

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

Financial Statements Year Ended March 31, 2019

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) Schedule by Recipient	9 - 10
Part D-2(c) Schedule of Funding by First Nation	11 - 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.

Opinion

We have audited the financial statements of First Nations Land Management Centre Inc. [the Resource Centre], which comprise the statement of financial position as at March 31, 2019, and the statement of operations, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Resource Centre as at March 31, 2019, and its results of operations and 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. 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 Resource Centre 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.

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 the Resource Centre's financial statements.

Responsibility of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Resource Centre'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 Resource Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Resource Centre'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 statement

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 Resource Centre'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 Resource Centre'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 Resource Centre 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.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
July 18, 2019


FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Financial Position
As at March 31, 2019**

	2019	2018
Current		
Cash	\$ 5,862,100	\$ 3,854,793
Accounts receivable	232,829	179,141
Prepaid expenses	114,435	18,282
	6,209,364	4,052,216
Capital Assets (Note 3)	40,616	45,564
	\$ 6,249,980	\$ 4,097,780
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 980,461	\$ 572,557
Deferred contributions from INAC	5,257,966	3,508,722
	6,238,427	4,081,279
FUND BALANCES		
Invested in capital assets (Note 6)	40,616	45,564
Unrestricted net assets	(29,063)	(29,063)
	11,553	16,501
	\$ 6,249,980	\$ 4,097,780

Commitments (Note 8)

Approved by the Board of Directors:

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

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Operations
Year Ended March 31, 2019**

	Operating Fund	Capital Asset Fund	Total 2019	Total 2018
Revenues				
Indigenous and Northern Affairs Canada	\$ 9,829,439	\$ -	\$ 9,829,439	\$ 8,382,022
Province of Ontario (Note 7)	139,113	-	139,113	62,526
	9,968,552	-	9,968,552	8,444,548
Expenditures				
Amortization	-	22,168	22,168	18,978
Audit and accounting	35,393	-	35,393	30,072
Automation	79,260	-	79,260	53,402
Bank charges and interest	5,289	-	5,289	4,764
Communications	119,279	-	119,279	99,009
First Nations funding	2,071,591	-	2,071,591	1,685,970
Equipment	40,407	-	40,407	44,143
Equipment leasing and maintenance	38,959	-	38,959	25,051
Insurance	5,511	-	5,511	6,687
Legal	150,824	-	150,824	140,076
Office	39,435	-	39,435	41,809
Workshop meeting costs	121,992	-	121,992	105,572
Professional services	1,379,683	-	1,379,683	1,212,561
Rent and occupancy	26,437	-	26,437	20,915
Salaries, honoraria and contract positions	4,345,913	-	4,345,913	3,566,811
Translation	44,297	-	44,297	18,784
Travel	1,447,062	-	1,447,062	1,360,828
Total expenditures	9,951,332	22,168	9,973,500	8,435,432
Excess of revenues over expenditures, (expenditures over revenues) for the year	\$ 17,220	\$ (22,168)	\$ (4,948)	\$ 9,116

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Changes in Fund Balances
Year Ended March 31, 2019**

	Operating Fund	Capital Asset Fund	Total 2019	Total 2018
Balance, beginning of year	\$ (29,063)	\$ 45,564	\$ 16,501	\$ 7,385
Excess of (expenditures over revenues), revenues over expenditures	17,220	(22,168)	(4,948)	9,116
Interfund Transfer	(11,843)	23,396	11,553	16,501
Purchase of capital assets	(17,220)	17,220	-	-
Balance, end of year	\$ (29,063)	\$ 40,616	\$ 11,553	\$ 16,501

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Statement of Cash Flows
Year Ended March 31, 2019**

	2019	2018
Operating activities		
Receipts	\$ 9,775,292	\$ 8,210,346
Other operating payments	(7,786,722)	(7,177,539)
Interest received	35,957	16,941
	2,024,527	1,049,748
Investing activities		
Purchase of capital assets	(17,220)	(28,094)
	(17,220)	(28,094)
Increase in cash	2,007,307	1,021,654
Cash, beginning of year	3,854,793	2,833,139
Cash, end of year	\$ 5,862,100	\$ 3,854,793
Cash consists of:		
Cash	\$ 5,862,100	\$ 3,854,793
	\$ 5,862,100	\$ 3,854,793

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Statements
Year Ended March 31, 2019**

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, 2019

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 2019	Net 2018
Office equipment	\$ 61,792	\$ 44,658	\$ 17,134	\$ 22,092
Computer equipment	93,213	69,731	23,482	23,472
	\$ 155,005	\$ 114,389	\$ 40,616	\$ 45,564

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Statements
Year Ended March 31, 2019**

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, 2019, the organization has \$ Nil (2018 - \$ Nil) drawn under the bank demand loan.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$21,460 (2018 - \$35,607) in government remittances payable.

