, beginning of year		224,865	97,671,812	141,708,189	1,601,325	30,863	241,237,054	—	106,160,540	139,442,140	2,801,613	53,942	248,458,235
Interfund transfers	7	1,764,232	(1,613,923)	—	(150,309)	—	—	1,495,040	(1,355,004)	—	(140,036)	—	—
Fund balances, end of year	8	189,147	106,240,631	156,233,734	563,866	16,325	263,243,703	224,865	97,671,812	141,708,189	1,601,325	30,863	241,237,054

The accompanying notes are an integral part of the financial statements.

Future Generations Foundation
Statement of financial position
As at March 31, 2024

		2024					2023						
Notes	General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other Funds	Total	General Fund	Education Fund	Education Legacy Fund	Métis Fund	Other Funds	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
					(Note 9)						(Note 9)		
Assets													
Current assets													
	Cash	224,775	(338,339)	1,699,843	30,580	16,325	1,633,184	394,242	(699,634)	1,647,766	71,706	30,863	1,444,943
	Accounts receivable	—	27,785	—	—	—	27,785	—	102,813	—	—	—	102,813
	Sales taxes recoverable	181,499	—	—	—	—	181,499	92,905	—	—	—	—	92,905
	Prepaid expenses	48,554	50,000	—	—	—	98,554	59,475	—	—	—	—	59,475
3	Short-term investments	—	15,000,000	—	577,486	—	15,577,486	—	13,500,000	—	1,000,000	—	14,500,000
	Interfund receivable (payable)	—	7,302,094	(7,302,094)	—	—	—	—	1,275,771	(1,275,771)	—	—	—
		454,828	22,041,540	(5,602,251)	608,066	16,325	17,518,508	546,622	14,178,950	371,995	1,071,706	30,863	16,200,136
	Capital assets	77,359	—	—	—	—	77,359	67,722	—	—	—	—	67,722
4	Investments	—	87,046,535	161,976,205	—	—	249,022,740	—	85,496,474	141,593,612	778,850	—	227,868,936
3		532,187	109,088,075	156,373,954	608,066	16,325	266,618,607	614,344	99,675,424	141,965,607	1,850,556	30,863	244,136,794
Liabilities													
Current liabilities													
	Accounts payable and accrued liabilities	335,311	2,847,444	140,220	44,200	—	3,367,175	389,479	2,003,612	257,418	249,231	—	2,899,740
	Balance due to National Indian Brotherhood	7,729	—	—	—	—	7,729	—	—	—	—	—	—
5		343,040	2,847,444	140,220	44,200	—	3,374,904	389,479	2,003,612	257,418	249,231	—	2,899,740
Fund balances													
		189,147	106,240,631	156,233,734	563,866	16,325	263,243,703	224,865	97,671,812	141,708,189	1,601,325	30,863	241,237,054
		532,187	109,088,075	156,373,954	608,066	16,325	266,618,607	614,344	99,675,424	141,965,607	1,850,556	30,863	244,136,794

The accompanying notes are an integral part of the financial statements.

On behalf of the Trustees
 Keith Martell, Chair of the Board of Trustees
 Odessa Epp, Trustee

Future Generations Foundation**Statement of cash flows**

Year ended March 31, 2024

	2024	2023
	\$	\$
Operating activities		
Excess (deficiency) of revenue over distributions and expenses	22,006,649	(7,221,181)
Amortization of capital assets	20,557	17,351
Realized gain on investments	(2,587,276)	(1,373,554)
Change in unrealized gain on investments	(24,171,480)	12,500,979
Changes in non-cash operating working capital items		
Accounts receivable	75,028	(34,146)
Prepaid expenses	(39,079)	(18,641)
Sales taxes recoverable	(88,594)	(50,352)
Accounts payable and accrued liabilities	467,435	1,235,956
	(4,316,760)	5,056,412
Investing activities		
Purchase of investments	(12,097,337)	(25,585,234)
Disposal of investments	16,624,803	21,325,531
Purchase of capital assets	(30,194)	(47,656)
Increase (decrease) in the balance due to National Indian Brotherhood	7,729	(31,870)
	4,505,001	(4,339,229)
Net increase in cash	188,241	717,183
Cash, beginning of year	1,444,943	727,760
Cash, end of year	1,633,184	1,444,943

The accompanying notes are an integral part of the financial statements.

