

# ANNUAL REPORT 2010/11



FIRST NATIONS  
FINANCIAL MANAGEMENT BOARD  
LE CONSEIL DE GESTION FINANCIÈRE  
DES PREMIÈRES NATIONS

ST NATIONS  
ANCIAL MANAGEMENT BOARD  
CONSEIL DE GESTION FINANCIÈRE  
S PREMIÈRES NATIONS





# A VISION FOR A BETTER FUTURE

## *What Our Clients Are Saying...*

“

Our community's Financial Management System Certification will support our reputation as an entrepreneurial Band... the community's Financial Performance Certification will prove that we have the systems in place and that those systems are working effectively and efficiently. Credibility in business and strong financial support can only benefit members, councillors, staff and the South Okanagan.

Raising the bar as this process has been described, enhances the Osoyoos Indian Band's reputation and credibility while providing the needed financial support for continued growth and success in First Nations terms.

Our Community wants access to longer term, lower interest financing options that better match the large infrastructure projects that the Osoyoos Indian Band has been building and will be building over the next years... Multi-year financial planning and longer term, lower interest rate financing will allow the Band to manage and sustain their development as a more cohesive whole, rather than having more traditional lender preferences determine the development agenda.”

Katherine MacNeill, CMA  
OSOYOOS INDIAN BAND  
*Chief Financial Officer*

“

I believe that the combination of the FMB financial certification and the requirement to establish a Financial Administration Law within a First Nation community will provide a solid foundation for those communities seeking to be part of the borrowing pool offered by the First Nation Financial Authority. This is the most promising opportunity that I have seen in a long time whereby a community can achieve its vision of a better future for its members—the possibility is very real and I am pleased to have been a part of the process to achieve financial certification for this community.”

Linda J. Simon  
METLAKATLA FIRST NATION  
*Executive Director*



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# WHAT WE DO

The First Nations Financial Management Board (FMB) instills confidence in First Nations by establishing best practice standards in connection with financial administration laws, financial management systems, and financial performance which enhances First Nations ability to demonstrate accountability, stewardship, and transparency to their membership, other governments, business partners, investors, and creditors alike.

## FIRST NATIONS FISCAL & STATISTICAL MANAGEMENT ACT (FSMA)

The FMB is a national institution created by the *FSMA* with the objective to improve access for First Nations to financing with terms similar to those available to other levels of government in Canada. Less expensive borrowing will enable First Nations to take advantage of economic development opportunities through the use of property tax revenues or certain own source revenues in the FSMA borrowing program.

## THE FMB ROLE

The FMB carries out its services using 3 legislative authorities under the FSMA

- » **APPROVAL** of Financial Administration Laws of First Nations
- » **CERTIFICATION** of Financial Management Systems and Financial Performance of a First Nation
- » **INTERVENTION** in a co-management or third party management capacity of a First Nation

## THE FMB HAS ESTABLISHED THE FOLLOWING FUNCTIONS TO CARRY OUT ITS AUTHORITIES

### STANDARDS

- » Financial Administration Law
- » Financial Management Systems
- » Financial Performance
- » Local Revenue Account Reporting

### PROCEDURES

- » For the approval of Financial Administration Laws
- » For the Certification of Financial Management Systems and Financial Performance.
- » For an intervention request under the FSMA.

### CAPACITY DEVELOPMENT TOOLS

- » Policies and procedures templates
- » Sample financial administration law
- » Self-assessments for Financial Administration Law and financial management systems.
- » Capacity Development needs



# THE FMB'S ROLE IN THE FSMA BORROWING PROGRAM

The FMB provides **certification** services to First Nations that wish to become a borrowing member of the First Nations Finance Authority (FNFA) and obtain long-term capital financing.

1. A First Nation must demonstrate it has a Financial Administration Law approved by the FMB.
2. A First Nation must demonstrate it has received:
  - a) Financial Management Systems **Certification** from the FMB; and,
  - b) Financial Performance **Certification** from the FMB
    - i. First Nations seeking to borrow for the first time through the FSMA, can request a Financial Performance **Certificate** in advance of a Financial Management **Certificate**, but must commit to a work plan to fully implement a financial management system within the earlier of 36 months or their next borrowing request.

The FSMA capital financing regime was designed to provide a less expensive, and longer term, borrowing option for First Nations, and is based on the borrowing regime available to other local governments in Canada.

# WHY GET CERTIFIED?

FMB certification recognizes achievement to standards of financial management or financial performance. In addition to enabling access to long-term capital financing through the FSMA initiative, certification provides a signal to membership and other stakeholders that the First Nation has met FMB standards for financial management or performance.

## WHY WOULD FIRST NATION MEMBERS WANT FMB CERTIFICATION?

An FMB Certification should provide confidence in the financial management of a First Nation. **The Financial Management Systems Certification** enhances effective process and evidentiary based decision making rather than individual based decision making. **The Financial Performance Certification** assists members answer questions that were not easily answered in the past — is the overall financial condition of the First Nation improving, declining, or remaining steady or to what extent are the First Nation's own source revenues funding program and services.

An objective third party conducts an FMB Certification — the achievement of a certification is a signal that a financial management system is operating effectively. This means that planning activities (like budgeting) and reporting activities (like preparing financial statements) are being completed competently and on time. The Financial Management System Certification process requires community outreach, which provides an opportunity for members to be well informed as to the financial affairs of their First Nation.

Furthermore, FMB certification supports access to financing infrastructure such as road, water and sewer on reserve. This will benefit members and support economic development. Economic development projects can provide employment opportunities for members and generate public revenues that can be used for programs and services.

## WHY WOULD FIRST NATION CHIEFS & COUNCIL WANT FMB CERTIFICATION?

FMB certification demonstrates leadership's commitment to responsible and transparent financial management. Further, it provides credibility and supports improved relationships with funding agencies, other levels of government, banks and other creditors, and potential business partners and investors.

There is a potential to reduce conflict among elected representatives and members by implementing standards that require the provision financial information. Financial performance certification can assist in communicating how a community is doing over time and the planning requirements (i.e. 5 year plan) can help explain challenges that are coming in the future.

The Chiefs and Council must also ensure that appropriate processes and controls are in place both to manage and monitor risk and provide for the transparent, effective, and efficient functioning of government. The Financial Administration Law and System Certification can enhance the capacity to achieve this.

## WHY WOULD FIRST NATION STAFF WANT FMB CERTIFICATION?

The FMB certification standards provide clear rules and controls for a First Nation's financial management system such that it provides consistency in adhering to desired practices in carrying out operational activities. The standards are based on an internationally recognized system of internal controls and have been customized to address specific First Nation circumstances. Stakeholders, including financial institutions and subject area experts, have also reviewed the standards.

Standards, tools, sample policies and templates are available from the FMB, as well as direct funding support, which support the development of a robust financial management system.







# OUR STANDARDS AT A GLANCE

## THE FINANCIAL ADMINISTRATION LAW STANDARDS

The FMB FAL standards are comprised of 7 interrelated components that form the foundation of a First Nations internal control environment. At a high level, these are the rules that will govern the financial administration of the First Nation.

