

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

FINANCIAL STATEMENTS

Year Ended March 31, 2012

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

FINANCIAL STATEMENTS

Year Ended March 31, 2012

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**FIRST PEOPLES'
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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 are 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, COWLAND PATERSON & CO., 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 Financial Officer

May 17, 2012

Chris Cowland, CA*
Caroline Paterson, CGA*

*operating as a partnership of incorporated professionals

Independent Auditors' Report

To the Minister of Aboriginal Relations and Reconciliation, Province of British Columbia
To the Members of the Board of First Peoples' Heritage, Language and Culture Council

We have audited the accompanying financial statements of First Peoples' Heritage, Language and Culture Council, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, changes in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes and information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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 of 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 these 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 the Council as at March 31, 2012 and the results of its operations, changes in net financial assets and statement of cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Cowland Paterson + Co.

Sidney, B.C.
May 9, 2012

Professional Accountants

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

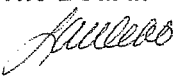
Statement of Financial Position


as of March 31, 2012

(In Thousands of Dollars)

	<u>2012</u>	<u>2011</u>	<u>April 1, 2010</u>
Financial Assets			
Cash and Banks	292	530	606
Accounts Receivable	132	38	4
HST Receivable	35	17	-
Due from Government	154	8	64
Loans Receivable	100	-	-
	<u>713</u>	<u>593</u>	<u>674</u>
Liabilities			
Accounts Payable	352	264	381
Deferred Revenue	33	27	27
	<u>385</u>	<u>291</u>	<u>408</u>
Total Liabilities	<u>385</u>	<u>291</u>	<u>408</u>
Net Financial Assets	<u>328</u>	<u>302</u>	<u>266</u>
Non-Financial Assets			
Tangible Capital Assets	51	79	115
Prepaid Expenses	5	3	3
	<u>56</u>	<u>82</u>	<u>118</u>
Total Non-Financial Assets	<u>56</u>	<u>82</u>	<u>118</u>
Accumulated Surplus	<u>384</u>	<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, 2012

(In Thousands of Dollars)

	Budget	2012	2011
Revenue			
Grants	4,026	4,020	3,138
Interest and other	132	31	63
Administration fees	47	47	54
Total Revenue	4,205	4,098	3,255
Expenditures			
Arts Programs	694	693	726
First Voices Programs	469	479	343
Language Programs	2,257	2,167	1,436
Operating expenses	745	721	702
Amortization	40	38	48
Total Expenditures	4,205	4,098	3,255
Annual Surplus (Deficit)	-	-	-
Accumulated surplus at beginning of year	384	384	384
Accumulated surplus at end of year	384	384	384

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, 2012

(In Thousands of Dollars)

	Budget	2012	2011
Annual Surplus	-	-	-
Acquisition of tangible capital assets	(11)	(10)	(12)
Amortization of tangible capital assets	40	38	48
	<u>29</u>	<u>28</u>	<u>36</u>
Acquisition of prepaid expense	-	(2)	-
Increase in net financial assets	<u>29</u>	<u>26</u>	<u>36</u>
Net financial assets at beginning of year	<u>302</u>	<u>302</u>	<u>266</u>
Net financial assets at end of year	<u>331</u>	<u>328</u>	<u>302</u>

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

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Statement of Cash Flow

Year Ended March 31, 2012

(In Thousands of Dollars)

	2012	2011
Cash flows from operating activities		
Cash received from:		
BC Arts Council	480	122
BC Ministry of Aboriginal Relations & Reconciliation	1,451	1,476
Canada Council of the Arts	30	45
Department of Canadian Heritage	822	-
First Peoples' Cultural Foundation	237	495
New Relationship Trust Corporation	1,000	1,000
Administration fees	46	54
Interest Income and other miscellaneous receipts	<u>31</u>	<u>61</u>
	<u>4,097</u>	<u>3,253</u>
Cash used for grants and awards	(2,537)	(1,785)
Cash used for salaries and benefits	(918)	(828)
Cash used for materials and services	<u>(770)</u>	<u>(704)</u>
	<u>(4,225)</u>	<u>(3,317)</u>
	<u>(128)</u>	<u>(64)</u>
Cash flows from financing activities		
Advances to First Peoples' Cultural Foundation	<u>(100)</u>	<u>-</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(10)</u>	<u>(12)</u>
Decrease in cash	(238)	(76)
Cash, beginning of year	<u>530</u>	<u>606</u>
Cash, end of year	<u><u>292</u></u>	<u><u>530</u></u>

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

Year Ended March 31, 2012

1. PURPOSE OF THE ORGANIZATION

The First Peoples' Heritage, Language and 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. SIGNIFICANT ACCOUNTING POLICIES

(a) Conversion to Public Sector Accounting Standards

Commencing with the 2011/2012 fiscal year, First Peoples' Heritage, Language & Culture Council has adopted Canadian public sector accounting standards. These financial statements are the first financial statements for which the Canadian public sector accounting standards apply.

(b) Amortization

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Leasehold improvements	7 years, straight-line
Furniture and equipment	5 years, straight-line
Computers	3 years, straight-line
Computer software	3 years, straight-line

No amortization has been taken on the Art Collection.

(c) 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.

(d) 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.