1. Purpose of the organization

The Future Generations Foundation (formerly National Indian Brotherhood Trust Fund) was established on November 1, 1975, as a registered charity under paragraph 149(l)(f) of the *Income Tax Act*. The name change was enacted on November 20, 2023, to align with the organization's evolving objects and strategic goals.

The objects of the Future Generations Foundation (the "Foundation") are as follows:

- (a) To study in conjunction with First Nations representatives from the various parts of Canada the problems confronting First Nations in today's society;
- (b) To do research into the economic, social, and scientific problems of First Nations communities with a view to proposing solutions to these problems;
- (c) To do research into the historical and cultural aspects of First Nations communities with a view to assisting in retaining First Nations culture and values;
- (d) In order to further carry out the foregoing objects, to obtain and disseminate information to First Nations groups and others concerned with the quality of First Nations life;
- (e) To provide educational programs and related services and initiatives that provide assistance to First Nations peoples including the provision of financial assistance to attend education institutions at all levels; and,
- (f) To provide healing and reconciliation programs, services and initiatives for First Nations peoples as required as a result of the intergenerational impacts of the IRS system.

In carrying out these objects, the Foundation administers the Education Fund, Education Legacy Fund, Metis Fund, General Fund, the Youth Healing Fund, the Research Sponsor Fund and the Heroes of Our Time Fund.

The General Fund administers all the other funds and other activities and donations of all general charitable activities of the Foundation. Unrestricted donations to the Foundation are being administered by the General Fund for disbursements to programs and operations that support the objects of the Foundation.

In 2009, the Future Generations Foundation applied to the court to amend its objects to include the ability to fund education programs and reconciliation initiatives to address the legacy of Indian Residential Schools (IRS).

Pursuant to the Indian Residential Schools Settlement Agreement (IRSSA), the federal government, in 2006, established a Designated Amount Fund (DAF) to compensate former students of IRS. Both the Common Experience Payment and Personal Credits were paid out of the DAF. The IRSSA stipulated that any surplus funds from the DAF were to be transferred to the Foundation. The courts supervising the implementation of the IRSSA issued an order in July 2015 endorsing the transfer of funds, including a transfer of \$300,000 for startup costs of the Foundation's operations.

Under the court-approved terms and conditions, the Foundation is to administer the residual funds from the DAF for the benefit of First Nations and Métis, with the initial contributions of funds from the Government of Canada divided as follows:

- First Nations: 97.3%
- Métis: 2.7%

The terms and conditions require that at least 50% of the initial funds received from the DAF on behalf of the First Nations should be invested in a reserve fund for a period of 20 years from the date of transfer of the initial funds in 2015 until 2035. The Métis Fund is not subject to the restrictions.

1. Purpose of the organization (continued)

The terms and conditions also set a limit on the administrative expenses related to the funds received from the DAF. The court approved an annual 15% administration expenses cap for these expenses. The administrative expenses for the IRSSA funds are managed under the General Fund.

As a consequence of the IRSSA, the Foundation established three funds in 2016:

- (1) The Education Fund to support educational programs for the purpose of healing, reconciliation, and knowledge advancement for First Nations organizations and individuals;
- (2) The Métis Fund to provide assistance to Métis organizations and individuals for the purpose of healing and reconciliation programs; and
- (3) The Education Legacy Fund to invest in a reserve fund for 20 years for First Nations organizations and individuals for future generations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

In accordance with the principles of fund accounting, the Foundation maintains its accounting records to ensure that limitations and restrictions placed on the use of available resources are observed. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Accordingly, separate accounts are maintained for the following funds: General Fund, Education Fund, Métis Fund, Education Legacy Fund, Youth Healing Fund, Research Sponsor Fund and Heroes of Our Time Fund.

The General Fund accounts are for the Foundation's operating activities, including charitable and fundraising activities. The unrestricted donations are recognized in the General Fund for fundraising, distributions to beneficiaries and administrative costs. The remaining funds are externally restricted and are to be used only in the manner set out in Note 1.

