



## **B.C. Aboriginal Land Managers Association**

March 31, 2023

Jennifer Saville, CPA

T: 778.475.5678

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Wherever business takes you

[MNP.ca](https://www.mnp.ca)



July 13, 2023

B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

PRIVATE AND CONFIDENTIAL

Dear Cindy Couch:

RE: Fiscal Year Ended March 31, 2023

We have completed our audit of the financial statements of B.C. Aboriginal Land Managers Association (the "Association") for the year ended March 31, 2023 and enclose the following:

**FINANCIAL STATEMENTS**

1. An electronic copy of the March 31, 2023 audited financial statements has been emailed to the contact provided.

**OTHER ENCLOSURES**

1. One copy of our Management Letter. Please distribute the letter to the appropriate Association officials.
2. One copy of our Audit Findings report as previously provided to the Board of Directors.
3. One copy of our Independence Letter as previously provided to the the Board of Directors.
4. One copy of your Representation Letter for your records.



5. One copy of the year-end journal entries as previously reviewed and approved by you and one copy of the closing trial balance for your records. Please ensure that these journal entries are posted to your general ledger, the general ledger is properly closed and your retained earnings balance agrees to the enclosed financial statements.
6. Our invoice for services rendered.

All records and documents should be retained in safekeeping for a minimum of seven years in the event that the Canada Revenue Agency demands them for audit purposes. This seven-year period is by Statute and, even after this time, the Canada Revenue Agency's permission to destroy records should be obtained.

We thank you for appointing our Firm as your auditors. Please contact us at any time if you have questions on accounting, finance, tax or other general business concerns. We would also be pleased to discuss our suite of services with your friends and business associates. We appreciate your business and any referrals you may make to our Firm.

If you have any questions or comments, or if we can be of additional assistance, please feel free to call us at 778.475.5678.

Sincerely,



Jennifer Saville, CPA  
Partner, Assurance Services

July 13, 2023

Board of Directors  
B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of B.C. Aboriginal Land Managers Association (the "Association") as at March 31, 2023 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Association and its related entities or persons in financial reporting oversight roles at the Association and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Association and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from April 1, 2022 to July 13, 2023.

We hereby confirm that MNP is independent with respect to the Association within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of July 13, 2023.

This report is intended solely for the use of Board of Directors, management and others within the Association and should not be used for any other purposes.

We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



**Chartered Professional Accountants**

**MNP LLP**

Suite A, 3009 28th Street, Vernon B.C., V1T 4Z7

1.877.475.5678 T: 778.475.5678 F: 778.475.5618



# B.C. Aboriginal Land Managers Association

2023 Audit Service Plan

Report to the Board of Directors

March 31, 2023

Jennifer Saville, CPA

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[MNP.ca](https://www.mnt.ca)

May 9, 2023

Members of the Board of Directors of B.C. Aboriginal Land Managers Association

Dear Board of Directors:

We are pleased to present our Audit Service Plan for B.C. Aboriginal Land Managers Association (the "Association"). In this plan we describe MNP's audit approach, our engagement team, the scope of our audit and a timeline of anticipated deliverables. We are providing this Audit Service Plan to the Board of Directors on a confidential basis. It is intended solely for the use of the Board of Directors and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Our audit will include an audit of the Association's financial statements for the year ended March 31, 2023, prepared in accordance with Canadian accounting standards for not-for-profit organizations. Our audit will be conducted in accordance with Canadian generally accepted auditing standards.

At MNP, our objective is to perform an efficient, high quality audit which focuses on those areas that are considered higher risk. We adhere to the highest level of integrity and professionalism. We are dedicated to maintaining open channels of communication throughout this engagement and will work with management to coordinate the effective performance of the engagement. Our goal is to exceed the Board of Directors's expectations and ensure you receive outstanding service.

Additional materials provided along with this report include both our Engagement Letter and draft Independence Communication. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards. Our draft Independence Communication formally confirms in writing MNP's independence.

We look forward to discussing our Audit Service Plan with you and look forward to responding to any questions you may have.

Sincerely,



Chartered Professional Accountants

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# MNP's Client Service Commitment



To make strategic business decisions with confidence, your stakeholders and the Board of Directors of the Association need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance the Association's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our audit strategy is risk based, and considers the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our Audit Service Plan outlines the strategy we will follow to provide the Association's Board of Directors with our Independent Auditor's Report on the March 31, 2023 financial statements.

## Topics for Discussion

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

Key Issues and Developments		Summary
	<b>New Reporting Developments</b>	<ul style="list-style-type: none"> <li>• S.1501 First-time Adoption by Not-for-Profit Organizations (December 2019 Amendment)</li> </ul>
	<b>New Assurance Developments</b>	<ul style="list-style-type: none"> <li>• CSQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (New)</li> <li>• CSQM 2 Engagement Quality Reviews (New)</li> <li>• CAS 220 Quality Management for an Audit of Financial Statements (Amendment)</li> <li>• CAS 315 Identifying and Assessing the Risks of Material Misstatement (Amendment)</li> </ul>

Detailed information on Key Changes and Developments are included as Appendix A.



# Risk Assessment

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## Risk Assessment

Based on the preliminary risk assessment procedures performed, we have identified the following significant and high risks which will be addressed during our audit. We have also outlined the proposed audit response to address those risks. We will update our risk assessment as the audit progresses for additional risks identified and will inform management of any additional significant risks identified.

Significant Risk Area	Proposed Audit Response
<b>Revenue</b>  Risk that revenue with restrictions has not been classified correctly as deferred revenue.	A sample of revenue transactions will be agreed to the related funding contracts or revenue invoices.

Higher Risk Area	Proposed Audit Response
<b>Expenses</b>  Risk that expenses are overstated and not all expenses actually occurred during the year.	A sample of expense transactions will be agreed to the supporting invoices. Transactions occurring subsequent to year end will also be tested to ensure they are recorded in the appropriate period.

# Key Milestones

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Based on the audit planning performed and areas of audit risks identified, the following timelines for key deliverables have been discussed and agreed upon with management:

Key Deliverable	Expected Date
Interim procedures	November 28, 2022 to December 2, 2022
Year-end fieldwork procedures	May 8, 2023 to May 19, 2023
Draft year-end financial statements to be discussed with management	June 30, 2023
Presentation of March 31, 2023 Audit Findings Report to the Board of Directors	If required
Presentation of Management Letter to the Board of Directors	July 10, 2023
Issuance of Independent Auditor's Report	July 10, 2023

## Audit Materiality

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Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or the aggregate of all misstatements.

The scope of our audit work is tailored to reflect the relative size of operations of the Association and our assessment of the potential for material misstatements in the Association's financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Association;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

**The scope of our audit work is tailored to reflect the relative size of operations of the Association and our assessment of the potential for material misstatements in the Association's financial statements as a whole.**

Judgment is applied separately to the determination of materiality in the audit of each set of financial statements (and, if applicable, for particular classes of transactions, account balances or disclosures) and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable to assume that users understand that financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the financial statements. The foregoing factors are taken into account in establishing the materiality level.

