



**FIRST NATIONS LAND MANAGEMENT
RESOURCE CENTRE INC.
Financial Statements
Year Ended March 31, 2007**

Auditors' Report

Financial Statements

Page

Statement of Financial Position

1

Statement of Financial Activities

2 - 3

Statement of Cash Flows

4

Notes to Financial Statements

5 - 6



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AUDITORS' REPORT TO THE MEMBERS OF THE FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

We have audited the statement of financial position of the First Nations Land Management Resource Centre Inc. as at March 31, 2007 and the statements of financial activities, and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2007 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

CHARTERED ACCOUNTANTS

Kelowna, British Columbia

July 20, 2007

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Financial Position
As at March 31, 2007**

	2007	2006
ASSETS		
Current		
Cash	\$ 2,036,369	\$ 1,504,872
Accounts receivable	799,627	1,512,345
Prepaid expenses	82,908	107,162
	2,918,904	3,124,379
Capital assets (Note 3)	296,670	357,907
	\$ 3,215,574	\$ 3,482,286
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,691,133	\$ 3,166,092
MEMBERS' EQUITY		
Members Equity	227,771	(41,713)
Equity in capital assets (Note 4)	296,670	357,907
	524,441	316,194
	\$ 3,215,574	\$ 3,482,286

Commitments (Note 5)

Approved by the Board of Directors:

Chief Austin Bear

Bill McCue

Rennie Goose

Barry Seymour

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Statement of Financial Activities

Year Ended March 31, 2007

	Budget	2007	2006
Revenue			
Department of Indian Affairs and Northern Development	7,490,211	\$ 6,484,218	\$ 5,354,198
Interest	-	-	7,574
	7,490,211	6,484,218	5,361,772
Expenditures			
I. FLEXIBLE TRANSFER PAYMENT			
Framework Agreement Implementation			
1. Internal governance of the Lands Advisory Board and Resource Centre			
a) Lands Advisory Board			
Strategic Regional Meetings and related activities	138,150	81,891	100,490
Annual General Meetings and related activities	75,000	89,327	61,199
Evaluation	227,636	178,586	-
	440,786	349,804	161,689
b) Resource Centre			
Technical assistance to Lands Advisory Board	83,071	80,241	80,342
Board of Directors Meetings	22,000	22,684	31,880
Resource Centre operations	246,577	235,142	235,439
Resource Centre administration	504,000	481,373	498,769
	855,648	819,440	846,430
2. Intergovernmental Relations			
Technical assistance for Intergovernmental services	172,972	233,707	234,002
Political, legal and financial assistance:			
Meetings with Canada and Parliament	94,000	230,678	321,697
Meetings with private sector, provincial & municipal governments	11,300	16,108	11,582
Private sector - Canada Economic Development Conference	-	-	8,075
Meetings with First Nation organizations and institutions	51,000	14,209	-
Presentations to Parliament	-	-	55,986
Bijuralism	365,889	266,799	-
	695,161	761,501	631,342
3. LAB and RC Support to First Nations			
a) Operational First Nations			
Political, legal and financial assistance	130,777	106,981	47,785
Technical assistance	437,950	449,557	450,125
Workshops	273,788	247,426	27,421
Contracts for law, regulations and system design	101,000	145,829	182,573
Dispute resolution	56,950	5,699	-
	1,000,465	955,492	707,904

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Financial Activities
Year Ended March 31, 2007**

	Budget	2007	2006
Developmental First Nations			
Political, legal and financial assistance	274,000	238,336	200,567
Technical assistance	552,037	435,922	436,473
Workshops	19,500	47,710	-
Dispute resolution	19,500	1,500	-
Verifier	180,000	147,200	126,770
RMAF/RBAF	-	-	54,149
	<u>1,045,037</u>	<u>870,668</u>	<u>817,959</u>
	4,037,097	3,756,905	3,165,324
II. Contribution			
4. Developmental Funding to First Nations			
a) Funding to 30 Developmental First Nations	3,453,114	2,447,121	2,139,198
	<u>7,490,211</u>	<u>6,204,026</u>	<u>5,304,522</u>
Excess of revenues over expenditures for the year	-	280,192	57,250
Deficit, beginning of year	-	(41,713)	(98,963)
Less: Permanent non deductible interest expense	-	10,708	-
Members Equity, end of year	-	\$ 227,771	\$ (41,713)