Revenue recognition

The Foundation follows the restricted method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year in which the contributions are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted and endowment contributions are recognized as revenue in the year in which the contributions are received. Restricted contributions, for which the Foundation has no corresponding restricted fund, are deferred and recognized as revenue in the General Fund in the year in which the related expenses are incurred.

Investment income

In compliance with the court-approved administration plan for the funds received pursuant to the IRSSA under the section of the investment of capital, investment income is recognized as it is earned. Investment income earned in the Education Legacy Fund and the Education Fund is allocated to the appropriate fund as follows:

- Education Fund: 60% of the investment income; and
- Education Legacy Fund: 40% of the investment income.

2. Significant accounting policies (continued)

Investment income (continued)

Investment income earned in the Métis Fund remains in the Métis Fund and is exempt from the Education and Education Legacy Fund's restrictions.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Foundation in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost with the exception of cash and investments which are recorded at fair value.

Interest earned on investments, unrealized gains and losses on listed shares, and realized gains and losses on sales of investments are included in Investment income in the statement of operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes an impairment loss, if any, in net earnings when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

2. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost.

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over their lease term.

Computer equipment	3 years
Leasehold improvements	10 years
Furniture and equipment	10 years

Contributed materials and services

Contributed materials and services which are used in the normal course of the Foundation's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the current financial statements include the collectability of accounts receivable, the valuation of investments and the amount of accrued liabilities. Actual results could differ from these estimates.

Future Generations Foundation
Notes to the financial statements
March 31, 2024

3. Investments

The fair values and costs of investments as at March 31, 2024, are as follows:

	Education Fund		Education legacy Fund		Métis Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and Cash Equivalent	8,228	8,228	13,060	13,060	46	46	21,334	21,334
GMO QUALITY FD III	46,360,354	35,131,883	73,586,763	55,764,060	262,356	198,813	120,209,473	91,094,756
CRESTPOINT INS REAL ES FD 1150	17,183,114	15,690,067	27,274,375	24,904,497	97,240	88,791	44,554,729	40,683,355
LEITH WHEELER CORE ACTIVE BOND	18,462,466	21,086,122	29,305,063	33,469,534	104,480	119,327	47,872,009	54,674,983
BEUTEL GOODMAN CDN EQ CL I 200	20,032,373	17,417,875	31,796,944	27,647,007	113,364	98,569	51,942,681	45,163,451
	102,046,535	89,334,175	161,976,205	141,798,158	577,486	505,546	264,600,226	231,637,879
Short-term investments	15,000,000	15,000,000	—	—	577,486	505,546	15,577,486	15,505,546
Long-term investments	87,046,535	74,334,175	161,976,205	141,798,158	—	—	249,022,740	216,132,333

It is the Foundation's intent to hold investments on a long-term basis. The amounts reflected under short-term investments represent the estimated budget to be distributed in the next twelve months to individuals, organizations and administration for the year ended March 31, 2024.

The fair values and costs of investments as at March 31, 2023, are as follows:

	Education Fund		Education legacy Fund		Métis Fund		Total	
	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and Cash Equivalent	61,935	61,925	88,585	88,571	1,113	1,113	151,633	151,609
GMO QUALITY FD III	42,671,777	40,778,939	61,032,992	58,325,686	766,761	732,749	104,471,530	99,837,374
CRESTPOINT INS REAL ES FD 1150	17,965,367	15,251,936	25,695,674	21,814,683	322,816	274,059	43,983,857	37,340,678
LEITH WHEELER CORE ACTIVE BOND	18,972,964	21,581,024	27,136,831	30,867,111	340,922	387,785	46,450,717	52,835,920
BEUTEL GOODMAN CDN EQ CL I 200	19,324,431	17,731,988	27,639,530	25,361,876	347,238	318,624	47,311,199	43,412,488
	98,996,474	95,405,812	141,593,612	136,457,927	1,778,850	1,714,330	242,368,936	233,578,069
Short-term investments	13,500,000	13,500,000	—	—	1,000,000	1,000,000	14,500,000	14,500,000
Long-term investments	85,496,474	81,905,812	141,593,612	136,457,927	778,850	714,330	227,868,936	219,078,069

It is the Foundation's intent to hold investments on a long-term basis. The amounts reflected under short-term investments represent the estimated budget to be distributed in the next twelve months to individuals, organizations and administration for the year ended March 31, 2023.

