

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Financial Statements
Year Ended March 31, 2018**

Independent Auditors' Report

Financial Statements	Page
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7
Supplementary Unaudited Schedules	
Part D-1 Schedule by Class	8
Part D-2(a,b,c) Schedules by Recipient and Developmental First Nations	9 - 13
Notes to Supplementary Unaudited Financial Information	14



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Independent Auditor's Report

To the Members of First Nations Land Management Resource Centre Inc.

We have audited the accompanying financial statements of First Nations Land Management Resource Centre Inc., which comprise of the statement of financial position as at March 31, 2018, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Nations Land Management Resource Centre Inc. as at March 31, 2018, and the results of its operations and its cash flows for the year then in accordance with Canadian accounting standards for not-for-profit organizations.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 8 through 14 of First Nations Land Management Resource Centre Inc's financial statements.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
June 7, 2018

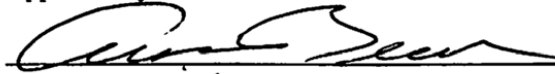
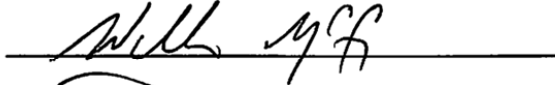
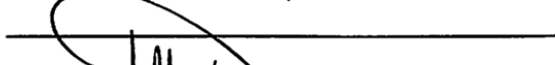
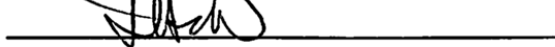
FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Financial Position
As at March 31, 2018**

	2018	2017
Current		
Cash	\$ 3,854,793	\$ 2,833,139
Accounts receivable	179,141	65,494
Prepaid expenses	18,282	12,011
	4,052,216	2,910,644
Capital Assets (Note 3)	45,564	36,448
	\$ 4,097,780	\$ 2,947,092
 LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 572,557	\$ 618,215
Deferred contributions from INAC	3,508,722	2,321,492
	4,081,279	2,939,707
 FUND BALANCES		
Invested in capital assets (Note 6)	45,564	36,448
Unrestricted net assets	(29,063)	(29,063)
	16,501	7,385
	\$ 4,097,780	\$ 2,947,092

Commitments (Note 8)

Approved by the Board of Directors:

	Chief Austin Bear
	Councillor Bill McCue
	Leah George-Wilson
	Grand Chief Joe Hall

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Operations
Year Ended March 31, 2018**

	Operating Fund	Capital Asset Fund	Total 2018	Total 2017
Revenues				
Indigenous and Northern Affairs Canada	\$ 8,382,022	\$ -	\$ 8,382,022	\$ 7,131,961
Province of Ontario (Note 7)	62,526	-	62,526	-
	8,444,548	-	8,444,548	7,131,961
Expenditures				
Amortization	-	18,978	18,978	14,580
Audit and accounting	30,072	-	30,072	33,456
Automation	53,402	-	53,402	35,520
Bank charges and interest	4,764	-	4,764	4,085
Communications	99,009	-	99,009	92,367
Developmental FN	1,685,970	-	1,685,970	1,729,626
Equipment	44,143	-	44,143	26,741
Equipment leasing and maintenance	25,051	-	25,051	16,959
Insurance	6,687	-	6,687	5,200
Legal	140,076	-	140,076	95,850
Loss on write down of capital assets	-	-	-	1,821
Office	41,809	-	41,809	29,841
Other (meeting administration)	105,572	-	105,572	50,450
Professional services	1,212,561	-	1,212,561	942,189
Rent and occupancy	20,915	-	20,915	29,178
Salaries, honoraria and contract positions	3,566,811	-	3,566,811	3,148,669
Translation	18,784	-	18,784	6,306
Travel	1,360,828	-	1,360,828	866,000
Total expenditures	8,416,454	18,978	8,435,432	7,128,838
Excess of revenues over expenditures, (expenditures over revenues) for the year	\$ 28,094	\$ (18,978)	\$ 9,116	\$ 3,123