We propose to use \$7,500 as overall materiality for audit planning purposes.

## Audit Team

In order to ensure effective communication between the Board of Directors and MNP, we outline below the key members of our audit team that will be responsible for the audit of the Association and the role they will play:

Team Members	Contact Information
Jennifer Saville, CPA, Engagement Partner	E: Jennifer.Saville@mnp.ca
Kyla Magee, CPA, MPAcc, Quality Assurance Partner	E: Kyla.Magee@mnp.ca
Jordan Klemencic, CPA, CA, Manager	E: Jordan.Klemencic@mnp.ca

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit.



Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

## Fees and Assumptions

DESCRIPTION	2023 ESTIMATE
Audit fee for the year ended March 31, 2023 per our fee quote dated December 8, 2022	\$ 12,500
Audit of March 31, 2022 opening balances	\$ 12,000
<b>Total</b>	<b>\$ 24,500</b>

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached.

Invoices will be rendered as work progresses in accordance with the following schedule:

DESCRIPTION	AMOUNT
Progress billing #1 upon commencement of interim work	\$ 6,000
Progress billing #2 upon completion of year-end fieldwork	\$ 12,000
Final billing – upon release of auditor’s report	\$ 6,500
<b>Total</b>	<b>\$ 24,500</b>

# Appendix A – Key Changes and Developments

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We would like to bring to your attention the following accounting and auditing developments, which may have some impact on your financial reporting.

## Issues and Developments Summary

### New Reporting Developments

#### **S.1501 First-time Adoption by Not-for-Profit Organizations (December 2019 Amendment)**

In December 2019, the Accounting Standards Board (AcSB) issued amendments to s.1501 *First-Time Adoption by Not-for-Profit Organizations*. The amendments permit a first-time adopter to apply the transitional provisions in ASPE 3400 *Revenue*.

The amendments are effective when an enterprise applies Section 3400. On April 15, 2020, the AcSB made the decision to defer the effective date of Section 3400 by one year from its originally planned effective date due to the impact of the COVID-19 pandemic. Section 3400 is now effective for annual financial statements relating to fiscal years beginning on or after January 1, 2022. Early application continues to be permitted.

### New Assurance Developments

#### **CSQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (New)**

In May 2021, the Auditing and Assurance Standards Board (AASB) issued Canadian Standard on Quality Management (CSQM) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which revises and replaces existing Canadian Standard on Quality Control (CSQC) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*. The new CSQM aims to strengthen the standards addressing quality control and broadens the requirement for the firm's system of quality management beyond audits, reviews and other assurance services to also include related services engagements that were formerly excluded: compilation engagements, agreed-upon procedures engagements, and engagements to report on supplementary matters arising from an audit or a review engagement.

CSQM 1 requires the firm to apply a risk-based approach in the design, implementation, and operation of the system of quality management while taking into account the nature and circumstances of both the firm and the engagements the firm performs. It also sets out requirements relating to:

- The system of quality management;
- The firm's risk assessment process;
- Governance and leadership;
- Relevant ethical requirements;
- Acceptance and continuance of client relationships and specific engagements;
- Engagement performance;
- Resources;
- Information and communication;
- Specified responses;

- The monitoring and remediation process;
- Network requirements or network services;
- Evaluating the system of quality management; and
- Documentation.

As a result of issuing CSQM 1, amendments have been made to *CAS 620 Using the Work of an Auditor's Expert* and other editorial changes have been made to other standards.

CSQM 1 is effective as follows:

- Firms are required to design and implement their system of quality management for audits or reviews of financial statements or other assurance engagements by December 15, 2022. They are required to evaluate their system within one year following this date.
- Firms are required to design and implement their system of quality management for related services engagements by December 15, 2023. They are required to evaluate their system within one year following this date.

### **CSQM 2 Engagement Quality Reviews (New)**

In May 2021, the Auditing and Assurance Standards Board (AASB) issued a new standard Canadian Standard on Quality Management (CSQM) 2 *Engagement Quality Reviews* which replaces material previously addressed in Canadian Standard on Quality Control (CSQC) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*.

The new standard provides guidance on the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to performance and documenting an engagement quality review.

As a result of issuing CSQM 2, editorial changes have been made to other standards.

CSQM 2 is effective for:

- Audits and reviews of financial statements and other assurance engagements for periods beginning on or after December 15, 2022; and
- Related services engagements beginning on or after December 15, 2023.

### **CAS 220 Quality Management for an Audit of Financial Statements (Amendment)**

In May 2021, the Auditing and Assurance Standards Board (AASB) issued the revised *CAS 220 Quality Control for an Audit of Financial Statements* to align with the requirements of *ISA 220 Quality Management for an Audit of Financial Statements*. The amendments deal with the specific responsibilities of the auditor regarding quality management at the engagement level for an audit of financial statements, including a particular focus on the roles and responsibilities of the engagement partner. CAS 220 is meant to be scalable for firms of different sizes and for engagements where the nature and circumstances differ.

CAS 220 sets out requirements relating to:

- Leadership responsibilities for managing and achieving quality on audits;
- Relevant ethical requirements, including those related to independence;
- Acceptance and continuance of client relationships and audit engagements;
- Engagement resources;
- Engagement performance;
- Monitoring and remediation;
- Taking overall responsibility for managing and achieving quality; and
- Documentation.

As a result of issuing the amendments to CAS 220, amendments have been made to *CAS 300 Planning an Audit of Financial Statements* and *CAS 610 Using the Work of Internal Auditors*. Editorial changes have been made to other

standards.

CAS 220 is effective for audits of financial statements for periods beginning on or after December 15, 2022.

### **CAS 315 Identifying and Assessing the Risks of Material Misstatement (Amendment)**

In May 2020, the Auditing and Assurance Standards Board (AASB) issued the revised CAS 315 *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment*, to align with the International Auditing and Assurance Standards Board's (IAASB) changes to International Standards on Auditing (ISA) 315 (revised), with the same title.

The revised CAS 315 incorporates changes to establish more robust requirements and detailed guidance to assist auditors in performing appropriate risk assessment procedures corresponding with the size and nature of the entity. It also includes changes to enhance the application of professional skepticism in audits. The revised CAS 315 accomplishes the following:

- Distinguishes the nature and extent of work needed for indirect and direct controls in the system of internal control;
- Clarifies which controls need to be identified for evaluating the design of a control, and determining whether the control has been implemented;
- Highlights scalability of the standard by keeping the principles-based requirements focused on what needs to be done, and using separate headings in the application material to illustrate scaling based on the complexity of the situation;
- Clarifies the definition of "significant risk" and introduces the concept of spectrum of inherent risk to assist the auditor in making a judgment, based on the likelihood and magnitude of a possible misstatement, on a range from higher to lower, when assessing risks of material misstatement;
- Introduces the concept of inherent risk factors, including complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk;
- Introduces the concepts of "significant classes of transactions, account balances and disclosures" and "relevant assertions" to assist with the identification and assessment of the risk of material misstatement;
- Separates the assessment of inherent and control risk;
- Enhances the auditor's considerations regarding the entity's use of information technology and how it affects the audit, and includes considerations for using automated tools and techniques in the application material;
- Introduces a requirement to "stand back" to evaluate the completeness of the significant classes of transactions, account balances and disclosures at the end of the risk assessment process;
- Uses more explicit language and enhances requirements and application material to reinforce the importance of exercising professional skepticism when performing risk assessment procedures; and
- Clarifies the threshold for identifying possible risks of material misstatement in CAS 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*.

