



Financial Statements

First Peoples' Heritage, Language and  
Culture Council

March 31, 2024

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# Independent Auditors' Report

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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, 2024, 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, 2024, 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 9, 2024



Chartered Professional Accountants

# FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

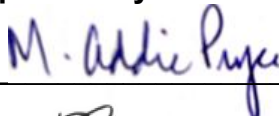
## Statement of Financial Position

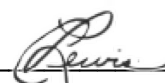
as of March 31, 2024

(In Thousands of Dollars)

	2024	2023
<b>Financial Assets</b>		
Cash and Banks	\$ 19,272	\$ 10,955
Accounts Receivable	343	5,727
GST Receivable	122	96
	<b>19,737</b>	<b>16,778</b>
<b>Liabilities</b>		
Accounts Payable	3,535	11,160
Deferred Revenue (Note 5)	16,429	5,828
	<b>19,964</b>	<b>16,988</b>
<b>Total Liabilities</b>	<b>19,964</b>	<b>16,988</b>
<b>Net Financial Assets</b>	<b>(227)</b>	<b>(210)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 4)	416	484
Prepaid Expenses	195	110
	<b>611</b>	<b>594</b>
<b>Total Non-Financial Assets</b>	<b>611</b>	<b>594</b>
<b>Accumulated Surplus</b>	<b>\$ 384</b>	<b>\$ 384</b>
Commitments (Note 8)		

**Approved by The Board:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

## Statement of Operations

Year Ended March 31, 2024

(In Thousands of Dollars)

	Budget	<b>2024</b>	2023
<b>Revenue</b>			
Grants (Schedule 1)	\$ 57,190	\$ <b>56,882</b>	\$ 31,281
Interest and other	-	<b>726</b>	553
Deferred Revenue	12,822	<b>2,670</b>	7,390
<b>Total Revenue</b>	70,012	<b>60,278</b>	39,224
<b>Expenditures (Note 6)</b>			
Language Programs	50,897	<b>32,211</b>	15,446
First Voices Programs	4,186	<b>9,998</b>	6,746
Arts Programs	3,712	<b>5,990</b>	6,089
Heritage Programs	6,892	<b>7,893</b>	6,249
<b>Operating Expenses and Overhead</b>			
Administration Salaries/Benefits & Governance	2,260	<b>2,046</b>	1,764
Amortization	321	<b>200</b>	220
Other Operating Costs	1,745	<b>1,940</b>	2,710
<b>Total Expenses</b>	70,012	<b>60,278</b>	39,224
<b>Accumulated surplus at beginning of year</b>	384	<b>384</b>	384
<b>Accumulated surplus at end of year</b>	\$ 384	\$ <b>384</b>	\$ 384

# FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

## Statement of Cash Flows

as of March 31, 2024

(In Thousands of Dollars)

	2024	2023
<b>Cash flows from operating activities</b>		
BC Ministry of Indigenous Relations & Reconciliation	\$ 6,717	\$ 7,600
BC Arts Council	1,725	1,725
Ministry of Advanced Education, Skills and Learning	-	322
Department of Canadian Heritage	38,327	13,735
Aboriginal Neighbors	16	12
Creative BC	434	751
First Peoples' Cultural Foundation	9,648	6,803
Margaret A. Cargill Foundation	-	303
United Church	15	15
Yukon Native Language Center	-	15
Interest Income and Other	726	553
Deferred contributions	2,670	7,390
	<b>60,278</b>	39,224
Cash used for grants and awards	<b>(48,646)</b>	(30,690)
Cash used for salaries and benefits	<b>(5,703)</b>	(4,648)
Cash paid to materials and services	<b>2,519</b>	(1,552)
Cash flows from operating activities	<b>8,448</b>	2,334
<b>Cash flows from Investing activity</b>		
Purchase of tangible capital assets	<b>(132)</b>	(104)
Cash flow used by Investing activity	<b>(132)</b>	(104)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>8,316</b>	2,230
Cash and cash equivalents - beginning of year	<b>10,955</b>	8,725
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 19,271</b>	\$ 10,955

The accompanying notes and supplementary schedules are an integral part of these financial statements

# FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

## Statement of Change in Net Financial Assets

Year Ended March 31, 2024

(In Thousands of Dollars)

	Budget	<b>2024</b>	2023
Acquisition of tangible capital assets	\$ (168)	\$ <b>(132)</b>	\$ (104)
Amortization of tangible capital assets	321	<b>200</b>	220
	153	<b>68</b>	116
Acquisition of prepaid expense	(80)	<b>(85)</b>	(22)
<b>Increase in net financial assets</b>	73	<b>(17)</b>	94
<b>Net financial assets at beginning of year</b>	(210)	<b>(210)</b>	(304)
<b>Net financial assets at end of year</b>	\$ (137)	\$ <b>(227)</b>	\$ (210)



# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2024

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### 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 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. 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 2023/24.

#### 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.

Financial instruments are recorded at fair value on initial recognition except for certain related party transactions. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Council has not elected to carry any such financial instruments at fair value.

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# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Council does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Council initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Council has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### 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.

#### Long-lived assets

The Council reviews the carrying value of long-lived assets to reassess the estimates regarding future cash flows and other factors used to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Council may be required to record impairment charges for these assets.

#### 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.

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# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 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. Significant estimates include collectability of receivables, useful life of capital assets, and amounts of accrued liabilities and deferred revenue. 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.

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.