- 1. ADMINISTRATION**
  - a) Responsibilities of Council, delegation authorities
  - b) Finance and Audit committee establishment
  - c) Conflict of interest
- 2. FINANCIAL MANAGEMENT**
  - a) Budgets and financial plans
  - b) Financial reporting, risk management, audits
  - c) Records and information
- 3. TANGIBLE CAPITAL ASSETS**
  - a) Life cycle planning
- 4. BORROWING MEMBER REQUIREMENTS**
- 5. LAND MANAGEMENT**
- 6. OIL AND GAS MONEYS MANAGEMENT**
- 7. MISCELLANEOUS**
  - a) Financial misconduct





# THE FINANCIAL MANAGEMENT SYSTEM STANDARDS

The FMB System standards are comprised of the basic process and procedure requirements that will comply with the Financial Administration Law and provide the requisite guidance for design and implementation of sound financial practices for the operation, management, reporting and control of the financial management systems of the First Nation.

The Financial Management Systems Standards deal with the same sections as the FAL but provides the “what” needs to be implemented in order to achieve a sound and effective financial system that is in compliance with the FAL Standards.

The System Standards recognize that the First Nation has a degree of flexibility in implementing controls to meet its Financial Administration Law objectives.

# THE FINANCIAL PERFORMANCE STANDARDS

The FMB Financial Performance standards are a point in time assessment of financial condition that under the FSMA is to be used by First Nations as a qualifying certificate to access a loan from the First Nations Finance Authority (FNFA)—the FSMA institute with the mandate to facilitate long-term loans through the Capital markets on behalf of First Nations. It should be noted that the Financial Performance Certificate is but one criterion that FNFA will use in their determination to provide a loan to a First Nation. The Financial Performance Certificate is not intended to provide the basis for assessing credit worthiness for a particular loan, rather, the assessment evaluates how well a First Nation is using its resources to run its government and provides a signal of overall financial health of a First Nation which can assist users in identifying trends and foreseeable risks that in aggregate provides insight in the First Nations fiscal stewardship.

The Financial Performance Standards are comprised of 7 ratios that will be calculated using information reported in the First Nations audited financial statements. To obtain adequate trend analysis, 5 years audited financial statements will be used.

- 1. FISCAL GROWTH RATE (FGR)**
  - a) Measure the compound annual growth rate of revenues and expenses
  - b) Identifies financial capacity or risk of structural deficit
- 2. LIQUIDITY TEST RATE (LTR)**
  - a) Measures the ability to meet short-term operating obligations
- 3. CORE SURPLUS RATE (CSR)**
  - a) Measures ability to generate sufficient annual cash flows to maintain operations
- 4. ASSET MAINTENANCE RATIO (ARM)**
  - a) Measures the ability to maintain a sustainable level of capital investment
- 5. NET DEBT RATIO (NDR)**
  - a) Measures the overall debt burden and provides an indirect measure of insolvency.
- 6. BUDGET PERFORMANCE RATE (BPR)**
  - a) Measure the ability to execute budgets and illustrates the appropriateness of budgetary assumptions.
- 7. TAX COLLECTION RATE (TCR)**
  - a) Measures the efficiency and stability in collecting property taxes.

# Message from THE CHAIR

Over the past year, the First Nations Financial Management Board (FNFMB) has been working with First Nations in the development of financial administration laws and the review of financial management systems and financial performance.

With a strong foundation of standards, tools and staff in place this year, the FMB provided support and guidance to First Nations in the FMB certification process.

First Nations were recently introduced to Indian and Northern Affairs Canada's (INAC's) General Assessment, their new method in determining funding arrangements. The General Assessment is a risk-based approach to managing transfer payments that considers a number of key criteria including financial management and planning, both of which are encompassed by FMB standards. The FMB has been working with INAC in exploring possible synergies exist between FMB standards and General Assessment criteria to determine whether FMB certification could serve as a proxy in INAC's risk assessment.

The FMB will also be conducting research into the treasury function of First Nations governments. As the complexity within the financial management of First Nations grow, it is important to examine and understand a key technique in the management of risk, assets and liabilities: treasury. First Nations will soon need to begin thinking beyond financial management systems, into managing assets, debt and risk in an accountable, transparent framework that instills confidence in all stakeholders in the decisions and actions of First Nations governments.

Sincerely,



Harold G. Calla, Chair

*“As the complexity within the financial management of First Nations grow, it is important to examine and understand a key technique in the management of risk, assets and liabilities: treasury.”*





# *Message from* **THE CHIEF EXECUTIVE OFFICER**

I am pleased to report that the FMB saw significant progress over the course of 2010-11 in terms of the engagement of First Nations seeking certification services. We are currently working with 36 First Nations in the Financial Administration Law development and certification process, which is an increase of 25 First Nations from two years ago. This progress is a reflection of the FMB's commitment and culture of working with our clients and responding to their evolving needs.



The First Nations vision, and therefore the FMB priority, of having the highest quality financial management and system standards is the foundation of helping First Nation communities position themselves to adapt and grow their economies on their own terms. For instance, one of our clients is developing of a major commercial real estate project that will generate significant revenues in the future. They are seeking FMB certification to demonstrate accountability and transparency to their membership and business stakeholders. Their plan is to use the new revenue stream to build a Community and Elders Centre. This is just one example of how a First Nation vision and a sound financial management framework can together drive economic and social development on reserve.

As the FMB moves forward, our dedication to assisting First Nations in developing financial management capacity remains our focus.

Sincerely,

Walter Schneider, CEO

*We are currently working with  
**36** First Nations in the Financial  
Administration Law development  
and certification process, which is an  
increase of **25** First Nations from  
two years ago.*

# OUR BOARD OF DIRECTORS

The FMB is comprised of members that are appointed by the Governor in Council and AFOA Canada. The Board is pleased to announce that Harold Calla has been reappointed as Chairperson of the board of the FMB for a term of four years. The Board also welcomes Brian Titus, who was appointed in January 2011.



**HAROLD CALLA** is a member of the Squamish Nation, located in North Vancouver, B.C. He held the position of the Squamish Nation Surveyor of Taxes from 1993-2011 and was an elected councilor for two terms from 1993 - 2001. He was a Director of the Canada Mortgage and Housing Corporation from 2005 to 2011 and served as a member of the corporation's Audit and Risk Management Committee. He is currently a Director of FortisBC and serves as Chair of the Audit Committee. He is also a Director of the Nicola Valley Institute of Technology where he serves as Chair of the Audit Committee.



**MARILYN OSECAP** is a member of Moosomin First Nation, Saskatchewan. She is the Chief Financial Officer for the Federation of Saskatchewan Indian Nations, and also spent some time as the Controller for the St. Eugene Golf Resort & Casino. She was also previously the Finance Manager for the Saskatchewan Indian Equity Foundation, an aboriginal lending institution. Ms. Osecap was instrumental in the coordination and development of AFOA Canada and more specifically, AFOA Saskatchewan. She served as the Chairperson of AFOA Canada from 2004 to 2007. She has earned a Bachelor of Commerce degree from the University of Saskatchewan, a Business Administration Diploma from the Saskatchewan Indian Institute of Technologies, and is a CAFM (Certified Aboriginal Financial Manager).





**DONNA MORIN** is a member of the Peter Ballantyne Cree Nation located in Saskatchewan. She obtained her Certified Management Accountants professional designation in 1997. She has worked in First Nations governments for the last 15 years and gained much experience in financial management. She also has been part of the Aboriginal Financial Officers Association since 1999 and continues to support this professional development organization that offers products and services to employees in Aboriginal organizations. She is also proud to say that she received her Certified Aboriginal Manager which the designation from AFOA Canada. She is currently a member of the Institute of Corporate Directors.



