

**FNJC First Nations Justice Council**  
**Financial Statements**  
**For the Year Ended March 31, 2025**

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**Financial Statements**  
**For the Year Ended March 31, 2025**

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## Independent Auditor's Report

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**To the Members of the Board of the FNJC First Nations Justice Council**

### Opinion

We have audited the financial statements of the FNJC First Nations Justice Council doing business as the BC First Nations Justice Council (the "Council"), which comprise the statement of financial position as at March 31, 2025, 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 Council as at March 31, 2025, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council 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.

### 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council'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 Council'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 Council'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 Council 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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

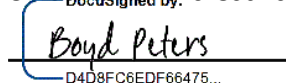
*BDO Canada LLP*

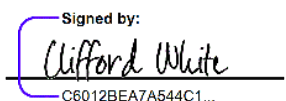
Chartered Professional Accountants  
Kelowna, British Columbia  
July 17, 2025

## FNJC First Nations Justice Council Statement of Financial Position

March 31	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 9,013,789	\$ 24,468,893
Accounts receivable	7,696,851	856,730
Prepaid expenses	327,694	796,382
	<b>17,038,334</b>	26,122,005
Equipment and leasehold improvements (Note 2)	5,295,230	3,572,749
	<b>\$22,333,564</b>	\$ 29,694,754
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 1,713,184	\$ 1,250,019
Deferred revenue (Note 4)	15,322,279	24,135,032
	<b>17,035,463</b>	25,385,051
<b>Net Assets</b>		
Invested in equipment and leasehold improvements	5,295,230	3,572,749
Unrestricted net assets	(1,512,133)	211,421
Internally restricted operating reserve (Note 5)	1,107,004	365,533
Internally restricted litigation reserve (Note 5)	408,000	160,000
	<b>5,298,101</b>	4,309,703
	<b>\$22,333,564</b>	\$ 29,694,754

On behalf of the Council:

 Director  
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Signed by:  
 Director  
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**FNJC First Nations Justice Council**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>Invested in Equipment and Leasehold Improvements</b>	<b>Unrestricted Net Assets</b>	<b>Internally Restricted Operating Reserve</b>	<b>Internally Restricted Litigation Reserve</b>	<b>2025</b>	<b>2024</b>
<b>Balance, beginning of the year</b>	<b>\$ 3,572,749</b>	<b>\$ 211,421</b>	<b>\$ 365,533</b>	<b>\$ 160,000</b>	<b>\$ 4,309,703</b>	<b>\$ 572,422</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(1,511,239)</b>	<b>2,499,637</b>	<b>-</b>	<b>-</b>	<b>988,398</b>	<b>3,737,281</b>
<b>Purchase of equipment and leasehold improvements</b>	<b>3,233,720</b>	<b>(3,233,720)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to reserves</b>	<b>-</b>	<b>(989,471)</b>	<b>741,471</b>	<b>248,000</b>	<b>-</b>	<b>-</b>
<b>Balance, end of the year</b>	<b>\$ 5,295,230</b>	<b>\$ (1,512,133)</b>	<b>\$ 1,107,004</b>	<b>\$ 408,000</b>	<b>\$ 5,298,101</b>	<b>\$ 4,309,703</b>

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

## FNJC First Nations Justice Council

### Statement of Operations

For the year ended March 31	2025	2024
<b>Revenue</b>		
Province of British Columbia	\$21,696,398	\$ 13,622,937
Government of Canada	4,283,817	4,073,730
Law Foundation of British Columbia	2,427,718	1,467,920
Other Funding	84,426	-
	<u>28,492,359</u>	<u>19,164,587</u>
<b>Expenses</b>		
Advertising and Promotion	470,458	192,055
Amortization	1,511,239	854,076
Bank Charges and Processing Fees	39,799	13,088
Building and Equipment Rental	2,368,288	759,238
Building and Equipment Repairs and Maintenance	59,987	75,238
Building and Equipment Utilities	146,340	49,855
Contract Gladue reporting	462,643	730,500
Cultural Protocols	28,639	64,998
Grants to First Nations Communities	1,638,000	-
Honoraria - Elders	127,757	82,370
Honoraria - Justice, Elders and Knowledge Keepers	265,213	248,500
Honoraria - Steering Committee	96,915	3,900
IT Subscriptions, Support and Supplies	888,108	754,481
Insurance	19,401	58,422
Justice Forum, Community Engagement and Outreach	931,972	129,676
Legal Research and Library Fees	96,486	11,987
Litigation	216,266	111,115
Meetings	158,015	55,063
Memberships and Licenses	190,852	81,560
Office	224,784	167,390
Professional Fees	1,692,563	1,719,353
Telephone and Internet	162,666	88,037
Training and Education	262,526	179,291
Travel	671,430	544,131
Wages and Benefits	15,515,085	8,818,515
	<u>28,245,432</u>	<u>15,792,839</u>
<b>Income before other income</b>	246,927	3,371,748
<b>Other income</b>		
Interest	741,471	365,533
<b>Excess of revenue over expenses</b>	<u>\$ 988,398</u>	<u>\$ 3,737,281</u>

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

## FNJC First Nations Justice Council Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Cash receipts from funders	<b>\$13,580,954</b>	\$ 39,309,654
Cash paid to suppliers, contractors and employees	<b>(25,802,338)</b>	(14,879,460)
	<b>(12,221,384)</b>	24,430,194
<b>Cash flows from investing activities</b>		
Acquisition of equipment and leasehold improvements	<b>(3,233,720)</b>	(3,842,206)
<b>Net (decrease) increase in cash</b>	<b>(15,455,104)</b>	20,587,988
<b>Cash, beginning of the year</b>	<b>24,468,893</b>	3,880,905
<b>Cash, end of the year</b>	<b>\$ 9,013,789</b>	\$ 24,468,893

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



## 1. Significant Accounting Policies

The Council represents First Nations in BC on justice-related issues to bring about transformative change to the legal system.

