



Financial Statements

First Peoples' Heritage, Language and
Culture Council

March 31, 2023

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Management's Responsibility for Financial Reporting

The financial statements of First Peoples' Heritage, Language and Culture Council have been prepared in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing a system of internal controls to provide reasonable assurance that reliable financial information is provided

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements annually.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of First Peoples' Heritage, Language and Culture Council and meet when required.

On behalf of First Peoples' Heritage, Language and Culture Council

A handwritten signature in black ink, appearing to read "Tracey Herbert". The signature is stylized and cursive.

Tracey Herbert, CEO
May 17, 2023

Independent Auditors' Report

Grant Thornton LLP

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To the members of First Peoples' Heritage, Language and Culture Council,

Opinion

We have audited the financial statements of First Peoples' Heritage, Language and Culture Council, (the "Council"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes net debt, 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 First Peoples' Heritage, Language and Culture Council, as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 these financial statements in accordance with Canadian public sector accounting standards, 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 a 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 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.

Victoria, Canada
May 17, 2023



Chartered Professional Accountants

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

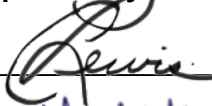
Statement of Financial Position

as of March 31, 2023

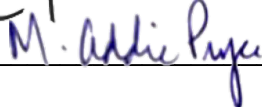
(In Thousands of Dollars)

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and Banks	\$ 10,955	\$ 8,725
Accounts Receivable	5,727	4,594
GST Receivable	96	69
	<u>16,778</u>	<u>13,388</u>
Liabilities		
Accounts Payable	11,160	5,598
Deferred Revenue	5,828	8,094
	<u>16,988</u>	<u>13,692</u>
Total Liabilities	<u>16,988</u>	<u>13,692</u>
Net Financial Assets	<u>(210)</u>	<u>(304)</u>
Non-Financial Assets		
Tangible Capital Assets	484	600
Prepaid Expenses	110	88
	<u>594</u>	<u>688</u>
Total Non-Financial Assets	<u>594</u>	<u>688</u>
Accumulated Surplus	<u>\$ 384</u>	<u>\$ 384</u>

Approved by The Board:



Director



Director

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Statement of Operations

Year Ended March 31, 2023

(In Thousands of Dollars)

	Budget	2023	2022
Revenue			
Grants	\$ 34,337	\$ 31,281	\$ 30,409
Interest and other	140	553	71
Deferred Revenue	-	7,390	1,258
Total Revenue	34,477	39,224	31,739
Expenditures			
Language Programs	25,808	15,446	14,810
First Voices Programs	489	6,746	5,157
Arts Programs	2,225	6,089	3,663
Heritage Programs	1,552	6,249	5,602
Operating Expenses and Overhead			
Administration Salaries/Benefits & Governance	2,699	1,764	1,363
Amortization	260	220	233
Other Operating Costs	1,443	2,710	910
Total Expenses	34,477	39,224	31,739
Accumulated surplus at beginning of year	384	384	384
Accumulated surplus at end of year	\$ 384	\$ 384	\$ 384

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Statement of Change in Net Financial Assets

Year Ended March 31, 2023

(In Thousands of Dollars)

	Budget	2023	2022
Acquisition of tangible capital assets	\$ (154)	\$ (104)	\$ (25)
Amortization of tangible capital assets	260	220	233
	106	116	208
Acquisition of prepaid expense	-	(22)	(9)
Increase in net financial assets	106	94	199
Net financial assets at beginning of year	(304)	(304)	(503)
Net financial assets at end of year	\$ (198)	\$ (210)	\$ (304)

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Statement of Cash Flows

as of March 31, 2023

(In Thousands of Dollars)

	2023	2022
Cash flows from operating activities		
BC Ministry of Indigenous Relations & Reconciliation	\$ 7,600	\$ 1,281
BC Arts Council	1,725	1,725
Heritage Branch	-	150
Ministry of Environment	-	210
Ministry of Advanced Education, Skills and Learning	322	-
Department of Canadian Heritage	13,735	11,454
Aboriginal Neighbors	12	20
BC Ferries	-	14
Creative BC	751	84
First Peoples' Cultural Foundation	6,803	15,078
Margaret A. Cargill Foundation	303	357
Tamalpais Trust	-	6
United Church	15	15
Yukon Native Language Center	15	15
Administration Fees	-	11
Interest Income and Other	553	61
Deferred contributions	7,390	1,258
	39,224	31,739
Cash used for grants and awards	(30,690)	(25,430)
Cash used for salaries and benefits	(4,648)	(3,670)
Cash (used for) recovered from materials and services	(1,552)	4,756
Cash flows from operating activities	2,334	7,395
Investing activity		
Purchase of tangible capital assets	(104)	(25)
Cash flow used by Investing activity	(104)	(25)
INCREASE (DECREASE) IN CASH FLOW	2,230	7,370
Cash and cash equivalents - beginning of year	8,725	1,355
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 10,955	\$ 8,725

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

1. NATURE OF OPERATIONS

The First Peoples' Heritage, Language & Culture Council (the "Council") is a Crown Corporation, established under the *First Peoples' Heritage, Language and Culture Act* and is an agent of the Crown. The Council commenced operations April 1, 1991. The Council is exempt from federal and provincial income taxes. The mission of the Council is as follows:

- To preserve, restore and enhance First Nations' heritage, language and culture;
- To increase understanding and sharing of knowledge, within both First Nations' and non-First Nations' communities; and
- To heighten appreciation and acceptance of the wealth of cultural diversity among British Columbians.

2. COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and continues to have wide reaching implications which affect every community, including the operations of the Council.

The Council follows the BC provincial guidance and orders to conduct their operations within the Provincial Health Officer Orders (PHO), federal and BC provincial government recommendations, BC Workers' Compensation and any other guidelines to conduct its' operations in a safe manner.

The Council is continuing to use technology, work remotely and offer support and programs for grant recipients and Indigenous communities, within their mandate. Management has assessed implications and adjusted estimates and accruals, where possible. Certain areas of service delivery has been reduced due to the nature or ability to conduct these programs in a remote/online environment. Management has no information that would result in a going concern issue for the Council.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements were prepared in accordance with Canadian public sector accounting standards.

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors and reported as per the Service Plan for 2022/23.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days or are cashable.

Financial instruments

The Council's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, all of which are reported at amortized cost.

(continues)

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Computer software	3 years
Furniture and equipment	5 years
Leasehold improvements	7 years

No amortization has been taken on the Art Collection.

Revenue recognition

The Council 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.

Donated services and materials

Donated materials are recorded both as donations and expenses at their fair value when fair value can be reasonably estimated. Donated services are not recorded in the financial statements, as they cannot be reasonably estimated. The Council also receives a number of volunteer hours from the Board of Directors, which have not been recognized, due to the difficulty of estimating their value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Accounts impacted by estimates include collectability of accounts receivable, accrual of accounts payable, and useful life of tangible capital assets.

Grant expenditures are recorded based on the various grant awards and may differ on whether the payable or holdback is set up initially or whether a payable is set up at year end, to reflect an approximation of the expenses for the fiscal year.

At the end of the year, management assessed the various grant awards and programs and have estimated any impairments to grant awards, based on information available at that time. The actual grants paid relating to this fiscal year will vary due to holdbacks and funding that the recipient may not be able to complete based on various factors, including the coronavirus (COVID-19) crisis.

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

4. RELATED PARTY TRANSACTIONS

The Council's Board of Directors and Advisory Committee are appointed by the Minister of Indigenous Relations and Reconciliation. There are two parallel processes for appointment for these positions. Three board positions are appointed by the Board Development Office by application and the other nine directors on the board are selected by the Council's board of governance committee through an application process. These board members are from BC First Nations communities. The Council's Advisory Committee has thirty-four positions, one for each BC First Nations Language, and these Advisory Committee members are selected by the Council's governance committee.

It is inevitable that there will be grants made to the community may be linked to one of the Council's Board or Advisory Committee members. The standard application process and the peer review processes by which the Council selects grants ensures there is not a conflict of interest.

The Council works closely with the First Peoples' Cultural Foundation (the "Foundation") on shared language revitalization goals, including the FirstVoices program. The Foundation is an independent organization with a separate Board of Directors. Transactions with this entity are made under normal operational terms and conditions.

The First Peoples' Heritage, Language and Culture Council is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities are made under normal operational terms and conditions.

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

5. TANGIBLE CAPITAL ASSETS

(In Thousands of Dollars)

<u>Cost</u>	March 31, 2022 Balance	Additions	Disposals	March 31, 2023 Balance
Art Collection	\$ 171	\$ 23	\$ -	\$ 195
Computer equipment	636	76	-	712
Computer software	57	4	-	61
Furniture and Equipment	443	-	-	443
Leasehold Improvements	792	-	-	792
	\$ 2,099	\$ 103	\$ -	\$ 2,203

<u>Accumulated Amortization</u>	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Art Collection	\$ -	\$ -	\$ -	\$ -
Computer equipment	599	57	-	656
Computer software	54	3	-	57
Furniture and Equipment	339	69	-	408
Leasehold Improvements	507	91	-	598
	\$ 1,499	\$ 220	\$ -	\$ 1,719

<u>Net book value</u>	March 31, 2023	March 31, 2022
Art Collection	\$ 195	\$ 171
Computer equipment	56	37
Computer software	4	3
Furniture and Equipment	35	104
Leasehold Improvements	194	285
	\$ 484	\$ 600

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

6. DEFERRED CONTRIBUTIONS

Deferred contributions consists of funding under contribution agreements and other restricted contributions. Contributions are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Deferred contributions consists of the following:

	(in Thousands of Dollars)			
	Balance April 1, 2022	Receipts during year	Transferred to revenue	Balance March 31, 2023
Advanced Education, Sport, Tourism	\$ -	\$ 2,600	\$ 322	\$ 2,278
BC Arts Council	-	1,725	1,725	-
Council of Yukon First Nations	10	25	25	10
Creative BC	-	1,000	750	250
Department of Canadian Heritage	6,660	14,169	20,395	434
First Peoples' Cultural Foundation	789	2,091	1,120	1,760
Margaret A. Cargill Foundation	26	768	329	464
RSF Social Finance	609	605	582	632
	\$ 8,094	\$ 22,983	\$ 25,248	\$ 5,828