As a result of issuing the revised CAS 315, requirements for several other standards have been amended to better articulate the auditor's responsibilities regarding identifying and assessing the risks of material misstatement:

- CAS 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*
- CAS 330 *The Auditor's Responses to Assessed Risks*
- CAS 402 *Audit Considerations Relating to an Entity Using a Service Organization*
- CAS 540 *Auditing Accounting Estimates and Related Disclosures*

The revised CAS 315 and other conforming amendments to other standards are effective for audits of financial statements for periods beginning on or after December 15, 2021. Earlier application is permitted.

# Appendix B – The Audit Process

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## Our Plan

Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are tailored to your specific circumstances and appropriately address those risks.

The Board of Directors is responsible for approval of the financial statements and Association policies, and for monitoring management's performance. The Board of Directors should consider the potential for management override of controls or other inappropriate influences, such as earnings management, over the financial reporting process. The Board of Directors, together with management, is also responsible for the integrity of the accounting and financial reporting systems, including controls to prevent and detect fraud and misstatement, and to monitor compliance with relevant laws and regulations.

Effective discharge of these respective responsibilities is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

Key responsibilities of MNP and management are outlined in the Engagement Letter (see attached).

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.



# Appendix B – The Audit Process

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## Audit Procedures

To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:


- Obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal controls, in order to identify and assess the risk that the financial statements contain material misstatements due to fraud or misstatement;
- Assessing the design and implementation of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,
- Assessing the entity's use of the going concern basis of accounting in the preparation of the financial statements.

As part of our planning process, we will also undertake to inform the Board of Directors of concerns relating to management's implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management's assessments of controls in place to detect fraud and misstatement, and of the risk that the financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the Association's control environment, and management's competence and integrity.

# Appendix B – The Audit Process

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## Overall Reliance

Control Reliance Level	Low/None	Moderate	High
<b>Description</b>	Where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of details. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details.	Where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details.	Where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details.
<b>Planned Reliance</b>		—	—

For the March 31, 2023 audit, we are planning to place no reliance on the Association’s controls. This level of reliance will involve mainly substantive tests of details.

The amount of substantive work will be reduced for cycles where there are controls in place that MNP can test and rely on.

# Appendix B – The Audit Process

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As part of our audit work we will update our understanding of the entity and its environment, the applicable financial reporting framework and the entity’s system of internal controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the financial statements resulting from fraud or misstatement. This will be accomplished through inquiries with management and others within the entity, analytical procedures and observation and inspection. Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the Association’s controls will not be sufficient to express an opinion as to their effectiveness or efficiency.



Although we will provide the Board of Directors with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

# Appendix B – The Audit Process

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## Inherent Limitations in the Auditing Process

An auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Board of Directors with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;
- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the financial statements taken as a whole.

# Appendix C – Auditor Independence

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## Auditor Independence

An essential aspect of all our services to the Association is an independent viewpoint, which recognizes that our responsibilities are to the shareholders. While the concept of independence demands a questioning and objective attitude in conducting our audit, it also requires the absence of financial or other interests in the Association. In accordance with our firm's policy, and the Code of Professional Conduct, which govern our profession, neither MNP nor any of its team members assigned to the engagement or any of its partners, are permitted to have any involvement in or relationship with the Association that would impair independence or give that appearance. As auditors, we subscribe to the highest standards and are required to discuss the auditor's independence with the Board of Directors on an annual basis. Under the standard an auditor shall:

- Disclose to, the Board of Directors in writing, all relationships between the auditor and the Association that in the auditor's professional judgment may reasonably be thought to bear on our independence;
- Discuss the auditor's independence with the Board of Directors.

During the course of the audit, we will communicate any significant new matters that come to our attention that, in our professional judgment, may reasonably be thought to bear on our independence. At the completion of our audit, we will reconfirm our independence.

# Independence Communication

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(See Attached)

May 9, 2023

Board of Directors  
B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of B.C. Aboriginal Land Managers Association (the "Foundation") as at March 31, 2023 and for the year then ended.

*CAS 260 Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Foundation and its related entities or persons in financial reporting oversight roles at the Foundation and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Foundation and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from April 1, 2022 to May 9, 2023.

We hereby confirm that MNP is independent with respect to the Foundation within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of May 9, 2023.

This report is intended solely for the use of Board of Directors, management and others within the Foundation and should not be used for any other purposes.

Sincerely,

encls.

# Engagement Letter

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(See Attached)



February 1, 2023

Tom Bob  
B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

Dear Tom:

This letter will confirm the arrangements discussed with you regarding the services MNP LLP ("we" or "MNP") will render to B.C. Aboriginal Land Managers Association (the "Association") commencing with the fiscal year ending March 31, 2023.

### **Our responsibilities**

We will audit the financial statements of B.C. Aboriginal Land Managers Association for the year ended March 31, 2023 and March 31, 2022 and opening statement of financial position at April 1, 2021.

Our audit will be conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we will plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error.

Our responsibilities, objective, scope, independence and the inherent limitations of an audit conducted in accordance with Canadian generally accepted auditing standards are detailed in Appendix A, which forms part of our mutual understanding of the terms of this engagement.

### **Management's responsibilities**

The operations of the Association are under the control of management, which has responsibility for the accurate recording of transactions and the preparation [and fair presentation] of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. This includes the design, implementation and maintenance of the system of internal control relating to the preparation and presentation of the financial statements.

Appendix B, which describes in detail management's responsibilities with respect to this engagement, forms part of our mutual understanding of the terms of this engagement.

### **Reporting**

Unless unanticipated difficulties are encountered, our report will be substantially in the form illustrated in Appendix C.

### **Fees and expenses**

Our fees and expenses are discussed in detail in Appendix D.

**MNP LLP**

3009 28th Street, Suite A, Vernon BC, V1T 4Z7

1.877.475.5678 T: 778.475.5678 F: 778.475.5618

**Other matters**

Based on our firm’s client acceptance and continuance procedures, we will make inquiries and require certain information from the Association before final client acceptance is approved. We reserve the right to decline appointment if the results of our client acceptance procedures are not satisfactory.

We will, as permitted by the Code of Professional Conduct, provide additional services upon request, in areas such as taxation, leadership and human resource management, communication, marketing, strategic planning, financial management and technology consulting.

Our standard terms and conditions, included as Appendix E, form part of our mutual understanding of the terms of this engagement. In the event that you choose to terminate this engagement based on the terms outlined in Appendix E, we reserve the right to notify all financial statement users of the change.

These terms will continue in effect from year to year, unless changed in writing.

We believe the foregoing correctly sets forth our understanding, but if you have any questions, please let us know. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing and returning the engagement letter to us.