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Statement of Cash Flows
Year Ended March 31, 2007

	2007	2006
Operating activities		
Receipts from Indian Affairs and Northern Development	\$ 7,196,936	\$ 6,041,478
Interest income	-	7,574
Other operating payments	(6,567,471)	(4,410,904)
	629,465	1,638,148
Investing activity		
Purchase of capital assets	(36,731)	(79,256)
Financing activity		
Increase (decrease) in equity in capital assets	(61,237)	(29,390)
Increase in cash	531,497	1,529,502
Cash (bank indebtedness), beginning of year	1,504,872	(24,630)
Cash, end of year	\$ 2,036,369	\$ 1,504,872

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2007

1. Operations

The First Nations Land Management Resource Centre Inc. is a band empowered entity created to facilitate the implementation of the *Framework Agreement on First Nation Land Management*. The Resource Centre is incorporated under Part 2 of the Canada Corporations Act. The company is a band empowered entity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. Economic Dependence

The First Nation Land Management Resource Centre Inc. receives a substantial portion of its revenue pursuant to funding arrangements with Indian Affairs Canada.

3. Significant accounting policies

(a) Capital assets

Capital assets are recorded at cost as an addition to capital assets with a corresponding increase in equity in capital assets. These acquisitions which are not funded through capital financing are also charged as an expense to operations and matched with the applicable revenue source in the year of expenditure.

Amortization is recorded as a reduction of equity in capital assets and is based on the estimated useful life of the asset as follows:

Office equipment	- 20% diminishing balance basis
Leasehold improvements	- 5 year straight line basis

Amortization is provided for at one-half of the above rates in the year of acquisition.

(b) Revenue recognition

The First Nations Land Management Resource Centre Inc. receives its revenues pursuant to annual funding agreements with the Minister of Indian Affairs and Northern Development. Revenue is recognized as it becomes receivable under the terms of the funding agreements.

(c) Financial instruments

It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from its financial instruments unless otherwise noted. The fair values of the company's financial instruments approximate their carrying values, unless otherwise noted.

(d) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Statements
Year Ended March 31, 2007**

4. Capital assets

	Cost	Accumulated amortization	Net 2007	Net 2006
Office equipment	\$ 598,799	\$ 328,335	\$ 270,464	\$ 296,758
Leasehold improvements	221,808	195,602	26,206	61,149
	\$ 820,607	\$ 523,937	\$ 296,670	\$ 357,907

5. Equity in capital assets

	2007	2006
Balance, beginning of year	\$ 357,907	\$ 387,297
Asset additions funded from operations	36,731	79,256
Amortization	(97,968)	(108,646)
Balance, end of year	\$ 296,670	\$ 357,907

6. Commitments

The Resource Centre has entered into a lease for office premises in Ottawa at a minimum annual rent of \$53,780 per year with an expiry date of February 2012. In addition, the Resource Centre leases photocopiers for \$38,972 per year with an expiry date of March 2010.

7. Comparative figures

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

8. Excess of revenues over expenditures for the year

Included in the Excess of revenues over expenditures for the year is funds received for bilingualism and program evaluation that will incur expenditures in the next fiscal year.



FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Year Ended March 31, 2007

	Page
Auditor's Report on Supplementary Information	1
Schedules of Expenditures	
Schedule of Expenditures by Class	2
Schedule of Salaries, Travel, Professional Services and Consultants Fees	3-5
Schedule of Funding to Developmental First Nations	6



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AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

We have audited the financial statement of First Nations Land Management Resource Centre Inc. as at March 31, 2007.