**GARY NOTT** was the Managing Partner of Deloitte & Touche in Western Canada until his retirement in June 2006. He continues to provide services as a contractor for the firm. In addition to being a senior member of the management of the Canadian division of Deloitte, Mr. Nott was senior audit partner, serving the Vancouver office's largest clients. He acted as auditor for First Nations in Saskatchewan and British Columbia and was an advisor for a multitude of First Nations economic development activities. He was also an auditor and advisor to the First Nation clients on land claims, treaty and economic matters, as well as internal control and accounting system and disclosure matters. Mr. Nott has been active in community and professional affairs. He has held a number of senior Chamber of Commerce offices and is a Fellow of the B.C. Chamber of Commerce. He was a director of the Canadian Better Business Bureau and he is a graduate of the Banff School of Advanced Management. Mr. Nott was a member of the Canadian Institute of Chartered Accountants' study group dealing with accounting principles for First Nations. He is also currently a member of the Institute of Corporate Directors, and a member of the Finance Committee of the Royal Vancouver Yacht Club.



**BARRIE ROBB** resides in Alberta where he is Vice President for a privately owned northern aboriginal construction company, the Mackenzie Aboriginal Corporation (MAC). MAC shareholders include the Gwich'in Tribal Council, Denedeh Investment Inc., Flint Energy, Ledcor, Peter Kiewit and the North American Construction Group. MAC is focused on the construction of major infrastructure projects in the Northwest Territories. He holds Master Degrees in Industrial Relations and Public Administration. He was for eight years the Regional Director General for the department of Indian Affairs in Alberta. Prior, he worked as a part of the federal negotiation teams on negotiations of land claims and self-government in the north and with the Nisga'a. He is a member of the Board of Directors of the Alberta Chamber of Resources and is Chair of its aboriginal relations committee. During his working career he has worked in senior positions in three different levels of government.

# OUR BOARD OF DIRECTORS

*continued...*



**MICHELE BAPTISTE** is Bear Clan and a member of the Algonquin First Nation of Pikwakanagan Ontario; her traditional name is Red Sunset Woman. She has invested the last 20+ years devoting herself to community development, both at grassroots and national levels through her career and volunteer efforts. During her 14 years as National Manager - Aboriginal Relations at Scotiabank she led efforts to expand Scotiabank's business and community involvement with Aboriginal people/communities and to increase Aboriginal employment at the bank. Michele has an educational and business background in marketing and public relations. She was appointed to the First Nations Financial Management Board by Minister Chuck Strahl in February of 2009, was President of the Native Canadian Centre of Toronto Board for three years—a Director for six years—and serves on the Community Council for Aboriginal Legal Services of Toronto, Advisory Committees for the National Women in Leadership Foundation and the Canadian Aboriginal Music Awards since their inception in 1999.



**JIM PRODGER** resides in Truro, Nova Scotia where he owns and operates Prodger and Associates Business Consultants. He is a Certified Aboriginal Financial Manager and began working with the Millbrook First Nation in 1989 in a part time advisory capacity and full time since 2000 as the Finance Manager. He has also worked with 3 other First Nations in the past in an advisory role. He is serving his sixth term as treasurer of the First Nations Tax Administrators Association and sits on the Board of Trustees for the First Nations Market Housing Fund.



**ADITYA JHA** lives in Ontario. He co-founded start-up technology ventures Isopia Inc. (acquired by Sun Microsystems) and Osellus Inc. after having a successful career at Bell Canada as a General Manager, eBusiness. Subsequently he has run brick and mortar turn around businesses.

His private charitable foundation (POA Educational Foundation) has created endowments at four institutions (Ryerson University, York University, Trent University and George Brown College), which grants total of thirteen bursary awards annually. Aditya sponsors a unique initiative with Grand Chief of Nishnawbe Aski Nation to nurture entrepreneurship within the aboriginal communities besides supporting numerous other charitable projects. Aditya was conferred *Honorary Doctorate* by Ryerson University's Ted Rogers School of Business Management in 2009 and is recipient of several awards, accolades and recognitions including Top 25 Canadian Immigrant award. While serving as National Convenor of Canada India Foundation (CIF), he led signing of \$10 Million endowment for Canada India Public Policy Centre at University of Waterloo. He also serves on the Ontario Investment Promotion Advisory Council board and has served on two TSX listed companies. Besides obtaining M.Sc. in Mathematical Statistics, he has invested 4½ years as Research Scholar in Computer Science at Jawaharlal Nehru University, India.



**ROMEO CROW CHIEF** is a member of the Siksika Nation. Prior to working as a consultant, Romeo worked for Siksika Nation for twenty-one (21) years in various financial and management positions and during this time, he also served a term as a Councilor for Siksika Nation. As well, he was the President and Executive Director of AFOA Alberta and for seven years served on the Board of AFOA Canada of which he served as Chairperson for 3 years. Currently, he is President of Crow Chief Consulting and Mentoring Services. Romeo has been invited to conduct workshops and presentations on indigenous mediation and economic development worldwide, including Romania, Taiwan, Australia and the Philippines. In 2005, he was awarded the Deputy Ministers' Pride and Recognition Award for Excellence in Leadership, and in 2007, he was awarded INAC's Regional Award of Excellence. Romeo has published a handbook called "First Nation Leadership Practices and Tools for success" and recently completed a book titled "Understanding First Nation Finances and Personal Financial Fluency".



**BRIAN TITUS** is a Certified Aboriginal Financial Manager (CAFM). Brian is a member of the Tr'ondëk Hwëch'in First Nation of Dawson City, Yukon, and has lived in British Columbia since 1987. Mr. Titus has extensive experience working for First Nation communities in policy development, strategic and operational planning, economic development and accounting. Beginning his career as the senior accountant for Albion Fisheries in Vancouver, Mr. Titus later became the finance manager for Stó:lō Nation Child Welfare program and the financial advisor for the Stó:lō Nation Fisheries Authority. In 1993, he began work with the Chehalis Indian Band as the finance and public works manager, and was responsible for several programs such as finance, social assistance, membership, fire protection, housing, and capital projects. Since 2003, Mr. Titus has been the chief financial officer of the Osoyoos Indian Band Development Corporation, and was awarded the Chief Operating Officer position in 2011. Mr. Titus holds other seats, as the BC AFOA Chapter President, a Board member for the Chief Isaac Incorporated, and advisory for the CCAB and the Camosun College.