3. Investments (continued)

Investment income

The court-approved administration plan mandates at least 10% of all annual investment income generated by the Education Legacy Fund must be reinvested into the fund, and up to 90% of all annual investment income generated from the Education Legacy Fund can be made available for disbursement to beneficiaries. The administration plan also mandates the depletion of the Education Fund by 2035.

The Foundation Board of Trustees has approved the following allocation of total investment income earned in the Education Legacy Fund and Education Fund as follows:

- Education Fund: 60% of the investment income; and
- Education Legacy: 40% of the investment income.

Investment income earned in the Métis Fund remains in the Métis Fund and is exempt from the Education and Education Legacy Fund's restrictions.

	2024	2023
	\$	\$
Investment income earned by the Education Legacy Fund	21,827,639	3,541,820
Allocation to the Education Fund	(7,302,094)	(1,275,771)
Investment income - Education Legacy Fund	14,525,545	2,266,049
Investment income earned by the Education Fund	14,486,224	2,123,304
Allocation to the Education Legacy Fund	7,302,094	1,275,771
Investment income - Education Fund	21,788,318	3,399,075
Investment income earned by the Métis Fund	193,707	28,281
Investment income earned by the General Fund	77,861	49,182
	36,585,431	5,742,587

The Foundation presents its investment income net of investment expenses of \$817,812 (\$807,321 in 2023).

Determination of fair values

The fair value of investments approximates the value at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. Information supplied by the Foundation's custodian is used to reflect fair value, which may differ from that which could eventually be realized. Pooled fund units are valued at prices based on the fair value of the underlying securities held by the pooled funds.

As at March 31, 2024, the investments are held by four investment managers: GMO LLC. holds \$120,210,862 (45%), Leith Wheeler Investment Counsel Ltd. holds \$47,872,126 (18%), Goodman & Company Ltd. holds \$51,942,680 (20%) and Crestpoint Real Estate Investment Ltd. holds \$44,554,729 (17%). The Foundation has committed to invest \$40,000,000 with Crestpoint Real Estate Investment Ltd. of which \$39,446,303 has been called and \$553,697 remains to be called.

3. Investments (continued)

Investment risk

Investment in financial instruments renders the Foundation subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in equity markets both domestic and foreign. They also include the risks arising from the failure of a counterparty to a financial instrument to discharge an obligation when it is due.

The Foundation's investments consist of units held in pooled funds. The Foundation has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of the Foundation are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to the Foundation is represented by the market value of the investments.

Concentration risk

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes there is no concentration that represents excessive risk.

Foreign currency risk

Foreign currency exposure arises from the Foundation's holdings of non-Canadian denominated investments, which as at March 31, 2024, totaled \$120,210,862 (\$104,473,028 in 2023) of the total portfolio. The balance comprises of \$1,389 of cash and \$120,209,473 invested in GMO Quality Fund III, all of which are denominated in US dollars.

The Foundation does not enter into financial hedges for managing foreign currency risks.

4. Capital assets

	Cost \$	Accumulated depreciation \$	2024 Net book value \$	2023 Net book value \$
Furniture and equipment	37,949	4,861	33,088	37,290
Leasehold improvements	4,049	506	3,543	3,989
Computer equipment	99,523	58,795	40,728	26,443
	141,521	64,162	77,359	67,722

Cost and accumulated amortization as at March 31, 2023 amount to \$111,328 and \$43,606, respectively.

5. Balance due to National Indian Brotherhood

Since National Indian Brotherhood (NIB), which acts as the secretariat of the AFN, appoints the Trustees of the Foundation, the NIB is deemed to control the Foundation and thus the NIB is a related party.

As at March 31, 2024, the balance due to the NIB was \$7,729 (\$nil in 2023).