6. Invested in capital assets

	2019	2018
Balance, beginning of year	\$ 45,564	\$ 36,448
Asset additions funded from operations	17,220	28,094
Amortization	(22,168)	(18,978)
Balance, end of year	\$ 40,616	\$ 45,564

7. Province of Ontario funding

In Fiscal Year 2017-2018, the organization entered into a two-year funding agreement with the Province of Ontario. The total amount of funding was \$200,000. The funding and interest earned on the funding was earmarked for a specific enforcement project in Ontario. As at March 31, 2019 the organization had expended the full amount of the project funding and interest earned on the funding.

8. Commitments

The Resource Centre rents office space under an operating lease which expires April 30, 2024. Future minimum annual rental payments, exclusive of operating costs, are as follows:

2020	12,000
2021	12,000
2022	12,288
2023	12,588
2024	12,900

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-1 Schedule by Class
Year Ended March 31, 2019
(Unaudited)**

	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
1. Salaries, Honoraria and Contract Positions	\$ 4,917,754	\$ 4,239,473	\$ 678,281
2. Travel	2,087,175	1,425,729	661,446
3. Legal Services	82,788	113,628	(30,840)
4. Accounting Services	4,800	-	4,800
5. Other Professional Services	713,680	302,727	410,953
6. Surveys	1,572,006	925,655	646,351
7. First Nations Funding	4,782,034	2,071,591	2,710,443
8. Verifier Fees	214,907	151,301	63,606
	14,375,144	9,230,104	5,145,040
9. Administration, Operations and Maintenance			
Audit, accounting and other professional fees	40,600	35,393	5,207
Automation	75,817	79,260	(3,443)
Bank charges and related fees	5,263	5,289	(26)
Communications	96,042	119,279	(23,237)
Equipment	73,833	57,627	16,206
Equipment leasing and maintenance	30,532	38,959	(8,427)
Furniture	3,806	-	3,806
Insurance	12,688	5,511	7,177
Legal	28,308	25,856	2,452
Office	53,108	39,435	13,673
Rent and occupancy	22,052	26,437	(4,385)
Translation	61,228	44,297	16,931
Workshop meeting costs	156,672	121,992	34,680
	659,949	599,335	60,614
Total Fixed Transfer Payment Expenditures	\$ 15,035,093	\$ 9,829,439	\$ 5,205,654

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-2(a,b) Schedule by Recipient
Year Ended March 31, 2019
(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	\$ 78,700	\$ 4,129	\$ 17,776	\$ -	\$ 100,605	\$ 158,497	\$ 57,892
LAB member #2	550	12	77,275	5,161	24,519	-	106,955	117,916	10,961
LAB member #3	550	12	36,712	4,174	12,555	-	53,441	74,446	21,005
LAB member #4	550	12	35,973	4,174	5,759	-	45,906	76,892	30,986
LAB member #5	550	12	33,619	4,174	5,037	-	42,830	77,312	34,482
LAB member #6	550	12	11,859	-	2,782	-	14,641	42,523	27,882
LAB member #7	550	12	18,834	2,854	13,766	-	35,454	37,980	2,526
LAB member #8	550	12	13,440	1,887	3,197	-	18,524	41,748	23,224
LAB member #9	550	12	9,041	1,887	2,996	-	13,924	40,732	26,808
LAB member #10	550	12	7,700	686	3,140	-	11,526	36,189	24,663
LAB member #11	550	12	11,963	-	7,372	-	19,335	40,530	21,195
LAB member #12	550	12	10,244	1,728	4,124	-	16,096	39,547	23,451
LAB member #13	550	12	13,544	1,887	6,228	-	21,659	39,717	18,058
LAB member #14	550	12	6,600	-	-	-	6,600	32,879	26,279
LAB member #15	550	12	13,200	-	5,898	-	19,098	14,329	(4,769)
LAB member #16	550	10	7,700	-	3,008	-	10,708	13,779	3,071
LAB elder	550	12	11,000	-	2,916	-	13,916	15,731	1,815
		-	397,404	32,741	121,073	-	551,218	900,747	349,529
First Nations		-	8,000	-	480,713	-	488,713	973,120	484,407
RC Staff and Contract Positions (Note 2)			3,345,956	455,372	724,181	-	4,525,509	5,020,451	494,942

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Part D-2(a,b) Schedule by Recipient
Year Ended March 31, 2019
(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 Advisors	to 2,200	113,628	-	8,616	-	122,244	91,845	(30,399)
Accounting Services	to 2,200	-	-	-	-	-	6,642	6,642
Other Professional Services	Various	302,727	-	21,906	-	324,633	718,660	394,027
Surveys	Various	925,655	-	32,908	-	958,563	1,582,941	624,378
Verifiers	500 to 1,000	151,301	-	36,332	-	187,633	298,704	111,071
First Nations Funding		-	-	-	2,071,591	2,071,591	4,782,034	2,710,443
Administration, Operations and Maintenance		-	-	-	599,335	599,335	659,949	60,614
Total Fixed Transfer Payment Expenditures		\$ 5,244,671	\$ 488,113	\$ 1,425,729	\$ 2,670,926	\$ 9,829,439	\$ 15,035,093	\$ 5,205,654