It is a pleasure for us to be of service to you. We look forward to many years of association with you and B.C. Aboriginal Land Managers Association.

Sincerely,

*MNP LLP*

**Chartered Professional Accountants**

**RESPONSE:**

This letter correctly sets forth the understanding of B.C. Aboriginal Land Managers Association.

e-Signed by Tom Bob

2023-02-01 14:23:35:35 PST

\_\_\_\_\_  
Officer Signature

\_\_\_\_\_  
Title

2023-Feb-01

\_\_\_\_\_  
Date

# MADE <sup>IN</sup> CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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# B.C. Aboriginal Land Managers Association

2023 Audit Findings

Report to the Board of Directors

March 31, 2023

Jennifer Saville, CPA

T: 778.475.5678

E: [jennifer.saville@mnp.ca](mailto:jennifer.saville@mnp.ca)



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[MNP.ca](https://www.mnp.ca)

July 13, 2023

Members of the Board of Directors of B.C. Aboriginal Land Managers Association

Dear Sirs/Mesdames:

We are pleased to submit to you this report for discussion of our audit of the financial statements of B.C. Aboriginal Land Managers Association (the "Association") as at March 31, 2023 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

We have substantially completed our audit of the financial statements of the Association which has been carried out in accordance with Canadian generally accepted auditing standards.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the Association. A draft copy of our proposed Independent Auditor's Report is attached at the end of this report.

This report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



Chartered Professional Accountants

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# Introduction

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As auditors, we report to the members on the results of our examination of the financial statements of B.C. Aboriginal Land Managers Association (the "Association") as at and for the year ended March 31, 2023. The purpose of this Audit Findings Report is to assist you, as members of the Board of Directors, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures.

We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

## Engagement Status

We have completed our audit of the financial statements of the Association and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with the Board of Directors;
- The Board of Directors' review and approval of the financial statements.

## Independent Auditor's Report

We expect to have the above procedures completed and to release our Independent Auditor's Report on July 13, 2023.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the Association. A draft copy of our proposed Independent Auditor's Report has been included with this report.



# Significant Audit, Accounting and Reporting Matters

## Audit and Reporting Matters

The following significant matters arose during the course of audit that we wish to bring to your attention.

Area	Comments
<b>Changes from Audit Service Plan</b>	There were no deviations from the Audit Service Plan previously presented to you.
<b>Difficulties Encountered</b>	No significant limitations were placed on the scope or timing of our audit.
<b>Identified or Suspected Fraud</b>	<p>Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p>
<b>Identified or Suspected Non-Compliance with Laws And Regulations</b>	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
<b>Matters Arising in Connection With Related Parties</b>	No significant matters arose during the course of our audit in connection with related parties of the Association.
<b>Significant Deficiencies in Internal Control</b>	<p>Our audit process focuses on understanding the controls utilized in management's reporting systems, including for estimates, to the extent necessary to identify overall and specific financial reporting risks. This risk assessment allows us to concentrate our audit procedures on high risk areas and, where possible, place reliance on controls within the financial reporting system to reduce the extent of our testing.</p> <p>It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.</p> <p>We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to the Board of Directors on a timely basis. However, we may not be aware</p>

Area	Comments
	<p>of all significant deficiencies that do, in fact, exist.</p> <p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention</p>
<p><b>Matters Arising from Discussions With Management</b></p>	<p>We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the Association.</p> <p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>
<p><b>Significant Differences</b></p>	<p>Some significant adjustments were proposed to management with respect to the March 31, 2023 financial statements. A summary of significant differences has been included as Appendix C to this report.</p>
<p><b>Final Materiality</b></p>	<p>Materiality is a concept used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. The scope of our audit work is tailored to reflect the relative size of operations of the Association, and is affected by our assessment of materiality and audit risk.</p> <p>Final materiality used for our audit was \$7,000 for March 31, 2023 and \$7,000 for March 31, 2022.</p>

## Auditor's Views of Significant Accounting Practices

The application of Canadian accounting standards for not-for-profit organizations allows and requires the Association to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your Association's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

Area	Comments
<p><b>Accounting Policies</b></p>	<p>The accounting policies used by the Association are appropriate and have been consistently applied.</p>

Area	Comments
<b>Accounting Estimates</b>	<p>Accounts Receivable</p> <p>Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.</p>
<b>Financial Statement Disclosures</b>	<p>The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.</p>

# Other Matters

---

## Management Representations

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.

# Appendix A - MNP Audit Process

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Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the Association and its environment, the applicable financial reporting framework and the Association's system of internal control (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees; and
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the financial statements;
- Not directly related to items that are material to the financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the financial statements.

# Appendix B - Significant and Higher Risk Areas and Responses

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## Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
<p><b>Revenue</b></p> <p>Risk that revenues have been recorded at the incorrect amount or in the incorrect period.</p>	<p>We vouched a sample of agreements and other revenues to their supporting documentation, and traced all revenues to deposits to the bank.</p> <p>We reviewed the supporting agreement for contributions or funding revenues to ensure all criteria for revenue recognition, if any exist, had been met.</p> <p>Results: Adjustments were made to revenue and deferred revenue. Refer to the Summary of Significant Differences table below.</p>

## Higher Risk Areas and Responses

Higher Risk Area	Response and Conclusion
<p><b>Expenses</b></p> <p>Risk that expenses are overstated and not all expenses actually occurred during the year.</p>	<p>A sample of expense transactions was agreed to the supporting invoices. Transactions occurring subsequent to year end were tested to ensure they are recorded in the appropriate period.</p> <p>Results: No issues noted.</p>

# Appendix C - Summary of Significant Differences

## Significant Adjusted Differences

Differences Noted	Items Affected	Financial Position	Operations
To adjust the NALMA funding receivable as at March 31, 2023.	Accounts receivable overstated, Revenue overstated	\$ (11,272)	\$ 11,272
To record 2023 deferred revenue and payable balances related to NALMA funding.	Deferred revenue overstated, Accounts payable understated, Revenue overstated	\$ (42,775)	\$ 42,775
To record the current-year impacts of 2022 adjusting entries.	Deferred revenue understated, Net assets overstated	\$ (56,701)	\$ -
To adjust wages payable as at March 31, 2023.	Wages payable understated, Wage expense understated	\$ (7,861)	\$ 7,861
To record the payable balance for Love HR as at March 31, 2023.	Accounts payable understated, Office expense understated	\$ (3,634)	\$ 3,634
To adjust NALMA funding receivable for the impact of adjusting entries to expenses.	Accounts receivable understated, Revenue understated	\$ 6,675	\$ (6,675)
<b>Total Adjusted Differences (Income Effect)</b>			<b>\$ 58,867</b>

# Appendix C - Summary of Significant Differences (continued from previous page)

## Significant Unadjusted Differences

Differences Noted	Items affected	Financial Position	Operations
To record the potential overstatement of accrued audit fees.	Accounts payable overstated, Expenses overstated	\$ 1,286	\$ (1,286)
<b>Total Unadjusted Differences (Income Effect)</b>			<b>\$ (1,286)</b>

Canadian generally accepted auditing standards require that we request of management and the Board of Directors that identified unadjusted differences be corrected. We have made this request of management, however based on both quantitative and qualitative considerations management has decided not to correct those identified differences that remain unadjusted. They have represented to us that in their judgment the unadjusted differences are, both individually and in the aggregate, not material to the financial statements.