The schedules of expenditures by class, staffing, travel, professional services and consultants fees, administration expenditures and funding to Developmental First Nations as required to be presented to the Indian and Northern Affairs pursuant to the funding agreement between Indian and Northern Affairs Canada and First Nations Land Management Resource Centre Inc. The schedules have been compiled by the management of First Nations Land Management Resource Centre Inc. from their records. For the purposes of understanding our involvement with these schedules, please note that:

- We have audited and separately reported on the financial statements;
- Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole;
- The attached schedules are presented for the purpose of forming an opinion for Indian and Northern Affairs Canada and does not form part of the financial statements; and
- The schedules have been subjected to the auditing procedures applied to the audit of the financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies in these schedules.

This report has been prepared in accordance with the applicable Assurance and Related Services Guideline issued by the Canadian Institute of Chartered Accountants.

BDO Dunwoody LLP

BDO Dunwoody LLP
Chartered Accountants
Kelowna, British Columbia
July 20, 2007

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-2 - Budget by Class
Year Ended March 31, 2007**

	Budget 2007	Total 2007	Balance Remaining
1. Salaries, Honoraria and Contract Positions	\$ 1,824,720	\$ 1,834,885	\$ (10,165)
2. Travel	871,632	703,846	167,786
3. Legal Services	327,309	262,063	65,246
4. Financial Services	42,800	31,672	11,128
5. Other Professional Services	446,636	420,202	26,434
6. Administration, Operations and Maintenance			
Automation	50,000	46,429	3,571
Bank charges and interest	-	3,612	(3,612)
Communications	72,000	86,505	(14,505)
Equipment and furniture	25,000	36,731	(11,731)
Equipment leasing and maintenance	75,300	70,122	5,178
Insurance	3,500	3,501	(1)
Office	39,000	28,288	10,712
Audit, accounting and other professional fees	54,200	50,517	3,683
Rent and occupancy	150,000	135,542	14,458
Translation	5,000	3,299	1,701
Other	50,000	39,689	10,311
	524,000	504,237	19,765
7. Developmental Funding	3,453,114	2,447,121	1,005,993
	\$ 7,490,211	\$ 6,204,026	\$ 1,286,187

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Part D-3(a,b) Schedule - Budget by Recipient

Year Ended March 31, 2007

	Per Diem Range	Salary Contracts Services and Honorariums	Other Fees or Remuneration	Travel Expenses Costs and Reimburs.	Other Costs and Expenses	Total 2007	Budget 2007
Lands Advisory Board Members							
LAB member #1 & LAB Chair	\$750	97,500	-	54,769	-	152,269	162,887
LAB member #4	750	123,375	-	47,268	-	170,643	167,400
LAB member #2	750	71,250	-	28,275	-	99,525	104,321
LAB member #7	750	63,750	-	11,162	-	74,912	64,300
LAB member #8	750	65,250	-	15,883	-	81,133	61,174
LAB member #5	750	86,250	-	27,290	-	113,540	48,350
LAB member #6	750	-	-	525	-	525	39,500
LAB member #3	750	12,750	-	8,608	-	21,358	18,650
LAB member #9	750	12,563	-	5,241	-	17,804	46,750
		532,688	-	199,021	-	731,709	713,332
First Nation Chiefs or Representatives	750	90,575	-	163,291	-	253,866	315,171
Resource Centre Board Members							
RC Board member #1 & Chair	750	4,500	-	631	-	5,131	5,250
RC Board member #2	750	6,000	-	1,262	-	7,262	5,250
RC Board member #3	750	6,000	-	1,291	-	7,291	5,250
RC Board member #4	750	3,000	-	-	-	3,000	5,250
		19,500	-	3,184	-	22,684	21,000

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Part D-3 Schedule - Budget by Recipient
 Part D-3(a,b) Schedule - Budget by Recipient
 Year Ended March 31, 2007

