

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

**Financial Statements**

**Year Ended March 31, 2017**

**FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL**  
**Index to Financial Statements**  
**(In Thousands of Dollars)**  
**Year Ended March 31, 2017**

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**Management's Report*****Management's Responsibility for the Financial Statements***

The financial statements have been prepared by management 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 produced.

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 monthly basis and external audited financial statements yearly.

The external auditors, PATERSON HENN CPA, CHARTERED PROFESSIONAL ACCOUNTANTS, 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



Tracey Herbert  
Chief Executive Officer

May 8 2017



**PATERSON HENN CPA**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**Caroline M. Paterson**, CPA, CGA\*

**Sheila C. Henn**, CPA, CA\*

\* denotes Incorporated Professionals

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of First Peoples' Heritage, Language & Culture Council

We have audited the accompanying financial statements of First Peoples' Heritage, Language & Culture Council, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Peoples' Heritage, Language & Culture Council as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Sidney, British Columbia  
May 10, 2017

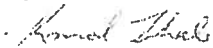
*Paterson Henn*


Chartered Professional Accountants

**FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL**  
**Statement of Financial Position**  
**March 31, 2017**  
**(In Thousands of Dollars)**

	2017	2016
<b>Financial assets</b>		
Cash and banks	\$ 1,059	\$ 842
Accounts receivable	58	28
GST receivable	23	17
Due from government <i>(Note 4)</i>	134	99
	1,274	986
<b>Liabilities</b>		
Accounts payable and accrued liabilities	757	561
Deferred contributions <i>(Note 6)</i>	165	69
	922	630
<b>Net financial assets</b>	352	356
<b>Non-financial assets</b>		
Tangible capital assets <i>(Note 5)</i>	22	22
Prepaid expenses	10	6
	32	28
<b>Accumulated surplus</b>	\$ 384	\$ 384

Approved by the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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

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

**Statement of Operations**

**For the Year Ended March 31, 2017**

**(In Thousands of Dollars)**

	Budget	2017	2016
<b>Revenue</b>			
Grants ( <i>Schedule 1</i> )	\$ 3,766	\$ 4,686	\$ 3,813
Administration fees	126	95	87
Interest and other revenue	32	36	36
Deferred revenue	63	(97)	63
	<u>3,987</u>	<u>4,720</u>	<u>3,999</u>
<b>Expenditures</b>			
Arts Programs	1,135	1,311	1,123
First Voices Programs	205	508	210
Language Programs	1,975	2,299	1,982
Operating Expenses	655	594	671
Amortization	17	8	13
	<u>3,987</u>	<u>4,720</u>	<u>3,999</u>
<b>Annual surplus</b>	-	-	-
<b>Accumulated surplus - beginning of year</b>	-	384	384
<b>Accumulated surplus - end of year</b>	<u>\$ -</u>	<u>\$ 384</u>	<u>\$ 384</u>

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

**FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL**  
**Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2017**  
**(In Thousands of Dollars)**

	Budget	2017	2016
<b>Annual surplus</b>	\$ -	\$ -	\$ -
Purchase of tangible capital assets	(15)	(8)	(3)
Amortization of tangible capital assets	17	8	13
Use (acquisition) in prepaid expenses	-	(4)	4
	-	-	-
	<u>2</u>	<u>(4)</u>	<u>14</u>
<b>Increase (decrease) net financial assets</b>	2	(4)	14
Net financial assets - beginning of year	-	356	342
<b>Net financial assets - end of year</b>	<u>\$ 2</u>	<u>\$ 352</u>	<u>\$ 356</u>