# OUR MANDATE

The First Nations Fiscal and Statistical Management Act (FSMA) establishes the following mandate for the FMB (s. 49 and 55):

- » Assist First Nations in developing the capacity to meet their financial management requirements
- » Assist First Nations in their dealings with other governments respecting financial management, including matters of accountability and shared fiscal responsibility
- » Assist First Nations in the development, implementation and improvement of financial relationships with financial institutions, business partners and other governments, to enable the economic and social development of First Nations
- » Develop and support the application of general credit rating criteria to First Nations
- » Provide review and audit services respecting First Nation financial management
- » Provide assessment and certification services respecting First Nation financial management and financial performance
- » Provide co-management and third party management services; and,
- » Provide advice, policy research and review and evaluative services on the development of fiscal arrangements between First Nations' governments and other governments.
- » Establish standards respecting:
  - The form and content of First Nation financial administration laws (FSMA section 9)
  - Approval of financial administration laws that comply with the standards
  - Certification of First Nation financial management systems and financial performance (FSMA section 50)
  - Financial reporting (FSMA section 14)

# OUR BUSINESS LINES

The FMB has three business lines. These business lines and the objectives for each business line are presented in the table below:

*Table 1 - Summary of Objectives by Business Line*

| BUSINESS LINE                                  | OBJECTIVES   |
|--|--|
| SUPPORTING FIRST NATION GOVERNMENTS            | <ul style="list-style-type: none"> <li>» Increase First Nation access to capital through certification</li> <li>» Strengthen First Nation financial administration by promoting sound, stable and transparent First Nation financial management systems</li> </ul> |
| SUPPORTING OTHER GOVERNMENTS AND ORGANIZATIONS | <ul style="list-style-type: none"> <li>» Promote financial relationships between First Nations and other governments and organizations that are appropriate, effective, efficient, and mutually beneficial</li> </ul>  |
| CORPORATE SERVICES                             | <ul style="list-style-type: none"> <li>» Provide the administrative resources and facilities to enable the other business lines to operate effectively</li> </ul>  |

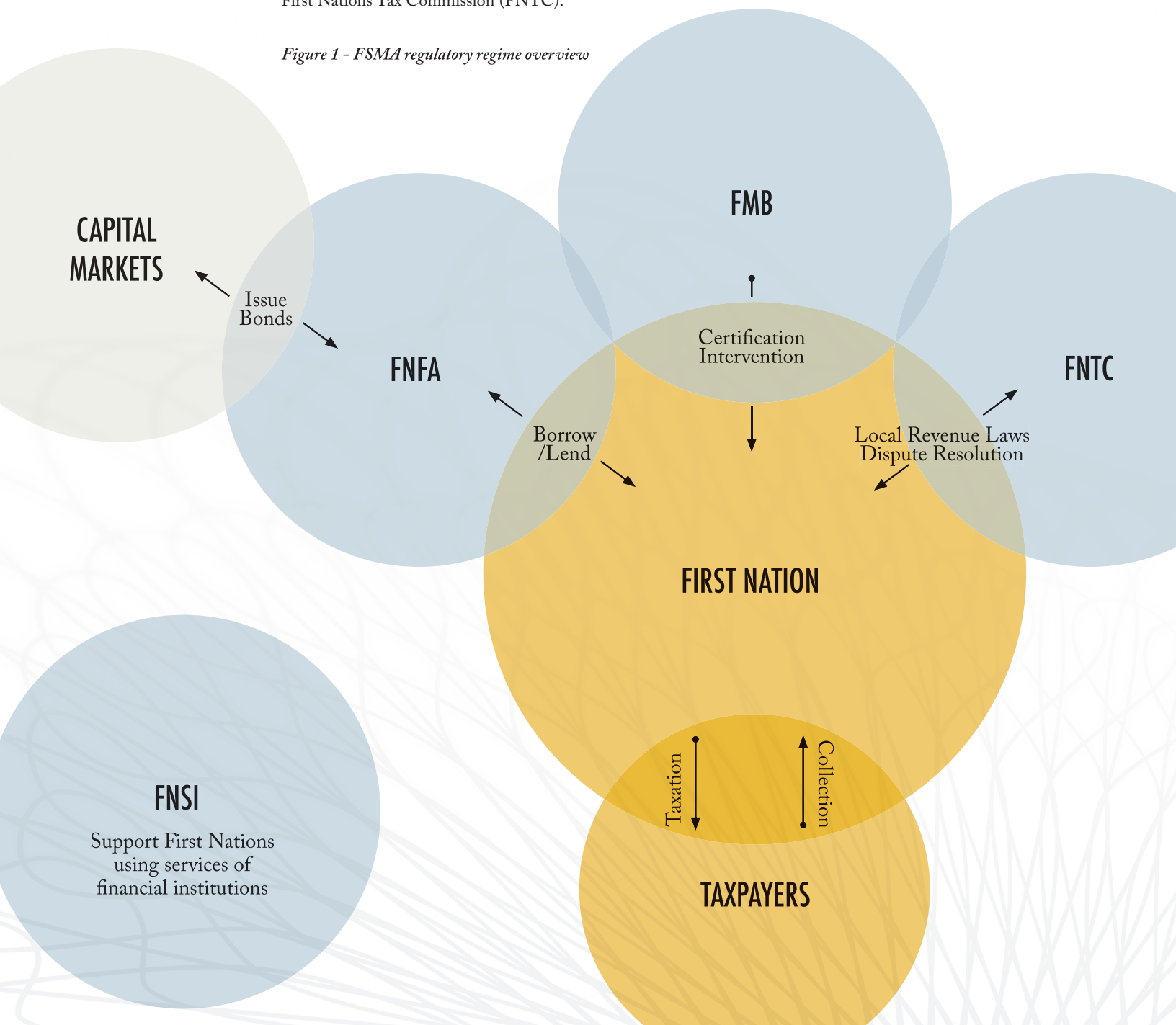


# OUR SERVICES

The FMB is part of the regulatory regime established by the FSMA that enables First Nations to finance public infrastructure by pledging their property tax revenue to repay the loan. The FSMA is an optional initiative. In order to participate, First Nations can apply to be added to the FSMA schedule. *Figure 1* below illustrates the relationship among participating First Nations, taxpayers on their lands, the fiscal institutions established by the FSMA (including the FMB), and capital markets.

Lessees/taxpayers on First Nation lands pay property taxes to the First Nation in return for provision of services. The property tax system, including property taxation, assessment, rates, and expenditure laws, is regulated by the First Nations Tax Commission (FNTC).

*Figure 1 - FSMA regulatory regime overview*





In order for First Nations to pledge their taxation revenues for loans through the *FSMA* legislative program, the First Nation must become a “borrowing member” of the First Nations Finance Authority (FNFA). Before a First Nation is eligible to be considered for membership in the FNFA, the FMB must issue a certificate to the First Nation indicating that it meets the standards set by the FMB under the *FSMA*. For these purposes the FMB has issued *Financial Management System Standards* for purposes of issuing a Financial Management Systems Certificate and the *Financial Performance Standards* for the purposes of issuing a First Nation Financial Performance Certificate. Either of these certificates may be used by a First Nation to support its application to become a borrowing member of the FNFA.

A First Nation will issue a Financial Management Certificate or a Financial Performance Certificate by FMB once the First Nation’s law or laws respecting financial administration have been reviewed and approved by the FMB. The First Nation’s law or laws must meet the requirements of the *Financial Administration Law Standards* before they will be approved. The FMB has issued the *Financial Administration Law Review Procedures* to guide First Nations who are applying for approval of their Law or Laws respecting financial administration.

The FNFA will aggregate First Nation borrowing requests and raise money through a bond issue in capital markets. The proceeds of the bond issue will then be distributed among the participating First Nations according to their requests and borrowing room.