5. Balance due to National Indian Brotherhood (continued)

For the year ended March 31, 2024, the Foundation paid the NIB \$nil (\$653 in 2023) for services relating to the administration and management of the Foundation and \$15,162 for the rental of office space (\$48,110 in 2023). The Foundation continued to share office space with the NIB in Akwesasne at an annual cost of \$15,162.

The transactions with the AFN have been recorded at their exchange amount which is the amount in accordance with the agreements signed between the parties.

6. Distributions to beneficiaries

In fiscal year 2023-2024, the Foundation approved distributions to 1309 individuals and to 87 organizations across Canada aimed at healing, reconciliation and knowledge advancement. In addition, it approved distributions to 3 organizations across Canada under its new Continuing Their Journey (the "CTJ") Program. It also continued to fund the organizations approved in prior years. The Foundation distributed \$5,513,773 to the approved individuals and \$8,633,172 to the approved organizations, and \$339,825 to the approved CTJ program.

In fiscal year 2022-2023, the Foundation approved distributions to 1205 individuals and to 69 organizations across Canada aimed at healing, reconciliation and knowledge advancement. It also continued to fund the organizations approved in prior years. The Foundation distributed \$4,483,192 to the approved individuals, \$6,476,220 to the approved organizations, and \$684,999 to the approved CTJ program.

7. Interfund transfers

In accordance with the limits set for administrative expenses as described in Note 1, the administrative expenses charged to the IRSSA funds for the year ended March 31, 2024, were \$1,764,232 (\$1,495,040 in 2023), representing 13.91% (12.86% in 2023) of the amount paid to beneficiaries under the IRSSA funds.

For the year ended March 31, 2024, the total administrative expense was \$2,618,942, including the expenses allocated to the IRSSA funds and expenses related to the other charitable and fundraising activities in fiscal year 2023-2024.

8. Beyond Reconciliation Campaign

In fiscal year 2023-2024, the Foundation received cash donations of \$2,526,930 (\$449,729 in 2023), under its Beyond Reconciliation Campaign.

The net amount in the General Fund balance as at March 31, 2024 is \$189,147 (\$224,865 in 2023), which is the cash donations less applicable expenses, for donation activities.

9. Other Funds

The other funds include the Youth Healing Fund, the Research Sponsor Fund and the Heroes of Our Time Fund. The Youth Healing Fund was distributed to a group beneficiary for a total of \$3,607 (\$23,079 in 2023) in 2024. The Heroes of Our Time Fund was distributed to 6 individual beneficiaries for a total of \$10,931 (\$nil in 2023) in 2024. The total fund balance is \$16,325 (\$30,863 in 2023).

9. Other Funds (continued)

The Youth Healing Fund was established in 1996 to support efforts to improve the self-esteem and profile of First Nations youth in Canada. Funding was provided to organize events that brought together First Nations youth with political leaders and elders for spiritual and leadership training. Funding was also provided to support youth representation of their nations at conferences and gatherings in Canada and internationally.

The Research Sponsor Fund was established in 2001 to enable research into the economic, social and scientific problems of First Nations communities with a view to proposing solutions to these problems.

The Heroes of Our Time Fund was established in 2001 with the purpose of providing scholarship awards. The awards are made available to applicants who are able to demonstrate a proven record of intellectual and academic ability, integrity of character, interest and respect for fellow human beings, ability to lead, and the initiative to use their talents to the fullest. The awards are named in memory of the following figures in First Nations history: Jake Fire (criminology), Tommy Prince (native studies), Walter Dieter (social work), Omar Peters (political science), Robert Smallboy (medicine), and James Gosnell (law). The awards are generally presented each year at the Assembly of First Nations (AFN) annual general assembly.

	2024	2023
	Fund balance	Fund balance
	\$	\$
Youth Healing Fund	—	3,607
Research Sponsor Fund	16,325	16,325
Heroes of Our Time Fund	—	10,931
	16,325	30,863

10. Commitments

The Foundation is committed to future minimum lease payments under operating leases for office space maturing in 2033 for which minimum annual payments for the next five year and thereafter are as follows:

	\$
2025	38,317
2026	39,710
2027	40,407
2028	41,800
2029	42,497
2030 to 2033	160,930
	<u>363,661</u>