We concur with management's representation that the unadjusted differences are not material to the financial statements and, accordingly, these unadjusted differences have no effect on our Independent Auditor's Report.

# Draft Independent Auditor's Report

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(See Attached)



# Independent Auditor's Report

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To the Members of B.C. Aboriginal Land Managers Association:

## Opinion

We have audited the financial statements of B.C. Aboriginal Land Managers Association (the "Association"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets 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 Association as at March 31, 2023, and the results of its operations and its 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 Association 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.

## Emphasis of Matter

We draw attention to Note 2 to the financial statements which describes that the Association adopted Canadian accounting standards for not-for-profit organizations on April 1, 2022 with a transition date of April 1, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2022 and April 1, 2021, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2022 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 statements.

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 Association'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 Association'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 Association 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.

Vernon, British Columbia

July 13, 2023

Chartered Professional Accountants

# Management Representations

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(See Attached)

# MADE <sup>IN</sup> CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

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**B.C. Aboriginal Land Managers Association**  
**Financial Statements**  
*March 31, 2023*

# B.C. Aboriginal Land Managers Association Contents

*For the year ended March 31, 2023*

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## Management's Responsibility

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To the Members of B.C. Aboriginal Land Managers Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

July 13, 2023

e-Signed by Cindy Couch

2023-07-13 09:37:06:06 PDT

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Executive Director

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To the Members of B.C. Aboriginal Land Managers Association:

## Opinion

We have audited the financial statements of B.C. Aboriginal Land Managers Association (the "Association"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets 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 Association as at March 31, 2023, and the results of its operations and its 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 Association 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.

## Emphasis of Matter

We draw attention to Note 2 to the financial statements which describes that the Association adopted Canadian accounting standards for not-for-profit organizations on April 1, 2022 with a transition date of April 1, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2022 and April 1, 2021, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2022 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 statements.

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 Association'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 Association'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 Association 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.

Vernon, British Columbia

July 13, 2023

*MNP* LLP

Chartered Professional Accountants

# B.C. Aboriginal Land Managers Association

## Statement of Financial Position

*As at March 31, 2023*

	<b>2023</b>	2022	<i>April 1 2021</i>
<b>Assets</b>			
<b>Current</b>			
Cash	166,197	131,117	-
Accounts receivable	6,675	-	35,588
Marketable securities (Note 4)	10,000	10,000	-
Prepaid expenses and deposits	1,500	3,000	-
	<b>184,372</b>	144,117	35,588
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accruals (Note 5)	129,725	10,739	-
Deferred contributions (Note 6)	3,000	97,790	-
	<b>132,725</b>	108,529	-
<b>Net Assets</b>			
Unrestricted	51,647	35,588	35,588
	<b>184,372</b>	144,117	35,588

**Approved on behalf of the Board**

e-Signed by Thomas Bob  
2023-07-13 13:04:28:28 PDT

**Director**

e-Signed by Stephen Jimmie  
2023-07-13 13:43:05:05 PDT

**Director**

*The accompanying notes are an integral part of these financial statements*

**B.C. Aboriginal Land Managers Association**  
**Statement of Operations**  
*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Grant revenue	188,634	22,780
Memberships	12,000	-
Other revenue	3,172	-
	<b>203,806</b>	22,780
<b>Expenses</b>		
Professional fees	51,431	11,039
Annual general meeting	38,314	-
Salaries and benefits <i>(Note 8)</i>	29,350	-
Office	25,457	7,020
Travel	22,505	337
Rent	18,750	3,000
Utilities	1,758	675
Bank charges and interest	182	709
	<b>187,747</b>	22,780
<b>Excess of revenue over expenses</b>	<b>16,059</b>	-

*The accompanying notes are an integral part of these financial statements*

**B.C. Aboriginal Land Managers Association**  
**Statement of Changes in Net Assets**

*For the year ended March 31, 2023*

---

	<i>Unrestricted</i>	<b>2023</b>	<i>2022</i>
<b>Net assets, beginning of year</b>	<b>35,588</b>	<b>35,588</b>	35,588
<b>Excess of revenue over expenses</b>	<b>16,059</b>	<b>16,059</b>	-
<b>Net assets, end of year</b>	<b>51,647</b>	<b>51,647</b>	35,588

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*The accompanying notes are an integral part of these financial statements*

## B.C. Aboriginal Land Managers Association

### Statement of Cash Flows

For the year ended March 31, 2023

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	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from grants	181,959	120,570
Cash receipts from membership fees	9,000	35,588
Cash paid for program service expenses	(135,633)	(14,332)
Cash paid for salaries and benefits	(20,064)	-
Cash paid for interest	(182)	(709)
<b>Increase in cash resources</b>	<b>35,080</b>	<b>141,117</b>
<b>Cash resources, beginning of year</b>	<b>141,117</b>	<b>-</b>
<b>Cash resources, end of year</b>	<b>176,197</b>	<b>141,117</b>
<b>Cash resources are composed of:</b>		
Cash	166,197	131,117
Marketable securities	10,000	10,000
	<b>176,197</b>	<b>141,117</b>

---

The accompanying notes are an integral part of these financial statements

# B.C. Aboriginal Land Managers Association

## Notes to the Financial Statements

For the year ended March 31, 2023

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### 1. Incorporation and nature of the organization

B.C. Aboriginal Land Managers Association (the "Association") was incorporated under the Society Act of British Columbia on November 14, 2014 and is registered as a not-for-profit organization, and thus is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act ("the Act").

The Association operates as a technical land advisory body, whose primary objective is to engage First Nation land managers in opportunities that will enhance their skills and knowledge and provide tools and systems to efficiently and effectively manage their lands.

### 2. Impact of adopting accounting standards for not-for-profit organizations

These are the Association's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2023, the comparative information for the year ended March 31, 2022, and the opening ASNPO statement of financial position as at April 1, 2021 (the Association's date of transition to ASNPO).

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

### 3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Marketable securities**

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in the excess of revenues over expenses.

#### **Financial instruments**

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

#### **Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

# B.C. Aboriginal Land Managers Association

## Notes to the Financial Statements

For the year ended March 31, 2023

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### 3. Significant accounting policies (Continued from previous page)

#### **Financial instruments** (Continued from previous page)

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

#### **Related party financial instruments**

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

#### **Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

#### **Revenue recognition**

The Association 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.



# B.C. Aboriginal Land Managers Association

## Notes to the Financial Statements

*For the year ended March 31, 2023*

**3. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition** *(Continued from previous page)*

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income, memberships and other income are recognized as revenue when earned.

**4. Marketable securities**

Marketable securities includes a Guaranteed Investment Certificate with an interest rate of 2.25%, maturing March 2024.