The *FSMA* provides FMB with authority to require First Nations to enter co-management or 3rd party management in three circumstances. The FNFA may, in certain circumstances relating to First Nation tax laws, direct the FMB to impose co-management or 3rd party management over the First Nations local revenues. The FNFA has the parallel power to direct FMB to require a First Nation to enter co-management or 3rd party management if a Borrowing Member First Nation has not met its financial obligations. Finally, the FMB can self-initiate intervention, if in their opinion; there is serious risk that a First Nation will default on an obligation to the FNFA.

*Working toward FMB certification has improved the oversight of Sliammon’s financial performance and operations, as well as introduced a higher standard of planning for the Nation.*

Marilyn Kamangirira, CAO  
SLIAMMON FIRST NATION

# OUR SERVICES

## *continued...*

### FINANCING SECURED BY OTHER REVENUES REGULATION

Pursuant to S.142 of the Act, the Governor in Council has recently developed “*Financing Secured by Other Revenues Regulations*”, a regulation prescribing the use of certain First Nation “Other Revenues” to secure financing from FNFA. The regulation enables First Nations to leverage through the FSMA own source revenues as prescribed below. The regulation was developed by Canada in a collaborative effort with the FSMA institutions.

#### THE REGULATIONS PRESCRIBED ‘OTHER REVENUES’ ARE:

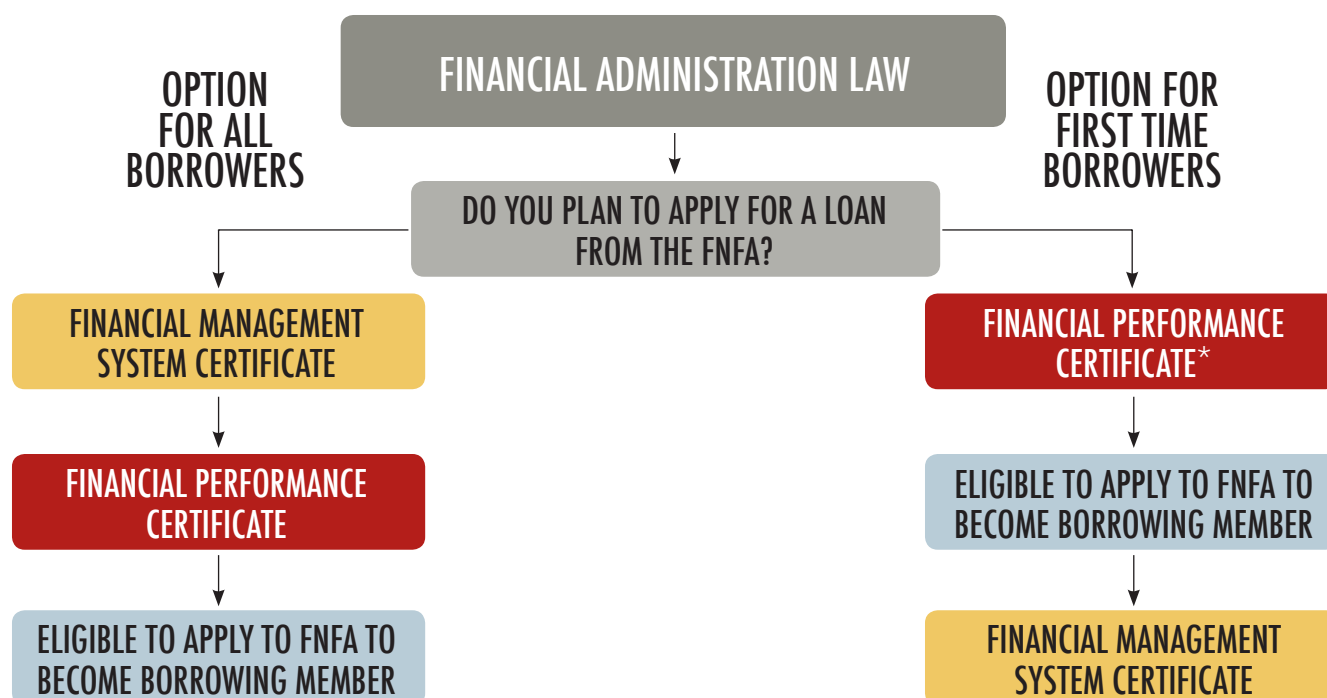
- a) tax revenues and fees imposed by a First Nation, other than tax revenues administered by Canada on behalf of the First Nation and local revenues;
- b) royalties payable to a First Nation under the *First Nations Land Management Act* or the *First Nations Oil and Gas and Moneys Management Act*;
- c) royalties payable to Her Majesty in right of Canada under the *Indian Act* or the *Indian Oil and Gas Act* on behalf of a First Nation that has assumed control of its moneys under the *First Nations Oil and Gas and Moneys Management Act*;
- d) revenues that are from leases, permits or other instruments authorizing the use of reserve land issued under the *Indian Act* and that a First Nation has assumed control of under the *First Nations Oil and Gas and Moneys Management Act*;
- e) revenues from leases, permits or other instruments authorizing the use of reserve land issued under the *First Nations Land Management Act*;
- f) revenues otherwise payable to a First Nation under any contract with a person other than Her Majesty in right of Canada, other than revenues collected by Her Majesty in right of Canada on the First Nation's behalf;
- g) revenues, other than local revenues, received by a First Nation from businesses wholly or partly owned by it, including dividends from shares owned by it;
- h) transfers from a provincial, regional, municipal or local government to a First Nation;
- i) transfers from Her Majesty in right of Canada if the agreement governing the transfer specifically permits such a use and if any other applicable conditions are satisfied; and
- j) interest earned by a First Nation on deposits, investments or loans, other than interest held by Her Majesty in right of Canada on the First Nation's
- k) interest earned by the First Nation on deposits, investments, or loans



# THE BORROWING PROCESS

Under Section 76 of the FSMA, there are two preconditions to becoming a borrowing member of the FNFA. First, a First Nation must have a Financial Administration Law or Law(s) respecting financial management confirmed to be in compliance with FMB standards. Second, a First Nation must demonstrate it has received an FMB certificate. In the diagram below, you can see that the first step in the certification process is having a Financial Administration Law in place and approved by the FMB. First Nations seeking borrowing member status for the first time have two options with respect to which certificate is presented i) a Financial Management Systems Certificate or ii) a Financial Performance Certificate.

## FMB CERTIFICATION PROCESS FOR FIRST NATIONS



## FMB CERTIFICATION SERVICES *What do these steps mean?*

### FINANCIAL ADMINISTRATION LAW

- » the first step
- » the rules for your system
- » organization (*i.e. roles & responsibilities*)
- » financial management (*i.e. financial statements produced regularly*)
- » capital projects (*i.e. tangible capital assets reporting*)

### FINANCIAL MANAGEMENT SYSTEM CERTIFICATE

- » is your system operating according to your rules?
- » are finance and audit committee meetings held?
- » are financial statements produced?
- » is schedule of tangible capital assets and depreciation kept?
- » typically requires one year operations in system

### FINANCIAL PERFORMANCE CERTIFICATE

- » what are your financial ratios that measure sustainability, flexibility, vulnerability?
- » has the correct information from the financial statements been used to calculate ratios?
- » have the ratios been calculated properly?
- » can your community afford to take on debt?