### 3. 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, 2024**

4. TANGIBLE CAPITAL ASSETS

(In Thousands of Dollars)

<u>Cost</u>	March 31, 2023 Balance	Additions	Disposals	March 31, 2024 Balance
Art Collection	\$ 195	\$ -	\$ -	\$ 195
Computer equipment	712	132	-	844
Computer software	61	-	-	61
Furniture and Equipment	443	-	-	443
Leasehold Improvements	792	-	-	792
	<b>\$ 2,203</b>	<b>\$ 132</b>	<b>\$ -</b>	<b>\$ 2,335</b>

<u>Accumulated Amortization</u>	2023 Balance	Amortization	Accumulated Amortization on Disposals	2024 Balance
Art Collection	\$ -	\$ -	\$ -	\$ -
Computer equipment	656	75	-	731
Computer software	57	3	-	60
Furniture and Equipment	408	31	-	439
Leasehold Improvements	598	91	-	689
	<b>\$ 1,719</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 1,919</b>

<u>Net book value</u>	March 31, 2024	March 31, 2023
Art Collection	\$ 195	\$ 195
Computer equipment	113	56
Computer software	1	4
Furniture and Equipment	4	35
Leasehold Improvements	103	194
	<b>\$ 416</b>	<b>\$ 484</b>

**FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL**

**Notes to Financial Statements**

**(In Thousands of Dollars)**

**Year Ended March 31, 2024**

5. 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, 2023	Receipts during year	Transferred to revenue	Balance March 31, 2024
BC Arts Council	\$ -	\$ 1,975	\$ 1,725	\$ 250
Council of Yukon First Nations	10	-	10	-
Creative BC	250	480	684	46
Department of Canadian Heritage	434	41,641	30,443	11,632
First Peoples' Cultural Foundation	1,698	10,328	10,009	2,017
Heritage Branch	62	-	56	6
Margaret A. Cargill Foundation	465	560	445	580
Advanced Education, Sport, Tourism	2,278	-	507	1,771
RSF Social Finance	632	-	503	128
	<u>\$ 5,828</u>	<u>\$ 61,733</u>	<u>\$ 51,131</u>	<u>\$ 16,429</u>

	(in Thousands of Dollars)			
	Balance April 1, 2022	Receipts during year	Transferred to revenue	Balance March 31, 2023
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	657	2,091	1,050	1,698
Heritage Branch	132	-	70	62
Margaret A. Cargill Foundation	26	768	329	465
Advanced Education, Sport, Tourism	-	2,600	322	2,278
RSF Social Finance	609	605	582	632
	<u>\$ 8,094</u>	<u>\$ 20,895</u>	<u>\$ 24,240</u>	<u>\$ 5,828</u>

**FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL**

**Notes to Financial Statements**

**(In Thousands of Dollars)**

**Year Ended March 31, 2024**

6. EXPENDITURES BY OBJECT

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

	<u>2024</u>	<u>2023</u>
<u>Expenditures</u>		
Grants	\$ 48,646	\$ 30,690
Salaries and Benefits	5,703	4,648
Purchased services	3,277	1,981
Office Overhead and Operating Costs	953	663
Community Resources, R&D and Jury Costs	671	465
Professional Fees	568	334
Amortization	200	220
Facilities Rent, Heating and Maintenance	168	163
Board and Advisory	94	61
	<u>\$ 60,279</u>	<u>\$ 39,224</u>

7. CAPITAL STOCK

The capital of the Council is one share (2023: one share) with a par value of \$100 (2023: \$100). The share is issued to and held by His Majesty the King in right of the Province of British Columbia.

8. 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.

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, 2023 to November 14, 2024. 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.

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

2025	96
2026	32
	<u>\$ 128</u>

# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2024

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### 9. 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, 2024 the Council paid \$436,721 (2023: \$354,759) 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 valuation (March 31, 2023 Actuarial Valuation Report), the financial position of this plan is in a surplus position.

### 10. 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.

### 11. ECONOMIC DEPENDANCE

As a BC First Nations governed Crown Corporation, the Council core operational funding is permanent and provided by MIRR. However, the FPCC does not have long term, sustainable or permanent funding for programs. The language programming and grant funding is economically dependent on funding received from the Department of Canadian Heritage (DCH) to continue to deliver programs at the current capacity. The Council received 91% (2023: 62%) of its total annual language program revenues from the DCH. Language funding from PCH is provided through federal legislation.

The implementation of DRIPA and reconciliation by the BC and Canadian government are aligned with FPCC's mandate. FPCC is working with both governments towards long term sustainable funding for programming through an MOU."

## FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Schedule of Grant Revenue

Year Ended March 31, 2024

(In Thousands of Dollars)

	Budget	<b>2024</b>	2023
<b>Revenue</b>			
BC Ministry of Indigenous Relations & Reconciliation	\$ 6,490	\$ <b>6,717</b>	\$ 7,600
BC Arts Council	1,700	<b>1,725</b>	1,725
Other Provincial Ministries			
Ministry of Advanced Education, Skills and Learning	-	-	322
<b>Grants from BC Provincial Ministries</b>	<b>8,190</b>	<b>8,442</b>	<b>9,647</b>
Department of Canadian Heritage	36,000	<b>38,327</b>	13,735
<b>Grants from Federal Ministries</b>	<b>36,000</b>	<b>38,327</b>	<b>13,735</b>
Aboriginal Neighbors	-	<b>16</b>	12
Creative BC	2,800	<b>434</b>	751
First Peoples' Cultural Foundation	10,000	<b>9,648</b>	6,803
Margaret A. Cargill Foundation	-	-	303
United Church	-	<b>15</b>	15
YLNC	-	-	15
<b>Grants from Non-Governmental Organizations</b>	<b>12,800</b>	<b>10,113</b>	<b>7,899</b>
	<b>\$ 56,990</b>	<b>\$ 56,882</b>	<b>\$ 31,281</b>