**5. Accounts payable and accruals**

	2023	2022
Accounts payable and accruals	30,249	10,739
Grants repayable	99,476	-
	<b>129,725</b>	<b>10,739</b>

**6. Deferred contributions**

Deferred contributions consist of unspent contributions externally restricted for approved expenses related to funding agreements. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	97,790	-
Amount received during the year	185,537	120,570
Less: Amount recognized as revenue during the year	(180,851)	(22,780)
Less: Amount considered repayable at the end of the year	(99,476)	-
Balance, end of year	<b>3,000</b>	<b>97,790</b>

**7. Related party transactions**

Included in grant revenue is \$188,634 (2022 - \$22,780) received from National Aboriginal Lands Managers Association ("NALMA"), a related party. Grant revenue received from NALMA not meeting revenue recognition criteria as of year-end has been included in deferred contributions (Note 6).

Included in accounts payable and accruals is \$99,476 (2022 - \$nil) of grants repayable to NALMA.

**8. Association remuneration**

During the year, the Association paid \$nil (2022 - \$nil) to employees and contractors whose total remuneration for the year was greater than \$75,000. No remuneration was paid to any members of the Board of Directors.

**9. Financial instruments**

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

July 13, 2023

MNP LLP  
3009 28th Street  
Suite A  
Vernon, British Columbia V1T 4Z7

To Whom It May Concern:

In connection with your audit of the financial statements of B.C. Aboriginal Land Managers Association (the "Association") as at March 31, 2023 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 1, 2023, for the preparation and fair presentation of the Association's financial statements and comparatives in accordance with Canadian accounting standards for not-for-profit organizations. We believe these financial statements and comparatives are complete and present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and the results of its operations and its cash flows, in accordance with Canadian accounting standards for not-for-profit organizations.
2. We acknowledge that this is the first time the Association has prepared its financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), having not previously prepared financial statements.

In relation to our application of Section 1501 First-time Adoption by Not-for-Profit Organizations, we have:

- Reviewed the requirements of ASNPO and have identified all material differences that impact the Association (adjustments and disclosure);
- Appropriately calculated and accounted for each of the transition adjustments required and have provided you with supporting documentation; and
- Restated the opening balance sheet at April 1, 2021 and the comparative financial statements for the year ended March 31, 2022 in accordance with ASNPO, including the transition disclosures.

3. All transactions have been recorded in the accounting records and are reflected in the financial statements, and are reported in the appropriate period.
4. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Association's financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian accounting standards for not-for-profit organizations, and are applied consistently throughout the financial statements.
5. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of Canadian accounting standards for not-for-profit organizations.
6. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the financial statement effects of the entries.
7. We believe the effects of those uncorrected financial statement differences aggregated by you during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these differences has been attached as Appendix A to this written representation.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
9. All events or transactions that have occurred subsequent to the balance sheet and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.
10. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.
11. All liabilities, both known and contingent, requiring recognition or disclosure in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations have been adjusted or disclosed as appropriate.
12. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
13. All assets, wherever located, to which the Association had satisfactory title at the year-end, have been fairly stated and recorded in the financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the financial statements.
14. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the financial statements.
15. All restricted cash has been appropriately designated and separated from operating funds.

16. All cash accounts have been appropriately recorded in the financial statements and all terms and associated conditions have been disclosed to you in full. We have provided you with the most current banking agreements.
17. Investments in marketable securities are appropriately recorded in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations. All events or circumstances giving rise to impairments are reflected in the financial statements.
18. Accounts and contributions receivable are correctly described in the records and represent valid claims as at March 31, 2023. An appropriate allowance has been made for losses from uncollectible accounts and for costs or expenses that may be incurred with respect to sales made or services rendered.
19. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Association is not entitled to the proceeds.
20. Contributions have been recognized only where a non-reciprocal transfer of cash or other assets, or a non-reciprocal settlement or cancellation of liabilities has occurred, and the amounts have been collected or are collectible. Contributions have been recognized in accordance with any stipulated restrictions and are recorded in the financial statements according to the requirements of Canadian accounting standards for not-for-profit organizations.

#### **Information Provided**

1. We have responded fully to all inquiries made to us and have made available to you:
  - A complete record of all financial records that are relevant to the preparation and presentation of the financial statements, related data and minutes of the meetings of members and board of directors held throughout the year to the present date as well as summaries of recent meetings for which minutes have not yet been prepared;
  - Additional information that you have requested from us for the purpose of your audit;
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.
3. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the financial statements.
5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.

6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the financial statements, including non-compliance.
7. We have disclosed to you the identities of all related parties to the Association and all related party relationships and transactions of which we are aware.
8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.
9. There are no discussions with your firm's personnel regarding employment with the Association.

**Professional Services**

1. We acknowledge the engagement letter dated February 1, 2023, which states the terms of reference regarding your professional services.
2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Association's audit.

Sincerely,

B.C. Aboriginal Land Managers Association

e-Signed by Cindy Couch  
2023-07-13 09:37:19 PDT

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

## Appendix A - Summary of Differences

Description of Differences	Proposed Adjustments DR (CR)				
	Operations		Financial Position		
	Identified	Likely Aggregate	Assets	Liabilities	Net Assets
To adjust the NALMA funding receivable as at March 31, 2023.	\$ 11,272	\$ 11,272	\$ (11,272)	\$ -	\$ 11,272
To record 2023 deferred revenue and payable balances related to NALMA funding.	\$ 42,775	\$ 42,775	\$ -	\$ (42,775)	\$ 42,775
To record the current-year impacts of 2022 adjusting entries.	\$ -	\$ -	\$ -	\$ (56,701)	\$ 56,701
To adjust wages payable as at March 31, 2023.	\$ 7,861	\$ 7,861	\$ -	\$ (7,861)	\$ 7,861
To record the payable balance for Love HR as at March 31, 2023.	\$ 3,634	\$ 3,634	\$ -	\$ (3,634)	\$ 3,634
To adjust NALMA funding receivable for the impact of adjusting entries to expenses.	\$ (6,675)	\$ (6,675)	\$ 6,675	\$ -	\$ (6,675)
To record the potential overstatement of accrued audit fees.	\$ (1,286)	\$ (1,286)	\$ -	\$ 1,286	\$ (1,286)
<b>Total</b>	\$ 57,581	\$ 57,581	\$ (4,597)	\$ (109,685)	\$ 114,282
Differences corrected by management	\$ 58,867	\$ 58,867	\$ (4,596)	\$ (110,971)	\$ 115,567
<b>Total differences net of corrections</b>	\$ (1,286)	\$ (1,286)	\$ -	\$ 1,286	\$ (1,286)
Current period differences	\$ (1,286)	\$ (1,286)	\$ -	\$ 1,286	\$ (1,286)
Final overall materiality	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
<b>Excess (shortfall)</b>	\$ 5,714	\$ 5,714	\$ 7,000	\$ 5,714	\$ 5,714

July 13, 2023

Cindy Couch  
B.C. Aboriginal Land Managers Association  
5214 Clcahl Road  
Armstrong, BC V0E 1B4

Dear Ms. Couch:

**Management letter for the year ended March 31, 2023**

We have recently completed our audit of B.C. Aboriginal Land Managers Association in accordance with Canadian generally accepted auditing standards ("GAAS"). The objective of our audit was to express an opinion on the financial statements, which have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Included in our audit was the consideration the system of internal control relevant financial reporting. This consideration of the system of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of the system of internal control or for identifying all significant control deficiencies that might exist.