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

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

**Statement of Cash Flows**

**Year Ended March 31, 2017**

**(In Thousands of Dollars)**

	2017	2016
<b>Cash flows from operating activities</b>		
Aboriginal Neighbors	\$ 40	\$ -
BC Arts Council	815	737
BC Ferries	1	27
BC Ministry of Aboriginal Relations & Reconciliation	1,051	1,051
Department of Canadian Heritage	1,007	793
First Nations Health Authority	50	69
First Peoples' Cultural Foundation	322	222
Heritage Branch	-	15
Margaret A. Cargill Foundation	385	149
New Relationship Trust Corporation	1,015	750
Administration fees	-	87
Interest income and other miscellaneous receipts	-	36
Net change in non-cash item - deferred contributions	97	6
	<u>4,783</u>	<u>3,942</u>
Cash used for grants and awards	(2,901)	(2,468)
Cash used for salaries and benefits	(849)	(812)
Cash paid to materials and services	(808)	(872)
	<u>(4,558)</u>	<u>(4,152)</u>
Cash flows from operating activities	<u>225</u>	<u>(210)</u>
<b>Cash flows from investing activity</b>		
Purchase of tangible capital assets	(8)	(3)
Cash flows from investing activity	<u>(8)</u>	<u>(3)</u>
<b>Cash flows from financing activity</b>		
Cash from (advances) loans receivable	-	100
Cash flows from financing activity	<u>-</u>	<u>100</u>
<b>Increase (decrease) in cash</b>	<b>217</b>	<b>(113)</b>
Cash - beginning of year	<u>842</u>	<u>955</u>
<b>Cash - end of year</b>	<b>\$ 1,059</b>	<b>\$ 842</b>

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



# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2017

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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.

#### 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.

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# FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

## Notes to Financial Statements

(In Thousands of Dollars)

Year Ended March 31, 2017

### 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. 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.

### 3. RELATED PARTY TRANSACTIONS

The Council's Board of Directors and Advisory Committee are appointed by the Minister of Aboriginal 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 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 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.

### 4. DUE FROM GOVERNMENT

Due from government consists of the following:

(In Thousands of Dollars)

	<b>March 31, 2017</b>	March 31, 2016
Federal government	\$ 127	\$ 76
Provincial government	7	23
	<b>\$ 134</b>	<b>\$ 99</b>

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

**Notes to Financial Statements**

**(In Thousands of Dollars)**

**Year Ended March 31, 2017**

5. TANGIBLE CAPITAL ASSETS

(In Thousands of Dollars)

<u>Cost</u>	March 31, 2016 Balance	Additions	Disposals	March 31, 2017 Balance
Art Collection	\$ 14	\$ -	\$ -	\$ 14
Computer equipment	254	8	-	262
Computer software	51	-	-	51
Furniture and Equipment	86	-	-	86
Leasehold Improvements	167	-	-	167
	<b>\$ 572</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 580</b>

<u>Accumulated Amortization</u>	2016 Balance	Amortization	Accumulated Amortization on Disposals	2017 Balance
Art Collection	\$ -	\$ -	\$ -	\$ -
Computer equipment	248	7	-	255
Computer software	51	-	-	51
Furniture and Equipment	84	1	-	85
Leasehold Improvements	167	-	-	167
	<b>\$ 550</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 558</b>

<u>Net book value</u>	March 31, 2017	March 31, 2016
Art Collection	\$ 14	\$ 14
Computer equipment	7	6
Furniture and Equipment	1	2
	<b>\$ 22</b>	<b>\$ 22</b>

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

**Notes to Financial Statements**

**(In Thousands of Dollars)**

**Year Ended March 31, 2017**

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, 2016	Receipts during year	Transferred to revenue	Balance March 31, 2017
Aboriginal Neighbors	\$ -	\$ 40	\$ 36	\$ 4
BC Arts Council - Program Review	63	-	63	-
BC Arts Council - Arts Map	-	50	-	50
First Nations Health Authority	6	-	6	-
Margaret A. Cargill Foundation	-	385	274	111
	<u>\$ 69</u>	<u>\$ 475</u>	<u>\$ 379</u>	<u>\$ 165</u>

	(in Thousands of Dollars)			
	Balance April 1, 2015	Receipts during year	Transferred to revenue	Balance March 31, 2016
BC Arts Council	\$ 63	\$ -	\$ -	\$ 63
Canada Council for the Arts	2	-	2	-
First Nations Health Authority	6	-	-	6
New Relationship Trust	50	-	50	-
University of Victoria - Netolnew	11	-	11	-
	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 69</u>

7. CAPITAL STOCK

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

8. 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 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.