**Revenue Recognition** The Council follows the deferral method of accounting for contributions. Contributions received which are subject to external restrictions are recognized as revenues in the year in which the related disbursements are incurred. Unrestricted contributions are recognized as revenues in the year in which they were received.

<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consist of cash on hand and cash held in the bank.
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**Use of Estimates** The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

<b>Equipment and Leasehold Improvements</b>	Equipment and leasehold improvements are stated at cost less accumulated amortization. Amortization is provided on a straight-line and declining basis over the assets' estimated lives as follows:
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	Method	Rate
Computer equipment	Declining balance	55%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	5 years

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## **FNJC First Nations Justice Council Notes to Financial Statements**

**March 31, 2025**

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### **1. Significant Accounting Policies (continued)**

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

## FNJC First Nations Justice Council Notes to Financial Statements

**March 31, 2025**

### 2. Equipment and Leasehold Improvements

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 99,026	\$ (91,672)	\$ 99,026	\$ (82,683)
Furniture and equipment	1,595,869	(482,849)	939,767	(203,389)
Leasehold improvements	6,122,133	(1,947,277)	3,544,515	(724,487)
	<b>7,817,028</b>	<b>(2,521,798)</b>	<b>4,583,308</b>	<b>(1,010,559)</b>
	<b>\$ 5,295,230</b>		<b>\$ 3,572,749</b>	

### 3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$49,063 (2024 - \$36,100).

### 4. Deferred Revenue

Deferred revenue consists of contracts and grants received to pay for expenditures relating to different programs provided by the Council. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made, and the obligations of the funding agreements are met.

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Province of British Columbia	\$17,879,110	\$12,236,490	\$ (21,696,398)	\$ 8,419,202
Government of Canada	1,007,761	5,047,690	(4,283,817)	1,771,634
Law Foundation of British Columbia	5,248,161	2,311,000	(2,427,718)	5,131,443
	<b>\$24,135,032</b>	<b>\$19,595,180</b>	<b>\$(28,407,933)</b>	<b>\$ 15,322,279</b>

## 5. Internally Restricted

**Operating** - The purpose of this reserve is to fund general unforeseen operating shortfalls.

## 6. BC Society Act Disclosure

## 7. Related Party Transactions

	2025	2024
Payments to the Council members	\$ 50,000	\$ 10,000
Payments to direct family members of the Council members	\$ 5,022	\$ 11,000

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**FNJC First Nations Justice Council**  
**Notes to Financial Statements**

**March 31, 2025**

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**8. Commitments**

The Council has entered into agreements for operating lease of premises.

The minimum annual lease payments over the next five years and thereafter are as follows:

2026	\$	1,439,530
2027		1,276,304
2028		1,370,129
2029		1,105,869
2030		712,006
Thereafter		<u>2,993,141</u>
	\$	<u>8,896,979</u>

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**9. Economic Dependence**

The Council receives funding from 2 (2024 - 2) funders representing 79% of total contributions received (2024 - 91%). The remainder of the funding received is from foundations and private sources. If any of these primary funding agencies should substantially curtail their funding, it would be of detriment to some programs which the Council operates.

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**10. Comparative Figures**

Certain comparative figures presented for the prior period have been reclassified to conform to the current period's presentation.

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**11. Financial Instrument Risk**

The Council holds various forms of financial instruments. The nature of these instruments and the Council's operations expose the Council to liquidity risk. The Council manages its exposure to this risk by operating in a manner that minimizes its exposure to the extent practical.

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## FNJC First Nations Justice Council

### Notes to Financial Statements

**March 31, 2025**

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#### **11. Financial Instrument Risk (continued)**

##### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Council is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Council's financial instruments that are exposed to concentrations of credit risk relate primarily to its cash and cash equivalents, accounts receivable, and prepaid expenses.

The Council is exposed to credit risk arising from all of its bank accounts being held at one financial institution, and the Council's cash accounts are insured up to \$100,000 (2024 - \$100,000). The majority of the Council's receivables are from government sources, and the Council works to ensure it meets all eligibility criteria in order to qualify to receive the funding. The Council's prepaid expenses primarily relate to rent deposits and Justice forum expenses paid in advance for the event to be held in the next fiscal year which represents little to no risk to the Council as these amounts are budgeted and approved prior to payment. It is management's opinion that the Council is not exposed to significant credit risk arising from its financial instruments. There have not been any changes in the risk from the prior year.

##### **Liquidity risk**

Liquidity risk is the risk that the Council will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Council will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Council is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

The Council's ability to obtain funding from external sources may be restricted if the Council's financial performance and conditions deteriorate.

Management has determined that the Council is not significantly exposed to liquidity risk given its secured funding sources. There have been no changes from the previous year of policies, procedures and methods to measure the risk.