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Changes in Fund Balances
Year Ended March 31, 2018**

	Operating Fund	Capital Asset Fund	Total 2018	Total 2017
Balance, beginning of year	\$ (29,063)	\$ 36,448	\$ 7,385	\$ 4,262
Excess of (expenditures over revenues), revenues over expenditures	28,094	(18,978)	9,116	3,123
Interfund Transfer	(969)	17,470	16,501	7,385
Purchase of capital assets	(28,094)	28,094	-	-
Balance, end of year	\$ (29,063)	\$ 45,564	\$ 16,501	\$ 7,385

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Statement of Cash Flows
Year Ended March 31, 2018

	2018	2017
Operating activities		
Receipts	\$ 8,210,346	\$ 7,103,741
Other operating payments	(7,177,539)	(7,188,879)
Interest received	16,941	-
	1,049,748	(85,138)
Investing activities		
Purchase of capital assets	(28,094)	(19,524)
	(28,094)	(19,524)
Increase (decrease) in cash	1,021,654	(104,662)
Cash, beginning of year	2,833,139	2,937,801
Cash, end of year	\$ 3,854,793	\$ 2,833,139
Cash consists of:		
Cash	\$ 3,854,793	\$ 2,833,139
	\$ 3,854,793	\$ 2,833,139

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Statements
Year Ended March 31, 2018**

1. Nature of operations and summary of significant accounting policies

(a) Nature and purpose of organization

The First Nations Land Management Resource Centre Inc. ("Resource Centre") is a First Nation empowered entity created by the Lands Advisory Board, which has the responsibility 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 First Nation empowered entity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

(b) Basis of accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

(c) Fund accounting

The organization follows the deferral method of accounting for contributions.

Revenues and expenses related to service delivery and administrative activities are reported in the Operating Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to First Nations Land Management Resource Centre Inc.'s capital assets.

(d) Capital Assets

Capital assets are recorded in the Capital Asset Fund at cost.

Amortization is based on the estimated useful life of the asset as follows:

Office equipment	- 20% diminishing balance basis
Computer equipment	- 55% diminishing balance basis

Amortization is provided for at one-half of the above rates in the year of acquisition. Amortization expense is recorded in the Capital Asset Fund.

(e) Revenue recognition

The First Nations Land Management Resource Centre Inc. receives revenue pursuant to an annual funding agreement with Indigenous and Northern Affairs Canada ("INAC"). Revenue is recognized as it becomes receivable under the terms of the funding agreement. Funding which is not spent in the year received can be deferred to the following year if it will continue to be spent for the same purpose as it was originally received for and a plan for spending the amount is submitted to INAC within 120 days of the year end.

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2018

1. Nature of operations and summary of significant accounting policies (continued).

(f) Financial Instruments

Financial Instruments are recorded at fair value when acquired or issued. Subsequently, all financial instruments other than those stated in an active market are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

(g) Use of estimates

The preparation of financial statements in accordance 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 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.

2. Economic dependence

The First Nations Land Management Resource Centre Inc. is economically dependant on funding it receives from Indigenous and Northern Affairs Canada (INAC) pursuant to a funding arrangement in compliance with Part VI of the *Framework Agreement*.

3. Capital assets

	Cost	Accumulated amortization	Net 2018	Net 2017
Office equipment	\$ 62,392	\$ 40,300	\$ 22,092	\$ 23,137
Computer equipment	75,393	51,921	23,472	13,311
	\$ 137,785	\$ 92,221	\$ 45,564	\$ 36,448

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Statements
Year Ended March 31, 2018**

4. Bank demand loan

Prime plus .5%, revolving demand loan, secured by a general security agreement. The maximum available credit is \$750,000. At March 31, 2018, the organization has \$ Nil (2017 - \$ Nil) drawn under the bank demand loan.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$35,607 (2017 - \$29,877) in government remittances payable.