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

**Notes to Financial Statements**

**(In Thousands of Dollars)**

**Year Ended March 31, 2017**

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9. CONTRACTUAL LEASE AGREEMENT

The Council entered into a seven year commercial lease agreement with the Tsartlip First Nation on February 14, 2014 and expiring February 14, 2021 for its premises. The base minimum yearly rental is \$42,000 annually with any additional taxes, charges or other costs to be paid by the Council.

The minimum annual operating lease repayment is:

	(In Thousands of Dollars)
2018	\$ 42
2019	42
2020	42
2021	37
	<hr/>
	<u>\$ 163</u>

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

**Schedule of Grant Revenue**

*(Schedule 1)*

**(In Thousands of Dollars)**

**Year Ended March 31, 2017**

**(In Thousands of Dollars)**

	Budget	2017	2016
<b>Revenue</b>			
BC Ministry of Aboriginal Relations & Reconciliation	\$ 1,051	\$ 1,051	\$ 1,051
Department of Canadian Heritage	810	1,007	793
New Relationship Trust Corporation	750	1,015	750
BC Arts Council	735	815	737
Heritage Branch	-	-	15
Margaret A. Cargil Foundation	149	385	149
First Peoples' Cultural Foundation	250	322	222
First Nations Health Authority	-	50	69
Aboriginal Neighbors	-	40	-
BC Ferries	21	1	27
	<u>\$ 3,766</u>	<u>\$ 4,686</u>	<u>\$ 3,813</u>

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

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

Schedule of Operations by Program (Unaudited)

Year Ended March 31, 2017

(In Dollars)

	Administration	Arts Program	First Voices	Language Program	Total
<b>Revenue</b>					
DCH	( 79)	-	-	1,006,588	1,006,509
BC Arts Council	-	815,000	-	-	815,000
MARR	499,466	47,777	160,492	343,265	1,051,000
Aboriginal Neighbors	-	-	-	38,925	38,925
FPCF	-	-	82,500	239,992	322,492
New Relationship Trust	-	160,000	265,330	590,000	1,015,330
Margaret A. Cargil Foundation	-	385,020	-	-	385,020
BC Ferries	-	1,300	-	-	1,300
First Nations Health Authority	-	-	-	50,000	50,000
	<u>499,387</u>	<u>1,409,097</u>	<u>508,322</u>	<u>2,268,770</u>	<u>4,685,576</u>
<b>Revenue - Other</b>					
Interest and other	7,854	-	-	28,415	36,269
Administration fees	95,115	-	-	-	95,115
Deferred Revenue	-	( 98,199)	-	1,378	( 96,821)
	<u>102,969</u>	<u>( 98,199)</u>	<u>-</u>	<u>29,793</u>	<u>34,563</u>
<b>Total Revenue</b>	<u>602,356</u>	<u>1,310,898</u>	<u>508,322</u>	<u>2,298,563</u>	<u>4,720,139</u>
<b>Expenditures</b>					
Grants	-	971,154	250,000	1,680,158	2,901,312
Salaries and Benefits	311,194	175,870	157,160	204,316	848,540
Community Resources	648	64,322	-	122,867	187,837
Purchased Services	3,944	49,607	97,830	205,124	356,505
Professional Fees	60,166	-	-	-	60,166
Facilities	58,619	-	-	-	58,619
Other Operating Costs	115,116	49,945	3,332	86,098	254,491
Board and Advisory	44,223	-	-	-	44,223
<b>Total Expenditures before amortization</b>	<u>593,910</u>	<u>1,310,898</u>	<u>508,322</u>	<u>2,298,563</u>	<u>4,711,693</u>
Excess (Deficiency) of Revenue over Expenditure before amortization	8,446	-	-	-	8,446
Amortization	8,446	-	-	-	8,446
<b>Total Expenditures</b>	<u>602,356</u>	<u>1,310,898</u>	<u>508,322</u>	<u>2,298,563</u>	<u>4,720,139</u>
<b>Excess (Deficiency) of Revenue over Expenditure</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>