



LANDS ADVISORY BOARD
First Nations Land Management
Financial Statements
For the year ended March 31, 2002

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Driving growth

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Auditors' Report

To the Lands Advisory Board

We have audited the statement of financial position of the Lands Advisory Board as at March 31, 2002 and the statement of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the board'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 also 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 Board as at March 31, 2002 and the results of operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP
Chartered Accountants

Kelowna, British Columbia
July 31, 2002

**Lands Advisory Board
Statement of Financial Position**

March 31	2002	2001
Assets		
Current		
Accounts receivable	\$ 525,223	\$ 294,277
Prepaid lease	50,000	-
	575,223	294,277
Capital assets (Note1)	202,446	83,696
	\$ 777,669	\$ 377,973
Liabilities and Members' Deficiency		
Current		
Bank indebtedness (Note 2)	\$ 351,497	\$ 12,325
Accounts payable	428,420	536,816
	779,917	549,141
Contingent Liability (Note 3)		
Members' deficiency		
Operating deficit	(204,694)	(254,864)
Capital equity (Note 4)	202,446	83,696
	(2,248)	(171,168)
	\$ 777,669	\$ 377,973

Approved on behalf of the Finance Committee of the Board:

_____ Chief Austin Bear

_____ Chief Bill McCue

_____ Rennie Goose

_____ Chief Barry Seymour

Lands Advisory Board Statement of Financial Activities

For the year ended March 31	Budget	2002	2001
Revenue			
Department of Indian Affairs and Northern Development	\$ 3,397,435	\$ 3,397,435	\$ 2,696,190
Interest	-	19,359	4,108
	<u>3,397,435</u>	<u>3,416,794</u>	<u>2,700,298</u>
Expenditures (Note 6)			
Transitional			
Ratification process	1,113,935	993,038	619,646
Annual meeting of Lands Advisory Board	105,000	87,879	276,056
Technical support for Lands Advisory Board	76,000	119,803	-
Technical support to 10 "transitional" First Nations Chairman and "operational" Chiefs participation in the eight "transitional" community information workshops	494,000	432,090	669,012
Facilitate eight community votes	112,000	-	-
Technical support to the Implementation Partnership with Indian and Northern Affairs Development	214,500	29,965	-
Administrative costs	336,000	575,963	444,091
Office relocation	120,000	349,730	267,088
	-	116,609	-
Operational			
Technical support to four "operational" First Nations	192,000	130,974	-
Training and capacity building support to 14 First Nations	594,000	530,573	441,581
Administrative costs	40,000	-	-
	<u>3,397,435</u>	<u>3,366,624</u>	<u>2,717,474</u>
Excess of revenues over expenditure for the year	-	50,170	(17,176)
Contingent liability (Note 3)			
Accumulated deficit, beginning of year	<u>254,864</u>	<u>254,864</u>	<u>237,688</u>
Accumulated deficit, end of year	<u>\$ 254,864</u>	<u>\$ 204,694</u>	<u>\$ 254,864</u>

The accompanying summary of significant accounting policies are an integral part of these financial statements.

**Lands Advisory Board
Statement of Cash Flows**

For the year ended March 31	2002	2001
Cash provided by (used in) Operating activities		
Excess of revenue over expenditures for the year	\$ 50,170	\$ (17,176)
Changes in non-cash working capital balances		
Accounts receivable	(230,946)	(149,717)
Prepaid expenses	(50,000)	21,600
Accounts payable	(108,396)	224,235
Decrease in cash during the year	(339,172)	78,942
Bank indebtedness, beginning of year	(12,325)	(91,267)
Bank indebtedness, end of year	\$ (351,497)	\$ (12,325)

The accompanying summary of significant accounting policies are an integral part of these financial statements.

Lands Advisory Board Significant Accounting Policies

March 31, 2002

Basis of Presentation	These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook.				
Capital Assets	<p>Capital acquisitions 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.</p> <p>Amortization is recorded as a reduction of equity in capital assets and is based on the estimated useful life of the asset as follows:</p> <table><tr><td>Office equipment</td><td>- 20% diminishing balance basis</td></tr><tr><td>Leasehold improvements</td><td>- 5 year straight line basis</td></tr></table> <p>Amortization is provided for at one-half of the above rates in the year of acquisition.</p>	Office equipment	- 20% diminishing balance basis	Leasehold improvements	- 5 year straight line basis
Office equipment	- 20% diminishing balance basis				
Leasehold improvements	- 5 year straight line basis				
Revenue Recognition	The Lands Advisory Board receives the majority of its revenues pursuant to annual funding agreements with the Department of Indian Affairs and Northern Development (DIAND). Revenue is recognized as it becomes receivable under the terms of the funding agreements. Unexpended balances or unallowable expenditures are to be reimbursed to the Department.				
Financial Instruments	The organization's financial instruments consist of accounts receivable, prepaid lease, bank indebtedness, and accounts payable. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.				

Lands Advisory Board Notes to Financial Statements

March 31, 2002

1. Capital Assets

	2002		2001	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 169,285	\$ 51,599	\$ 112,919	\$ 29,223
Leasehold improvements	94,178	9,418	-	-
Net book value		<u>\$ 202,446</u>		<u>\$ 83,696</u>

2. Credit facility

The organization has available to it, through the Royal Bank of Canada, an \$80,000 credit line to assist with operations. The outstanding balance at March 31, 2002 was \$80,000 (2001 - \$5,000) which is included in bank indebtedness. The credit line bears interest at the Royal Bank's prime rate per annum and is secured by a general security agreement covering all assets of the Lands Advisory Board.

3. Contingent liability

The contribution agreement between the Lands Advisory Board and the Minister of Indian Affairs and Northern Development states that any surplus owing to the Minister under the arrangement is a debt due and payable within 120 days of the fiscal year end. Surplus is defined as the amount by which funds, provided by the Minister and other sources, exceeds eligible expenditures for delivery of a service funded after all program terms and conditions have been fulfilled. The excess of revenues over expenditures of \$50,170 reported on the statement of financial activities does not account for a payment of \$50,000 that was made prior to March 31, 2002 required as a security deposit in the lease agreement for their office premise. This payment has been recorded on the statement of financial position as prepaid lease.

4. Equity in capital assets

	2002	2001
Balance, beginning of year	\$ 83,696	\$ 89,657
Asset additions funded from operations	150,544	13,300
Amortization	(31,794)	(19,261)
Balance, end of year	<u>\$ 202,446</u>	<u>\$ 83,696</u>

5. Commitments

The Board has entered into a contract to lease an office premise in Ottawa at a rate of \$153,973 per year with an expiry date of March 1, 2007. Subsequent to the year end, the Board entered into a three year agreement to lease a photocopier at \$1,532 per month.

**Lands Advisory Board
Notes to Financial Statements**

March 31, 2002

6. Expenditures by object

	2002 Actual	2002 Budget
Salaries	479,989	522,080
Travel	20,605	34,500
Consultation	725,524	499,700
Legal services	16,905	100,000
Other professional services	1,266,914	1,570,500
Other (meeting)	87,879	105,000
Administration	349,730	160,000
Training	302,469	405,655
Office relocation	116,609	-
Total expenditures	3,366,624	3,397,435