6. Invested in capital assets

	2018	2017
Balance, beginning of year	\$ 36,448	\$ 33,325
Asset additions funded from operations	28,094	19,524
Loss on write down of capital assets	-	(1,821)
Amortization	(18,978)	(14,580)
Balance, end of year	\$ 45,564	\$ 36,448

7. Province of Ontario funding

During the year, the organization entered into a two-year funding agreement with the Province of Ontario. The total amount of funding is \$100,000 for each year. The funding and interest earned on the funding is earmarked for a specific enforcement project in Ontario. As at March 31, 2018 the organization had expended \$62,526, and the unexpended balance of \$38,062 is a liability due to the Province of Ontario.

8. Commitments

The Resource Centre rents office space under an operating lease which expires March 31, 2021. Future minimum annual rental payments, exclusive of operating costs, are as follows:

2019	17,232
2020	17,677
2021	18,135

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-1 Schedule by Class
Year ended March 31, 2018
(Unaudited)**

	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
1. Salaries, Honoraria and Contract Positions	\$ 4,223,021	\$ 3,514,417	\$ 708,604
2. Travel	1,556,043	1,351,936	204,107
3. Legal Services	140,775	115,187	25,588
4. Accounting Services	4,800	-	4,800
5. Other Professional Services	232,563	71,358	161,205
6. Surveys	1,771,410	876,194	895,216
7. Developmental Funding	3,000,504	1,685,970	1,314,534
8. Verifier Fees	347,916	265,009	82,907
	11,277,032	7,880,071	3,396,961
9. Administration, Operations and Maintenance			
Audit, accounting and other professional fees	42,780	30,072	12,708
Automation	84,448	53,402	31,046
Bank charges and related fees	4,256	4,764	(508)
Communications	90,909	99,009	(8,100)
Equipment	67,934	72,236	(4,302)
Equipment leasing and maintenance	30,081	25,051	5,030
Furniture	3,750	-	3,750
Insurance	12,500	6,687	5,813
Legal	30,470	23,650	6,820
Office	52,071	41,809	10,262
Rent and occupancy	24,765	20,915	3,850
Translation	55,135	18,784	36,351
Other	98,260	105,572	(7,312)
	597,359	501,951	95,408
Total Fixed Transfer Payment Expenditures (Note 2)	\$ 11,874,391	\$ 8,382,022	\$ 3,492,369

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-2(a,b) Schedule by Recipient
Year Ended March 31, 2018
(Unaudited)**

	Per Diem Range	No. of Months	Salary, Contracts and Hons.	Other Fees or Remun.	Travel Exp, Costs and Reimb.	Other Costs and Expenses	Total Expended Yr to Date	Annual Budget (Note 1)	Balance Remaining
Lands Advisory Board Members									
LAB chair	\$800	12	\$ 118,300	\$ 4,560	\$ 35,456	\$ -	\$ 158,316	\$ 154,913	\$ (3,403)
LAB member #2	550	12	72,325	5,570	20,640	-	98,535	112,491	13,956
LAB member #3	550	12	41,575	4,632	17,704	-	63,911	69,318	5,407
LAB member #4	550	12	33,000	4,632	4,392	-	42,024	71,668	29,644
LAB member #5	550	12	38,570	3,972	9,605	-	52,147	71,668	19,521
LAB member #6	550	12	9,900	-	1,458	-	11,358	37,593	26,235
LAB member #7	550	12	15,400	3,312	6,978	-	25,690	33,093	7,403
LAB member #8	550	12	16,776	2,342	8,037	-	27,155	36,829	9,674
LAB member #9	550	12	8,800	2,342	2,059	-	13,201	35,829	22,628
LAB member #10	550	12	6,050	2,342	-	-	8,392	31,329	22,937
LAB member #11	550	12	15,401	-	7,007	-	22,408	35,629	13,221
LAB member #12	550	12	16,570	2,161	6,887	-	25,618	34,659	9,041
LAB member #13	550	12	15,950	2,342	8,890	-	27,182	34,828	7,646
LAB member #14	550	12	8,181	-	2,017	-	10,198	30,116	19,918
LAB member #15	550	7	3,850	-	-	-	3,850	1,906	(1,944)
LAB elder	550	12	10,450	-	3,738	-	14,188	15,660	1,472
			431,098	38,207	134,868	-	604,173	807,529	203,356
First Nations			3,900	-	606,272	-	610,172	522,565	(87,607)