	(in Thousands of Dollars)			
	Balance April 1, 2021	Receipts during year	Transferred to revenue	Balance March 31, 2022
BC Arts Council	\$ 221	\$ -	\$ 221	\$ -
Council of Yukon First Nations	-	25	15	10
Creative BC	369	-	369	-
Department of Canadian Heritage	-	18,114	11,454	6,660
First Peoples' Cultural Foundation	204	750	165	789
Indigenous Services Canada	57	-	57	-
Margaret A. Cargill Foundation	373	383	730	26
Ministry of Environment	29	-	29	-
RSF Social Finance	191	561	143	609
	\$ 1,444	\$ 19,833	\$ 13,183	\$ 8,094

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

7. EXPENDITURES BY OBJECT

The following is a summary of expenditures by object (in Thousands of Dollars):

	<u>2023</u>	<u>2022</u>
<u>Expenditures</u>		
Grants	\$ 30,690	\$ 25,430
Salaries and Benefits	4,648	3,670
Purchased services	1,980	1,281
Office Overhead and Operating Costs	663	357
Community Resources, R&D and Jury Costs	465	315
Professional Fees	334	240
Amortization	220	233
Facilities Rent, Heating and Maintenance	163	205
Board and Advisory	61	8
	<u>\$ 39,224</u>	<u>\$ 31,739</u>

8. CAPITAL STOCK

The capital of the Council is one share with a par value of \$100. The share is issued to and held by His Majesty the King in right of the Province of British Columbia.

9. LEASE COMMITMENTS

The Council leases premises under a long term lease that expires on August 31, 2025. Under the lease, the Council is required to pay a base rent of \$78,000. In addition to the above base rent, the Council must pay for its proportionate share of utilities and other related costs for the leased premises.

The minimum annual operating lease payments for the next five years (in Thousands of Dollars) are as follows:

2024	78
2025	33
	<u>\$ 189</u>

In addition, the Council has two leases for additional premises at separate locations. The first agreement is a one-year term for the period of November 15, 2022 to November 14, 2023. The lease requires rent in the amount of \$22,200 per annum with the Council paying additional utilities. The second agreement is a three year term for the period of April 1, 2022 to March 31, 2025. The lease requires rent in the amount of \$3,779 per annum.

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2023

10. PUBLIC SERVICE PENSION PLAN

The Council and its employees contribute to the BC Public Service Pension Plan. The plan is a multi-employer defined benefit plan administered by the British Columbia Pension Corporation in accordance with the *Public Sector Pension Plans Act*.

The plan is accounted for as a defined contribution plan. For the year ended March 31, 2023 the Council paid \$355 (2022: \$260) for employer contributions to the plan.

The plan provides defined pension benefits to employees based on their length of service and rates of pay. The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions. No pension liability for this type of plan is included in the financial statements. Based on the most recent actuarial (March 31, 2020 Actuarial Valuation Report), the financial position of this plan is in a surplus position.

11. FINANCIAL RISK MANAGEMENT

Management's assessment of the Council's exposure to financial instrument risk is as follows:

It is management's opinion that the Council is not exposed to significant liquidity or credit risks arising from these financial instruments.

Liquidity Risk: Cash and cash equivalents are held with financially sound institutions and as such liquidity risk is not significant.

Credit Risk: Accounts receivable balances consist primarily of grants receivable. At the financial statement date, none of the accounts receivable balance is past due and none is considered to be impaired. As such the Council is not exposed to significant credit risk.

Interest Rate Risk: The Council is exposed to interest rate risk through its cash equivalents. It is management's opinion that the Corporation is not exposed to significant interest rate risk as it invests solely in term deposits that have a maturity date of no more than 91 days.

12. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Schedule of Grant Revenue

Year Ended March 31, 2023

(In Thousands of Dollars)

	Budget	2023	2022
Revenue			
BC Ministry of Indigenous Relations & Reconciliation	\$ 7,600	\$ 7,600	\$ 1,281
BC Arts Council	1,725	1,725	1,725
<i>Other Provincial Ministries</i>			
Heritage Branch	-	-	150
Ministry of Advanced Education, Skills and Learning	-	322	-
BC Ministry of Environment	-	-	210
Grants from BC Provincial Ministries	9,325	9,647	3,366
Department of Canadian Heritage	23,100	13,735	11,454
Grants from Federal Ministries	23,100	13,735	11,454
Aboriginal Neighbors	-	12	20
BC Ferries	-	-	14
Creative BC	500	751	84
First Peoples' Cultural Foundation	1,412	6,803	15,078
Margaret A. Cargill Foundation	-	303	357
Tamalpais Trust	-	-	6
United Church	-	15	15
Yukon Native Language Centre	-	15	15
Grants from Non-Governmental Organizations	1,912	7,899	15,589
	\$ 34,337	\$ 31,281	\$ 30,409