An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities, however, during the course of our audit, we did, identify some areas for improvement that we are bringing to your attention with this letter. It is our responsibility to communicate any significant deficiencies identified to those charged with governance. A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

**Expense form documentation**

**Observation:**

When submitting expense forms, it appears that the forms are often missing information which is relevant to the amount claimed.

A travel reimbursement is provided for kilometrage, it was noted that no starting or ending locations were not fully recorded on select claims.

**Impact:**

If the kilometrage recorded is not based on actual distances travelled, the total reimbursement amount may be incorrect.

**Recommendation:**

When filling out expense forms, board members and employees should ensure that documentation is complete.

## Meeting Minute Signatures

### **Observation:**

Meeting minutes are lacking documentation of the board president's signature.

When reviewing meeting minutes, there would be no set location for the president's signature and no signing date would be recorded. The signature would instead be between the margins of the bottom of the page.

### **Impact:**

Having no documentation of the signing date creates difficulties in identifying delays between the date of the minutes occurrence and the date of their approval.

### **Recommendation:**

A space should be created in the meeting minute template specifically for the president's signature, as well as the date of signing.

## Tax filings

### **Observation:**

The association has not filed any information returns with the CRA.

Although the requirements to file a T1044 return have not been met, the association has not filed a NIL corporate tax return to inform the CRA that they are under the threshold.

### **Impact:**

The CRA may eventually question whether the association was above the threshold for a given year if the information was not provided, this can cause additional time to be required to communicate with the CRA and provide the necessary information.

### **Recommendation:**

Once access to the association's CRA accounts is gained, corporate tax returns should be filed to inform the CRA that the association is below the T1044 requirement threshold.

We have discussed the matters in this letter with Cindy Couch and received their comments thereon.

We would like to express our appreciation for the co-operation and assistance we have received during the course of our audit from Dee Danallanko.



We would be pleased to discuss with you further any matters mentioned in this letter at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Sincerely,

*MNP LLP*

**Chartered Professional Accountants**

**B.C. Aboriginal Land Managers Association**

Year End: March 31, 2023

Adjusting Journal Entries

Date: 01/04/2022 To 31/03/2023

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence
1	31/03/2023	Accounts Receivable	13000	C. 1		11,271.90	
1	31/03/2023	NALMA Funding:Core Administration	40000	C. 1	11,271.90		
To adjust the NALMA funding receivable as at March 31, 2023.							
2	31/03/2023	Grants Repayable - NALMA	22000	KK. 2		99,475.94	
2	31/03/2023	Deferred Revenue - NALMA Funding	26000	KK. 2	56,700.51		
2	31/03/2023	NALMA Funding:Core Administration	40000	KK. 2	41,089.87		
2	31/03/2023	NALMA Funding:NALMA - AGM	40300	KK. 2	1,685.56		
To record 2023 deferred revenue and payable balances related to NALMA funding.							
3	31/03/2023	Deferred Revenue - NALMA Funding	26000	GP14. 1		56,700.51	
3	31/03/2023	Retained Earnings (to be reallocated)	36000	GP14. 1	56,700.51		
To record the current-year impacts of 2022 adjusting entries.							
4	31/03/2023	Payroll Liabilities:Payroll Deductions Payable	23000	BB. 2		361.05	
4	31/03/2023	Payroll Liabilities:WorksafeBC Payable	23500	BB. 2		5.01	
4	31/03/2023	Payroll Liabilities:Vacation Payable	24000	BB. 2		925.56	
4	31/03/2023	Payroll liabilities:Sick Leave Payable	24100	BB. 2		4,357.30	
4	31/03/2023	Wages payable	24500	BB. 2		2,211.87	
4	31/03/2023	Salaries and Benefits:Wages - Executive Directc	53005	BB. 2	7,667.48		
4	31/03/2023	Salaries and Benefits:CPP/EI (Core)	53100	BB. 2	193.31		
To adjust wages payable as at March 31, 2023.							
5	31/03/2023	Accounts Payable	21000	BB. 3		3,634.23	
5	31/03/2023	HR Fees (Core)	52045	BB. 3	3,634.23		
To record the payable balance for Love HR as at March 31, 2023.							
6	31/03/2023	Accounts Receivable	13000	KK. 2	6,675.43		
6	31/03/2023	NALMA Funding:Core Administration	40000	KK. 2		6,675.43	
To adjust NALMA funding receivable for the impact of adjusting entries to expenses.							
PBC1	31/03/2023	Accounts Receivable	13000	TB. 2	11,271.90		
PBC1	31/03/2023	Retained Earnings (to be reallocated)	36000	TB. 2	41,089.87		
PBC1	31/03/2023	NALMA Funding:Core Administration	40000	TB. 2		52,361.77	
PBC1	31/03/2023	AGM:Member & Facilitator Travel Expenses (AG 51100		TB. 2	1,103.66		
PBC1	31/03/2023	Core Administration/Operations:Rent (Core)	52130	TB. 2		1,500.00	
PBC1	31/03/2023	Core Administration/Operations:Honorariums (C	52160	TB. 2		550.00	
PBC1	31/03/2023	Staff and Board Activities/Travel:Board Travel	54010	TB. 2		588.06	
PBC1	31/03/2023	Staff and Board Activities/Travel:Staff Travel	54020	TB. 2	34.40		
PBC1	31/03/2023	Unexpended Funding Plan (UFP):Rent (UFP)	55060	TB. 2	1,500.00		
To post PBC adjusting journal entries							
						<b>240,618.63</b>	<b>240,618.63</b>

**Net Income (Loss) 16,058.40**

11/07/2023  
11:49 AM

e-Signed by Cindy Couch  
2023-07-13 09:37:56:56 PDT

<b>Preparer</b> AB 20/06/2023	<b>Detailed</b> JK 29/06/2023	<b>Supervisory</b> JLS 30/06/2023
<b>Peer</b> KMM 10/07/2023	<b>Tax</b>	

**TB1**

**B.C. Aboriginal Land Managers Association**

Year End: March 31, 2023

Reclassifying Journal Entries

Date: 01/04/2022 To 31/03/2023

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence
R1	31/03/2023	Prepaid Expenses	14000	BB. 4		8,719.00	
R1	31/03/2023	Accounts Payable	21000	BB. 4	8,719.00		
To reclassify balances which appear within prepaid expenses as well as accounts payable.							
R2	31/03/2023	BMO Savings 5811	10600	A.1A	2,700.00		
R2	31/03/2023	Accounts Receivable	13000	A.1A	300.00		
R2	31/03/2023	Deferred Revenue - Membership Fees	26100	A.1A		3,000.00	
To record membership fees which were received on March 31, 2023.							
					<b>11,719.00</b>	<b>11,719.00</b>	
<b>Net Income (Loss)</b>			<b>16,058.40</b>				

e-Signed by Cindy Couch  
2023-07-13 09:38:07:07 PDT

11/07/2023  
11:49 AM

<b>Preparer</b> AB 20/06/2023	<b>Detailed</b> JK 29/06/2023	<b>Supervisory</b>
Peer	Tax	TB2