	Per Diem Range	Salary Contracts Services and Honorariums	Other Fees or Remuneration	Travel Expenses Costs and Reimburs.	Other Costs and Expenses	Total 2007	Budget 2007
RC Staff and Contract Positions							
Executive Director	115,100 - 135,500						
Director Op Support & Dev: East	102,800 - 121,000						
Director Op Support & Dev: West	91,800 - 108,000						
Coordinator Dev Support: East	74,793 - 89,128						
Coordinator Dev Support: West	74,793 - 89,128						
Senior Policy Analyst	79,080 - 90,420						
Land Mgmt & Training Support	74,793 - 89,128						
Environmental Support	55,002 - 63,846						
Communications Coordinator	67,446 - 72,919						
Developmental Support (ON)	55,002 - 63,846						
Developmental Support (ON)	55,002 - 63,846						
Developmental Support (SK)	55,002 - 63,846						
Developmental Support (BC)	55,002 - 63,846						
Developmental Support (BC)	55,002 - 63,846						
Developmental Support (BC)	55,002 - 63,846						
Developmental Support (BC)	55,002 - 63,846						
Manager Admin & Info Services	67,446 - 72,919						
Manager Financial Services	65,885 - 85,183						
Administrative Assistant	36,194 - 39,040						
Administrative Assistant	29,398 - 32,481						
Reception	29,398 - 32,481						
Health Benefits	53,000						
Payroll Costs	25,000						
		1,192,122	-	242,447	-	1,434,569	1,501,384

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Part D-3 Schedule - Budget by Recipient

(a) Schedule - Salaries, Travel

**(b) Schedule - Per Diems, Honorariums, Professional Services, Consultants Fees
Year Ended March 31, 2007**

	Per Diem Range	Salary Contracts Services and Honorariums	Other Fees or Remuneration	Travel Expenses Costs and Reimburs.	Other Costs and Expenses	Total 2007	Budget 2007
Legal Advisors	to 1,600	262,063	-	34,241	-	296,304	388,774
Financial Services	to 1,680	31,672	-	-	-	31,672	54,950
Other Professional Services	Various	309,127	-	25,537	-	334,664	338,486
Verifiers	1,000	111,075	-	36,125	-	147,200	180,000
Administration, Operations and Maintenance		-	-	-	504,235	504,235	524,000
Total Flexible Transfer Agreement Expenditures		\$ 2,548,822	\$ -	\$ 703,846	\$ 504,235	\$ 3,756,903	\$ 4,037,097

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-3 - Budget by Recipient
(c) Schedule - Developmental First Nations
Year Ended March 31, 2007**

Province	First Nation	Budget 2007	Total 2007	Balance Remaining
BC				
1	Tsawout	\$ 146,454	\$ 131,331	\$ 15,123
2	Songhees	141,188	74,841	66,347
3	Tsliel-Waututh	141,534	126,546	14,988
4	Musqueam	164,298	-	164,298
5	Squamish	347,854	188,462	159,392
6	Osoyoos	143,570	83,714	59,856
7	Tsouke	79,801	44,267	35,534
8	Leqamel	146,445	84,230	62,215
9	Shxw'ha:y Village	83,765	105,720	(21,955)
10	Tzeachten	155,290	31,396	123,894
11	Seabird Island	164,129	134,376	29,753
12	Matsqui	151,767	116,959	34,808
13	Cape Mudge	160,031	124,352	35,679
14	Squiala	149,369	95,384	53,985
AB				
15	Fort McKay	160,365	73,422	86,943
SK				
16	Flying Dust	175,203	124,911	50,292
17	Cowesses	-	-	-
18	Pasqua	181,130	143,331	37,799
MB				
19	Swan Lake	168,147	124,100	44,047
20	Norway House	445,280	-	445,280
ON				
21	Mnjikaning	133,486	-	133,486
22	Garden River	229,155	144,388	84,767
23	Moose Deer Point	149,790	81,939	67,851
24	Mississauga	95,851	9,623	86,228
25	Whitefish Lake	154,272	48,951	105,321
26	Kettle & Stony	248,940	109,031	139,909
27	Dokis	154,032	39,569	114,463
28	Henvey Inlet	150,998	97,927	53,071
PQ				
29	Innu Essipit	156,842	-	156,842
NB				
30	Kingsclear	121,203	108,351	12,852
Reduction to fund additional Flexible Transfer Payment		(822,097)	-	(822,097)
Reallocation between First Nations for unspent				
Developmental Funding in 2006-2007		(624,978)	-	(624,978)
Balance, end of year		\$ 3,453,114	\$ 2,447,121	1,005,993