\* Must make commitment to implement financial management system

# OUR SERVICES

*continued...*

## THE FMB SUITE OF DOCUMENT TOOLS

Since the FMB began operations, the Board of Directors has reviewed and approved a range of tools that First Nations have begun to use to improve their financial management systems. Listed in the table below are the FMB core documents, which are the FMB's primary body of work consisting of standards and tools, aimed at improving First Nations financial management.

| FINANCIAL ADMINISTRATION LAW |  |   |
|------------------------------|--|---|
| A1                           | Financial Administration Law - Review Procedures           | Procedures to apply when requesting approval of a financial administration law  |
| A2                           | Financial Administration Law - Standards                   | Standards that would support sound financial administration practices for a First Nation government in Canada   |
| A3                           | Sample Financial Administration Law                        | Example of a law which meets the requirements of the A2 Financial Administration Law Standards  |
| A4                           | Financial Administration Law - Explanatory Notes           | Provides assistance on the development of the law by discussing the structure and substantive content of the A3 Sample Law  |
| A5                           | Financial Administration Law - Implementation Guide        | Provides assistance on the development of the law by identifying actions required and sample policies and procedures that would meet the requirements of the standard |
| A6                           | Financial Administration Law - Self-Assessment             | Tool that can be utilized to compare existing or proposed financial administration law(s) to the A2 Law Standards   |
| FINANCIAL MANAGEMENT SYSTEM  |  |   |
| B1                           | Financial Management System - Certification Procedures     | Procedures to apply when requesting approval of a financial management system   |
| B2                           | Financial Management System - Standards                    | Standards that would support sound financial practices for the operation, management, reporting and control of a financial management system                          |
| B3                           | Financial Management System - Sample Policies & Procedures | Collection of sample policies and procedures that can be used or adapted to meet the B2 Financial Management System Standards   |
| B4                           | Financial Management System - Self-Assessment              | Tool that can be utilized to compare the existing financial management system to the B2 System Standards  |
| FINANCIAL PERFORMANCE        |  |   |
| C1                           | Financial Performance - Certification Procedures           | Procedures to apply when requesting a review of financial performance   |
| C2                           | Financial Performance - Standards                          | Standards that assess the overall financial health of a First Nation at a point in time   |
| LOCAL REVENUE ACCOUNT        |  |   |
| D1                           | Local Revenue Account - Reporting Standards                | Standards that establish requirements for the financial reporting of a First Nation's local revenue account   |



## SUPPORTING FIRST NATION GOVERNMENTS

Services to borrowing and non-borrowing First Nations are provided through the *Supporting First Nation Governments* business line. This business line comprises the core work of the FMB and includes financial administration law review, certification, capacity development and intervention services as required or requested. First Nations participating in the FSMA borrowing process are required to make use of these services. These services, with possible modifications, will also be made available to non-borrowing First Nations.

*Table 2 – What would motivate a First Nation to seek FMB Services?*

|  | NO. OF FIRST NATIONS    | WHY SEEK FMB SERVICES?   |
|--|-------------------------|--|
| Applied to FSMA Schedule   | 72                      | Certification required to borrow   |
| Engaged in Real Property Taxation                                | 137                     | Confidence in management of property tax regime  |
| First Nations GST Act  | 45                      | Confidence in management of sales tax revenue  |
| First Nations Land Management Act                                | 58                      | Confidence in management of revenue generated from lands under the authority of a First Nation land code |
| First Nations Oil and Gas Monies Management Act                  | No schedule to this Act | Financial code for oil and gas monies required   |
| First Nations Commercial and Industrial Development Act (FNCIDA) | No schedule to this Act | Confidence in management of revenue raised from projects developed using FNCIDA regulations              |
| In Canada  | More than 600           | Improved fiscal transfer arrangements with Canada  |



# OUR SERVICES

*continued...*

## SUPPORTING FIRST NATION GOVERNMENTS RESULTS FOR 2010-11

The supporting First Nation Governments business line has been actively developing standards, sample laws, tools and templates that will support the delivery of key services to First Nations including law approval and certification. The FMB has continued to work with participating First Nations to generate feedback on these documents. The FMB is working with First Nations to develop certification work plans and build capacity in particular areas of financial management system that are not currently at the standards set by the FMB.

| PERFORMANCE MEASURE  | OUTCOME   |
|--|-----------|
| <b>OUTREACH AND RELATIONSHIP BUILDING:</b>                                     |           |
| 4 presentations to committees, meetings or conferences                         | Completed |
| 55 scheduled First Nations responded to or contacted                           | Completed |
| 40-50 presentations to First Nations   | Completed |
| Obtain feedback from First Nations during outreach activities                  | Completed |
| 15 signed BCR's and letters of cooperation from First Nations                  | 11        |
| Develop Capacity Development Assessment tool                                   | Completed |
| First Nation Guide to Intervention   | Completed |
| Roll out test course at an Aboriginal educational institution                  | Completed |
| Obtain feedback from 10 students that have completed course                    | Completed |
| 2 Universities committed to offering course                                    | Completed |
| <b>FIRST NATION FAL AND CERTIFICATION DEVELOPMENT:</b>                         |           |
| 10-20 First Nations provided funding to initiate a FAL                         | 11        |
| Publish "frequently asked questions" about FAL's on website                    | Completed |
| <b>FIRST NATION FINANCIAL MANAGEMENT SYSTEM DEVELOPMENT:</b>                   |           |
| Develop a FMS Self-Assessment Tool and guide                                   | Completed |
| Develop educational and policy development workshop                            | Completed |
| Publish "frequently asked questions" about FMS's on website                    | Completed |
| 2 intervention prevention workshops developed                                  | Ongoing   |
| <b>FAL APPROVALS:</b>  |           |
| 100% of FAL review completed within 8 weeks of request                         | Completed |
| <b>CERTIFICATION SERVICES:</b>   |           |
| Develop a Certification Review Methodology Policy                              | Ongoing   |
| Develop and publish a Request for Proposal for certification reviewer services | Ongoing   |



## SUPPORTING OTHER GOVERNMENTS AND ORGANIZATIONS

The FMB works with other governments and organizations. This includes:

- » Supporting local revenue based debenture issue by working with other fiscal institutions established by the FSMA;
- » Analyzing financial management issues related to securitization of 'other revenues' and working with other fiscal institutions and Canada on development of regulations;
- » Working with the federal government to improve the accountability framework for First Nations;
- » Continuing to work with other accounting standard organizations such as the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) and,
- » Seeking input from financial institutions and credit rating agencies regarding the application of general credit rating criteria to First Nations

| PERFORMANCE MEASURE  | OUTCOME   |
|--|-----------|
| <b>STANDARDS DEVELOPMENT:</b>  |           |
| Develop Local Revenue Account Financial Reporting Standards  | Ongoing   |
| Develop Financial Performance Standards  | Completed |
| Develop a S.50(3) "Borrowing Member Qualification Certificate" template                                    | Completed |
| Develop a S.50(2) report template  | Ongoing   |
| <b>POLICY DEVELOPMENT:</b>   |           |
| Develop and finalize a certification review methodology, policy, procedures and tools templates            | Ongoing   |
| Analyze "Other Revenues" regulation and develop any necessary policy and procedures                        | Completed |
| Analyze "Treaty & Self-Government First Nation" regulation and develop any necessary policy and procedures | Completed |
| <b>LEGISLATION:</b>  |           |
| Prepare list of legislative amendments to be requested by the FMB  | Completed |
| Develop work plan for Legislative Review with INAC and other institutions                                  | Completed |