# B.C. Aboriginal Land Managers Association

Year End: March 31, 2023

## Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Rep 03/22	%Chg	Leadsheet
10500 BMO Chequing 6136	115,938.85	0.00	0.00	115,938.85	95,528.92	21	A
10600 BMO Savings 5811	47,558.12	0.00	2,700.00	50,258.12	35,588.22	41	A
1100 BMO GIC	10,000.00	0.00	0.00	10,000.00	10,000.00	0	B
13000 Accounts Receivable	-300.00	6,675.43	300.00	6,675.43	0.00	0	C
14000 Prepaid Expenses	8,719.00	0.00	-8,719.00	0.00	1,500.00	-100	F
15000 Security Deposits	1,500.00	0.00	0.00	1,500.00	1,500.00	0	F
20000 BMO Credit Card	-845.43	0.00	0.00	-845.43	0.00	0	BB
21000 Accounts Payable	-11,421.36	-3,634.23	8,719.00	-6,336.59	-10,738.54	-41	BB
21500 Accrued Liabilities	-13,781.25	0.00	0.00	-13,781.25	0.00	0	BB
23000 Payroll Liabilities:Payroll D	-722.08	-361.05	0.00	-1,083.13	0.00	0	BB
23500 Payroll Liabilities:WorksafEB	-30.06	-5.01	0.00	-35.07	0.00	0	BB
24000 Payroll Liabilities:Vacation	-673.64	-925.56	0.00	-1,599.20	0.00	0	BB
24100 Payroll liabilities:Sick Leav	0.00	-4,357.30	0.00	-4,357.30	0.00	0	BB
24500 Wages payable	0.00	-2,211.87	0.00	-2,211.87	0.00	0	BB
22000 Grants Repayable - NALMA	0.00	-99,475.94	0.00	-99,475.94	0.00	0	BB. 2
26000 Deferred Revenue - NALMA	0.00	0.00	0.00	0.00	-97,790.38	-100	KK
26100 Deferred Revenue - Member:	0.00	0.00	-3,000.00	-3,000.00	0.00	0	KK
34000 Unrestricted Equity	-35,588.22	0.00	0.00	-35,588.22	-35,588.22	0	WW
36000 Retained Earnings (to be rea	-97,790.38	97,790.38	0.00	0.00	0.00	0	WW
40000 NALMA Funding:Core Admin	-101,447.10	-6,675.43	0.00	-108,122.53	-22,780.32	375	20
40100 NALMA Funding:NALMA Tra	-1,107.15	0.00	0.00	-1,107.15	0.00	0	20
40200 NALMA Funding:Unexpender	-41,089.87	0.00	0.00	-41,089.87	0.00	0	20
40300 NALMA Funding:NALMA - Al	-40,000.00	1,685.56	0.00	-38,314.44	0.00	0	20
45000 Other Income:BCALM Memb	-12,000.00	0.00	0.00	-12,000.00	0.00	0	20
46000 Other Income:Miscellaneous	-3,172.46	0.00	0.00	-3,172.46	0.00	0	20
51000 AGM:Accommodations, Cate	24,531.07	0.00	0.00	24,531.07	0.00	0	40
51100 AGM:Member & Facilitator Tr	12,679.71	1,103.66	0.00	13,783.37	0.00	0	40
52020 Core Administration/Operatio	27,011.25	0.00	0.00	27,011.25	0.00	0	40
52030 Core Administration/Operatio	181.83	0.00	0.00	181.83	708.98	-74	40
52040 Core Administration/Operatio	1,521.46	0.00	0.00	1,521.46	136.64	1013	40
52045 HR Fees (Core)	0.00	3,634.23	0.00	3,634.23	0.00	0	40
52070 Core Administration/Operatio	1,682.69	0.00	0.00	1,682.69	0.00	0	40
52080 Core Administration/Operatio	3,860.21	0.00	0.00	3,860.21	393.08	882	40
52090 Core Administration/Operatio	3,409.77	0.00	0.00	3,409.77	714.71	377	40
52100 Core Administration/Operatio	324.75	0.00	0.00	324.75	11.40	2749	40
52110 Core Administration/Operatio	602.01	0.00	0.00	602.01	0.00	0	40
52130 Core Administration/Operatio	12,750.00	-1,500.00	0.00	11,250.00	3,000.00	275	40
52140 Core Administration/Operatio	1,030.47	0.00	0.00	1,030.47	5,764.53	-82	40
52160 Core Administration/Operatio	550.00	-550.00	0.00	0.00	0.00	0	40
52170 Core Administration/Operatio	1,758.34	0.00	0.00	1,758.34	675.08	160	40
53000 Salaries and Benefits:Wages	162.50	0.00	0.00	162.50	0.00	0	40
53005 Salaries and Benefits:Wages	14,981.36	7,667.48	0.00	22,648.84	0.00	0	40
53100 Salaries and Benefits:CPP/EI	1,159.83	193.31	0.00	1,353.14	0.00	0	40
53200 Salaries and Benefits:Extend	5,185.95	0.00	0.00	5,185.95	0.00	0	40
54000 Staff and Board Activities/Tr	9,846.29	0.00	0.00	9,846.29	336.85	2823	40
54010 Staff and Board Activities/Tr	12,859.76	-588.06	0.00	12,271.70	0.00	0	40
54020 Staff and Board Activities/Tr	352.70	34.40	0.00	387.10	0.00	0	40
55000 Unexpended Funding Plan (L	7,815.01	0.00	0.00	7,815.01	540.00	1347	40
55020 Unexpended Funding Plan (L	1,082.35	0.00	0.00	1,082.35	0.00	0	40
55030 Unexpended Funding Plan (L	3,644.00	0.00	0.00	3,644.00	0.00	0	40

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e-Signed by Cindy Couch  
2023-07-13 09:38:14:14 PDT

Preparer AB 23/05/2023	Detailed JK 18/06/2023	Supervisory
Peer	Tax	

TB

**B.C. Aboriginal Land Managers Association**

Year End: March 31, 2023

**Trial Balance**

Account	Prelim	Adj's	Reclass	Rep	Rep 03/22 %Chg	Leadsheet
55040 Unexpended Funding Plan (L	16,604.72	0.00	0.00	16,604.72	10,499.05	58 40
55060 Unexpended Funding Plan (L	6,000.00	1,500.00	0.00	7,500.00	0.00	0 40
55100 Unexpended Funding Plan (L	4,665.00	0.00	0.00	4,665.00	0.00	0 40
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
<b>Net Income (Loss)</b>	<b>22,563.55</b>			<b>16,058.40</b>	<b>0.00</b>	

e-Signed by Cindy Couch  
2023-07-13 09:38:20:20 PDT

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Preparer AB 23/05/2023	Detailed JK 18/06/2023	Supervisory
Peer	Tax	