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

Year Ended March 31, 2012

(e) Use of Estimates

In preparing the Council's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

(f) Financial Instruments

The Council's financial instruments consist of cash, receivables, payables and accruals. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

3. RELATED PARTY TRANSACTIONS

The Council's directors are appointed by the Minister of Aboriginal Relations and Reconciliation from the Advisory Committee which has tribal council representatives from First Nations across the province of British Columbia. It is, therefore, inevitable that there will be grants made to a community within a tribal council that a Council member represents. A standard application and peer review process ensuring that there is not a conflict of interest is followed in all cases to determine which communities are awarded grants.

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

Year Ended March 31, 2012

4. CAPITAL ASSETS

	(in thousands of dollars)			
	Cost	Accumulated Amortization	2012 Net	2011 Net
Art Collection	13	-	13	13
Computer equipment & software	208	197	11	12
Furniture and equipment	83	79	4	6
Leasehold improvements	167	144	23	48
Software	<u>46</u>	<u>46</u>	<u>-</u>	<u>-</u>
	<u>517</u>	<u>466</u>	<u>51</u>	<u>79</u>

5. DEFERRED CONTRIBUTIONS

The Council has continuing programs at March 31, 2012. Contributions are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Contributions have been deferred as follows:

	(in thousands of dollars)	
	2012	2011
Canada Council for the Arts	<u>33</u>	<u>27</u>
	<u>33</u>	<u>27</u>

6. 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.

FIRST PEOPLES' HERITAGE, LANGUAGE & CULTURE COUNCIL

Notes to Financial Statements

Year Ended March 31, 2012

7. EMPLOYEE PENSION PLAN

The Council and its employees contribute to the Public Service Plan. The Plan is a multi-employer defined benefit plan. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees in accordance with the Public Sector Pension Plans Act.

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.

8. COMMITMENTS

Effective February 14, 2007, the Council entered into a seven year lease agreement expiring on February 14, 2014 for its premises. Minimum rent payable in aggregate and for each of the next three years is as follows:

(in thousands of dollars)

2012	42
2013	42
2014	<u>42</u>
	<u>126</u>

9. RECLASSIFICATION OF COMPARATIVE FIGURES

The 2011 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2012.

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL

Schedule of Grant Revenue

Year Ended March 31, 2012

(In Thousands of Dollars)

	Budget	2012	2011
Revenue			
BC Arts Council	480	480	122
BC Ministry of Aboriginal Relations & Reconciliation	1,451	1,451	1,476
New Relationship Trust Corporation	1,000	1,000	1,000
Canada Council of the Arts	30	30	45
Department of Canadian Heritage	822	822	-
First Peoples' Cultural Foundation	243	237	495
Total Revenue	4,026	4,020	3,138

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, 2012

	Administration	Arts Program	First Voices	Language Program	Total
Revenue					
Canada Council for the Arts	-	30,000	-	-	30,000
DCH	-	-	-	822,001	822,001
BC Arts Council	-	480,000	-	-	480,000
MARR	660,427	39,405	134,311	616,857	1,451,000
FPCF	24,075	-	113,000	100,000	237,075
New Relationship Trust	-	150,000	200,000	650,000	1,000,000
	<u>684,502</u>	<u>699,405</u>	<u>447,311</u>	<u>2,188,858</u>	<u>4,020,076</u>
Revenue - Other					
Interest and other	19,349	(6,880)	15,745	2,800	31,014
Administration fees	46,992	-	-	-	46,992
	<u>66,341</u>	<u>(6,880)</u>	<u>15,745</u>	<u>2,800</u>	<u>78,006</u>
Total Revenue	<u>750,843</u>	<u>692,525</u>	<u>463,056</u>	<u>2,191,658</u>	<u>4,098,082</u>
Expenditures					
Grants	-	564,000	193,349	1,780,137	2,537,486
Bank charges	1,040	-	-	-	1,040
Communications	18,928	-	-	-	18,928
Community expenses	279	4,000	35,297	47,057	86,633
Contractor fees	91,062	-	23,229	17,814	132,105
Council and advisory expenses	63,141	-	-	-	63,141
Equipment rental	10,028	-	-	-	10,028
Insurance	5,224	-	-	-	5,224
Jury / Peer Review Committee	-	13,216	-	4,225	17,441
Licenses and fees	12,630	-	-	-	12,630
Office	26,569	8,004	-	58,682	93,255
Professional fees	32,957	-	-	-	32,957
Protocol	4,490	-	-	-	4,490
Rent	42,000	-	-	-	42,000
Repairs and maintenance	13,059	-	-	-	13,059
Travel	38,396	2,555	22,231	2,764	65,946
Utilities	4,776	-	-	-	4,776
Wages and benefits	356,137	101,586	204,632	256,133	918,488
Total Expenditures	<u>720,716</u>	<u>693,361</u>	<u>478,738</u>	<u>2,166,812</u>	<u>4,059,627</u>
Excess (Deficiency) of Revenue over Expenditure before amortization	30,127	(836)	(15,682)	24,846	38,455
Amortization	38,454	-	-	-	38,454
Excess (Deficiency) of Revenue over Expenditure	<u>(8,327)</u>	<u>(836)</u>	<u>(15,682)</u>	<u>24,846</u>	<u>1</u>

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