# FINANCIAL STATEMENTS

*for the year ended March 31, 2011*



FIRST NATIONS  
FINANCIAL MANAGEMENT BOARD  
LE CONSEIL DE GESTION FINANCIÈRE  
DES PREMIÈRES NATIONS





# INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF THE FIRST NATIONS FINANCIAL MANAGEMENT BOARD

We have audited the accompanying financial statements of First Nations Financial Management Board, which comprise the Statement of Financial Position as at March 31, 2011 and the Statements of Operations, Changes in Net Assets and Cash Flows for the years 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 generally accepted accounting principles, 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 Financial Management Board as at March 31, 2011 and March 31, 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*  
Chartered Accountants

VANCOUVER, BRITISH COLUMBIA

June 27, 2011

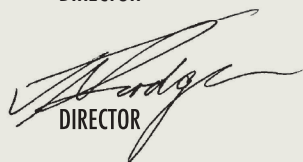


# STATEMENT OF FINANCIAL POSITION

| MARCH 31   | 2011             | 2010               |
|--|------------------|--------------------|
| <b>Assets</b>  |                  |                    |
| Current  |                  |                    |
| Cash (Note 1)  | 80,330           | 234,953            |
| Accounts Receivable                                  | 502,908          | 435,723            |
| Prepaid Expenses                                     | 37,709           | 37,510             |
|  | <b>620,947</b>   | <b>708,186</b>     |
| Security Deposit                                     | 54,005           | 54,005             |
| Capital Assets (Note 2)                              | 266,728          | 314,253            |
|  | <b>\$941,680</b> | <b>\$1,076,444</b> |
| <b>Liabilities &amp; Net Assets</b>                  |                  |                    |
| Liabilities  |                  |                    |
| Current  |                  |                    |
| Accounts Payable And Accrued Liabilities             | 559,014          | 559,047            |
| Current Portion Of Capital Lease Obligation (Note 3) | 11,453           | 10,986             |
|  | <b>570,467</b>   | <b>570,015</b>     |
| Capital Lease Obligation (Note 3)                    | 30,873           | 42,326             |
|  | <b>601,340</b>   | <b>612,341</b>     |
| <b>Net Assets</b>                                    |                  |                    |
| Invested In Capital Assets                           | 224,402          | 260,959            |
| Unrestricted   | 115,938          | 203,144            |
|  | 340,340          | 464,103            |
|  | <b>\$941,680</b> | <b>\$1,076,444</b> |

APPROVED ON BEHALF OF THE BOARD:

  
DIRECTOR

  
DIRECTOR

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



## STATEMENT OF OPERATIONS

| FOR THE YEAR ENDED MARCH 31                         | 2011               | 2010               |
|---|--------------------|--------------------|
| <b>Revenue</b>                                      |                    |                    |
| INAC funding  | 4,098,940          | 3,962,969          |
| Interest income                                     | -                  | 178                |
|   | <b>\$4,098,940</b> | <b>\$3,963,147</b> |
| <b>Expenses</b>                                     |                    |                    |
| Salaries and benefits                               | 1,251,943          | 1,079,306          |
| Client service delivery (Note 7 )                   | 260,297            | 736,456            |
| Policy development                                  | 1,079,663          | 808,048            |
| Corporate services                                  | 896,606            | 737,180            |
| Director fees and expenses                          | 539,498            | 330,404            |
| Travel  | 112,949            | 118,491            |
| Amortization  | 81,747             | 65,714             |
|   | <b>4,222,703</b>   | <b>3,875,599</b>   |
| <b>Excess (deficiency) of revenue over expenses</b> | <b>\$(123,763)</b> | <b>\$87,548</b>    |

## STATEMENT OF CHANGES IN NET ASSETS

| FOR THE YEAR ENDED MARCH 31                  | INVESTED IN CAPITAL ASSETS | UNRESTRICTED     | 2011             | 2010             |
|--|----------------------------|------------------|------------------|------------------|
| Balance, beginning of year                   | 260,959                    | 203,144          | 464,103          | 376,555          |
| Excess (deficiency) of revenue over expenses | (81,747)                   | (42,016)         | (123,763)        | 87,548           |
| Purchase of capital assets                   | 34,222                     | (34,222)         | -                | -                |
| Repayment of capital lease                   | 10,968                     | (10,968)         | -                | -                |
| <b>Balance, end of year</b>                  | <b>\$224,402</b>           | <b>\$115,938</b> | <b>\$340,340</b> | <b>\$464,103</b> |

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



# STATEMENT OF FINANCIAL POSITION

| FOR THE YEAR ENDED MARCH 31                                  | 2011             | 2010             |
|--|------------------|------------------|
| Cash provided (used in)                                      |                  |                  |
| Operating activities   |                  |                  |
| Excess (deficiency) of revenues over expenses for the period | (123,763)        | 87,548           |
| Item not involving cash                                      |                  |                  |
| Amortization of capital assets                               | 81,747           | 65,714           |
|  | <b>(42,016)</b>  | <b>153,262</b>   |
| Changes in non-cash working capital balances                 |                  |                  |
| Accounts receivable  | (67,185)         | (4,012)          |
| Prepaid expenses   | (198)            | (29,169)         |
| Accounts payable and accrued liabilities                     | (33)             | (10,808)         |
|  | <b>(109,432)</b> | <b>109,273</b>   |
| Investing activities   |                  |                  |
| Redemption of temporary investment                           | -                | 157,786          |
| Purchase of capital assets                                   | (34,222)         | (57,598)         |
|  | <b>(34,222)</b>  | <b>100,188</b>   |
| Financing activity   |                  |                  |
| Capital lease principal payments                             | (10,969)         | (5,733)          |
| <b>Increase (decrease) in cash during the period</b>         | <b>(154,623)</b> | <b>203,728</b>   |
| Cash, beginning of year                                      | 234,953          | 31,225           |
| <b>Cash, end of year</b>                                     | <b>\$80,330</b>  | <b>\$234,953</b> |
| Non-cash Transaction   |                  |                  |
| Acquisition of equipment under lease                         | -                | 59,027           |
| Supplemental Information                                     |                  |                  |
| <b>Interest paid</b>   | <b>\$2,140</b>   | <b>\$822</b>     |

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

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## GENERAL

The First Nations Financial Management Board (“FNFMB” or the “Board”) operates as a shared governance corporation without share capital that was established through Bill C20 the First Nations Fiscal and Statistical Management Act (the “Act”) in 2005, which went into effect April 1, 2006. Under the Act, the FNFMB provides tools for modern fiscal management, improving the investment climate and promoting economic growth on Reserves across Canada.

The Board prepares its financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

## CAPITAL ASSETS

Additions to capital assets are recorded at cost. The Board amortizes its capital assets over the estimated useful life of each asset on a straight-line basis over the following number of years:

|  |                         |
|--|-------------------------|
| Computer equipment .....                   | 5 years                 |
| Leasehold improvements .....               | 5 years                 |
| Office furniture and fixtures .....        | 10 years                |
| Office equipment under capital lease ..... | term of lease (5 years) |

When capital assets no longer contribute to the Board’s ability to provide services, its carrying value is written down to its residual value. When capital assets are disposed of no amortization is recorded.