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**D-2(c) Schedule of Funding by First Nation
Year Ended March 31, 2019
(Unaudited)**

Province	First Nation	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
Developmental Funding				
BC				
1	?Akisq'nuk		\$ 6,750	
2	Cowichan		12,000	
3	Ditidaht		51,000	
4	Fort Nelson		61,750	
5	Homalco		40,750	
6	Kitsumkalum		37,750	
7	Kwaw Kwaw Apilt		18,750	
8	Lytton		10,000	
9	'Namgis		114,700	
10	Penelakut		21,500	
11	Penticton		10,000	
12	Sts'ailes (Chehalis)		75,955	
13	T'it'q'et		20,250	
AB				
14	Fort McKay		18,750	
15	Loon River		18,750	
SK				
16	English River		32,000	
17	Sakimay		14,500	
18	Lac La Ronge		135,437	
MB				
19	Fisher River		101,808	
ON				
20	Algonquins of Pikwakanagan		11,747	
21	Animbiigoo Zaagi'igan			
	Anishinaabek		23,250	
22	Big Grassy		36,250	
23	Brunswick House		83,750	
24	Chapleau Cree		33,250	
25	Hiawatha		32,500	
26	Mattagami		10,000	
27	Rainy River		34,250	
28	Saugeen #29		12,250	
29	Sheshegwaning		39,750	
30	Wikwemikong		37,075	

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**D-2(c) Schedule of Funding by First Nation
Year Ended March 31, 2019
(Unaudited)**

Province	First Nation	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
NB				
31	Paqtnkek Mi'kmaw		2,000	
32	Woodstock		18,750	
NWT				
33	K'atl'Odeeché		18,750	
Other First Nation Funding				
Solid Waste Funding				
1	Bingwi Neyaashi Anishinaabek		\$ 49,207	
2	Brokenhead Ojibway		10,000	
3	Dokis		10,000	
4	Fisher River		49,400	
5	Georgina Island		10,000	
6	Henvey Inlet		10,000	
7	Lower Nicola		49,720	
8	Magnetawan		30,607	
9	Scugog Island		50,000	
10	Wasauksing		10,000	
Land Use Planning Funding				
1	Anishinaabeg of Naongaashing		45,000	
2	Cheam		15,000	
3	Katzie		60,000	
4	Matsqui		6,000	
5	Metlakatla		30,000	
6	Mistawasis		15,000	
7	Soowahlie		15,000	
Environmental Management Plan Funding				
1	Bingwi Neyaashi Anishinaabek		25,000	
2	Flying Dust		25,000	
3	Long Lake #58		25,000	
4	Muskeg Lake		12,500	
5	Shawanaga		25,000	
6	Wasauksing		25,000	
Survey Training Funding				
1	Tzeachten		24,501	
2	Waban Aki		20,334	

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**D-2(c) Schedule of Funding by First Nation
Year Ended March 31, 2019
(Unaudited)**

Province	First Nation	Annual Budget (Note 1)	Total Expended Year to Date	Balance Remaining
Language Proposal				
1	Listuguj Mi'qmaq		10,050	
Legal Funding				
1	K'omoks		175,775	
Land Management Software				
1	Nipissing		16,283	
2	Opaskwayak		26,242	
Total First Nations Funding Expenditures		\$ 4,782,034	\$ 2,071,591	\$ 2,710,443

FIRST NATIONS LAND MANAGEMENT RESOURCE CENTRE INC.

**Notes to Financial Information
Year Ended March 31, 2019
(Unaudited)**

1. Budget information

The annual budget has been calculated as follows:

Annual funding as per Funding Agreement with AANDC	\$ 7,128,323
Amendment as per Funding Agreement dated August 20, 2017	1,232,009
Amendment as per Funding Agreement dated December 5, 2018	3,182,392
Surplus carried forward from March 31, 2018	3,492,369
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Annual Budget	\$ 15,035,093
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2. Disclosure of Directors' Compensation

	Salary Range	No. of Months	Other Fees or Remuneration	Travel Exp, Costs and Reimb	Other Costs and Expenses
Executive Director	\$140,000-\$165,000	12	\$ 15,980	\$ 22,457	\$ -
Director Strat Planning & Comm	\$115,000-\$135,000	12	8,155	67,037	-
Director of Fin & Admin Svcs	\$115,000-\$135,000	12	8,212	22,757	-
Managing Director of Operations	\$115,000-\$135,000	10	3,157	14,904	-

3. Reconciliation of expenditures to audited financial statements

Total Fixed Transfer Payment Expenditures per supplementary financial information	\$ 9,829,439
Add: Amortization	22,168
Add: Expenditures related to Province of Ontario enforcement project	139,113
Less: Equipment purchases	(17,220)
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Expenditures per audited financial statements	\$ 9,973,500
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