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Part D-2(a,b) Schedule by Recipient

Year Ended March 31, 2018

(Unaudited)

Continued	Salary Range	No. of Months	Salary, Contracts and Hons.	Other Fees or Remun.	Travel Exp, Costs and Reimb.	Other Costs and Expenses	Total Expended Yr to Date	Annual Budget (Note 1)	Balance Remaining
RC Staff and Contract Positions									
Executive director	137,947 - 162,260	12		\$ 15,901	\$ 24,818	\$ -			
Director strat plng & comm	113,598 - 129,838	12		10,926	34,412	-			
Manager Communications	94,580 - 108,144	12							
Advisor Communications	94,580 - 108,144	12							
Online knowledge dissem	94,580 - 108,144	12							
Capacity Building & Prof Dev	89,853 - 96,932	12							
Admin assistant (SP & C)	43,289 - 46,693	12							
Law Making & Enforc advisor	128,591 - 161,787	12							
Envir/Enforc Advisor (SK)	83,830 - 99,756	10							
Enforcement Advisor (BC)	83,830 - 99,756	3							
Environment Advisor (East)	83,830 - 99,756	5							
Op & Dev FN Mgr (BC)	92,475 - 107,249	12							
Op & Dev FN Tech (BC)	68,464 - 79,228	12							
Op & Dev FN Tech (BC)	68,464 - 79,228	5							
Op & Dev FN Tech (BC)	68,464 - 79,228	5							
Op & Dev FN Mgr (FValley)	92,475 - 107,249	12							
Op & Dev FN Tech (FValley)	92,475 - 107,249	12							
Op & Dev FN Tech (FValley)	68,464 - 79,228	12							
Op & Dev FN Mgr (Prairies)	92,475 - 107,249	12							
Op & Dev FN Tech (Prairies)	92,475 - 107,249	12							
Op & Dev FN Tech (Prairies)	68,464 - 79,228	12							
Op & Dev FN Tech (Prairies)	68,464 - 79,228	12							
Op & Dev FN Mgr (East)	92,475 - 107,249	12							
Op & Dev FN Tech (East)	68,464 - 79,228	12							
Op & Dev FN Tech (East)	68,464 - 79,228	12							
Op & Dev FN Tech (East)	63,422 - 71,763	12							
Director of Fin & Admin svcs	95,936 - 123,874	12		10,914	17,706	-			
Human Resources/Data analyst	94,580 - 108,144	12							
IT Support services	80,666 - 87,213	7							
Event Planning & Coordination	80,666 - 87,213	12							
Executive assistant (SK)	67,570 - 73,014	12							
Executive assistant (BC)	67,570 - 73,014	12							
Administrative assistant (ON)	43,289 - 46,693	12							
Payroll bnfts, training & other costs	369,686								
			2,744,253	296,959	536,883	-	3,578,095	4,316,463	738,368

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-2(a,b) Schedule by Recipient
Year Ended March 31, 2018
(Unaudited)**