## LEASES

Leases are classified as capital or operating depending upon the terms and conditions of the contracts. Where the lease transfers the benefits and risks of ownership to FNFMB, the lease is classified as capital.

## REVENUE RECOGNITION

Contributions from Indian and Northern Affairs Canada (“INAC”) are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement.

## FINANCIAL INSTRUMENTS

The Board classifies all financial instruments as held-for-trading, loans and receivables or other financial liabilities. Loans and receivables (accounts receivable) and other financial liabilities (accounts payable and accrued liabilities) are initially recorded at fair value and subsequently adjusted using the effective interest rate method. Heldfor-trading instruments (cash and temporary investments) are measured at fair value with unrealized gains and losses recognized in the Statement of Operations. 7

## USE OF ESTIMATES

In conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Significant items subject to such estimates and assumptions include the completeness of accounts payable and accrued liabilities. Actual results could differ from those estimates and may impact the results of future periods.

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





# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued...*

## NEW ACCOUNTING PRONOUNCEMENTS

### *Future Direction of Standards for Not-for-Profit Organizations*

The Canadian Institute of Chartered Accountants (“CICA”) has determined that not-for-profit organizations (“NPOs”) do not meet the definition of “publicly accountable” organizations for purposes of consideration of International Financial Reporting Standards (“IFRS”). This means that NPOs will not automatically move to IFRS in 2011. The Accounting Standards Board has issued the accounting and financial reporting requirements for NPOs in Part III of the CICA Handbook. The standards to be followed are essentially the relevant standards from Part II for private enterprises plus NPO-only standards in Part III including the current Section 4400 series of standards with minor modifications. The CICA has stated that any NPO could elect to follow IFRS if they should so desire. The first financial statements required to be prepared under the new accounting framework are those for the fiscal year beginning April 1, 2012. The impact of the transition on the financial statements is currently being evaluated.

# NOTES TO FINANCIAL STATEMENTS *March 31, 2011*

## 1. CASH

FNFMF's cash is held in one Canadian chartered bank and earns interest at the current prevailing rates of interest for business operating accounts.

## 2. CAPITAL ASSETS

|   | Costs            | Accumulated<br>Amortization | Net Book<br>Value 2011 | Net Book<br>Value 2010 |
|---|------------------|-----------------------------|------------------------|------------------------|
| Computer equipment                      | 168,430          | 85,348                      | 83,082                 | 91,454                 |
| Leasehold improvements                  | 146,857          | 84,261                      | 62,596                 | 79,452                 |
| Office furniture and fixtures           | 124,165          | 46,401                      | 77,764                 | 88,256                 |
| Office equipment under<br>capital lease | 59,026           | 15,740                      | 43,286                 | 55,091                 |
|   | <b>\$498,478</b> | <b>\$231,750</b>            | <b>\$266,728</b>       | <b>\$314,253</b>       |

## 3. OBLIGATION UNDER CAPITAL LEASE

FNFMF leases a photocopier at an interest rate of 4.24%. The lease matures November 30, 2014.

The future annual capital lease payments in each of the fiscal years ending March 31 under the agreement until maturity are as follows:

| Year                   | Amount          |
|------------------------|-----------------|
| 2012                   | 13,109          |
| 2013                   | 13,109          |
| 2014                   | 13,109          |
| 2015                   | 6,553           |
|                        | <b>45,880</b>   |
| Less: imputed interest | <b>(3,554)</b>  |
|                        | <b>42,326</b>   |
| Less: current portion  | <b>(11,453)</b> |
|                        | <b>\$30,873</b> |

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



# NOTES TO FINANCIAL STATEMENTS *March 31, 2011*

## 4. COMMITMENTS

The Board leases its office premises under a lease agreement expiring in 2017 fiscal year. The Board is obligated to make the following lease payments under its office lease agreement in each of the fiscal years ending March 31:

|      |                  |
|------|------------------|
| 2012 | 100,742          |
| 2013 | 101,285          |
| 2014 | 101,285          |
| 2015 | 101,285          |
| 2016 | 101,285          |
| 2017 | 8,440            |
|      | <b>\$514,322</b> |

## 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments at March 31, 2011 and 2010 approximate their values and were estimated based on relevant market information and the nature and terms of financial instruments. Management is not aware of any factors which would significantly affect the estimated fair market amounts; however, such amounts have not been comprehensively revalued for purposes of these financial statements.

## 6. ECONOMIC DEPENDENCE

Operations of FNFMB are dependent on continued funding from the Ministry of Indian Affairs and Northern Development to carry out its programs.

## 7. CLIENT SERVICES DELIVERY

Client services delivery involves direct costs associated with client requests for financial administration law and certification review. In addition, it covers support activities provided to First Nations in the financial administration law and system development process. Indirect costs such as salaries and administration costs are not allocated for purposes of financial statement presentation.

## 8. CAPITAL DISCLOSURES

FNFMB's objectives when managing capital are to ensure that sufficient resources are available to fund the ongoing operations in improving financial management systems and independent financial management assessment services as well as safeguard its ability to continue to provide benefits to its stakeholders. FNFMB considers its capital to be its net assets.

FNFMB reviews its capital management approach on an ongoing basis, and believes that this approach, given the relative size of FNFMB, is reasonable. There were no changes to FNFMB's approach to capital management during the year ended March 31, 2011. FNFMB is not subject to any externally imposed capital requirements.



# CORPORATE INFORMATION

## DIRECTORS

**Harold Calla**, CGA, CAFM  
*Chair*  
British Columbia

**Marilyn Osecap**, BCom, CAFM  
*Vice-Chair*  
Saskatchewan

**Michele Baptiste**  
Ontario

**Donna Morin**, CMA, CAFM  
Saskatchewan

**Gary Nott**, CA  
British Columbia

**Jim Prodger**, CAFM  
Nova Scotia

**Barrie Robb**, BA, MPA, MIR  
Alberta

**Aditya Jha**, MSc, PG Diploma, Comp Sc.  
Ontario

**Romeo Crow Chief**, CAFM  
Alberta

**Brian Titus**, CAFM  
British Columbia

## STAFF

**Walter Schneider**, CA  
*Chief Executive Officer*

**Oliver Matters**, CA  
*Director, Standards and Certification*

**Barry Christoff**, LLB, CAFM  
*Director, Corporate Services*

**Travis Seymour**, CGA, MBA, CAFM  
*Director, Capacity Development*

**Gabrielle Ollinger**  
*Director, Stakeholder Relations and Initiatives*

**Maureen Thomas**  
*Manager, Corporate and Privacy Officer*

**Ouray Clark**, MBA  
*Manager, Certifications*

**Jordan Wapass**, MPP  
*Analyst, Special Projects & Research*

**Anita Lin**, CGA  
*Senior Financial Officer*

**Nola Latimer**  
*Receptionist*

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**Bonita Thompson** – *Senior Legal & Policy Advisor*  
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**Gowlings**  
**Colin Brousson** – *Policy Advisor*  
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## FIRST NATIONS FINANCIAL MANAGEMENT BOARD

# 905 – 100 Park Royal  
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[www.fnfmb.com](http://www.fnfmb.com)



# Certy

*This certifies that the First Nation has  
system standards of the First Nation*



FIRST NATIONS  
FINANCIAL MANAGEMENT BOARD  
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DES PREMIÈRES NATIONS

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