Continued	Per Diem Range	Salary, Contracts and Hons.	Other Fees or Remun.	Travel Exp, Costs and Reimb.	Other Costs and Expenses	Total Expended Yr to Date	Annual Budget (Note 1)	Balance Remaining
Legal Advisor	to 2,200	115,187	-	3,948	-	119,135	146,325	27,190
Accounting Services	to 2,200	-	-	-	-	-	6,170	6,170
Other Professional Services	Various	71,358	-	13,156	-	84,514	241,563	157,049
Survey	Various	876,194	-	8,724	-	884,918	1,782,340	897,422
Verifiers	500 to 1,000	265,009	-	48,085	-	313,094	453,573	140,479
Developmental funding		-	-	-	1,685,970	1,685,970	3,000,504	1,314,534
Administration, Operations and Maintenance		-	-	-	501,951	501,951	597,359	95,408
Total Fixed Transfer Payment Expenditures		\$ 4,506,999	\$ 335,166	\$ 1,351,936	\$ 2,187,921	\$ 8,382,022	\$ 11,874,391	\$ 3,492,369

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**D-2(c) Schedule by Developmental First Nations
Year Ended March 31, 2018
(Unaudited)**

Province	First Nation	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
BC				
1	?Akisq'nuk		\$ -	
2	Cowichan		10,000	
3	Ditidaht		37,500	
4	Fort Nelson		22,000	
5	Homalco		-	
6	Iskut		131,250	
7	Kitsumkalum		24,500	
8	Kwaw Kwaw Apilt		131,250	
9	Lytton		66,500	
10	'Namgis		19,250	
11	Okanagan		2,000	
12	Osoyoos		21,000	
13	Penelakut		26,250	
14	Penticton		-	
15	Splatsin		36,250	
16	Sts'ailes (Chehalis)		47,000	
17	Tahltan		92,750	
18	T'it'q'et		56,250	
19	Tsartlip		26,500	
AB				
20	Enoch		42,500	
21	Fort McMurray #468		-	
22	Loon River		-	
SK				
23	Carry the Kettle		26,250	
24	English River		-	
25	James Smith		18,750	
26	Sakimay		18,750	
27	Wahpeton Dakota		-	
28	Lac La Ronge		18,750	
MB				
29	Fisher River		24,667	
30	Misipawistik		25,625	
31	Nelson House		118,125	
32	Norway House		165,417	

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**D-2(c) Schedule by Developmental First Nations
Year Ended March 31, 2018
(Unaudited)**

Continued

Province	First Nation	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
ON				
33	Animbiigoo Zaagi'igan			
	Anishinaabek		18,750	
34	Big Grassy		18,750	
35	Brunswick House		20,000	
36	Chapleau Cree		18,750	
37	Chippewas of the Thames		-	
38	Fort William		-	
39	Hiawatha		23,750	
40	Chippewas of Rama		21,636	
41	M'Chigeeng		-	
42	Mattagami		52,000	
43	Moose Deer Point		5,000	
44	Rainy River		18,750	
45	Saugeen #29		35,250	
46	Serpent River		45,750	
47	Sheshegwaning		39,750	
48	Temagami		33,000	
49	Wikwemikong		34,500	
PQ				
50	Abenakis de Odanak		-	
51	Listuguj Mi'qmaq		-	
NB				
52	Madawaska Maliseet		53,750	
53	Paqtnkek Mi'kmaw		18,750	
54	Woodstock		-	
NWT				
55	K'atl'Odeeché		18,750	
Total Developmental Funding Expenditures		\$ 3,000,504	\$ 1,685,970	\$ 1,314,534

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Supplementary Financial Information
Year Ended March 31, 2018
(Unaudited)**

1. Budget information

The budget amounts presented for comparison purposes are unaudited and have been calculated as follows:

Annual funding as per Funding Agreement with INAC	\$ 8,040,659
Amendment as per Funding Agreement dated August 20, 2017	1,512,240
Surplus carried forward from March 31, 2017 approved by INAC	2,321,492

Annual Budget as per audited financial statements	\$ 11,874,391
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2. Reconciliation of expenditures to audited financial statements

Total Fixed Transfer Payment Expenditures per supplementary financial information	\$ 8,382,022
Add: Amortization	18,978
Add: Loss on sale of capital assets	-
Add: Expenditures related to Province of Ontario enforcement project	62,526
Less: Equipment purchases	(28,094)

Expenditures per audited financial statements	\$ 8,435,432
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