

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Financial Statements**  
**Year Ended March 31, 2013**

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Index to Financial Statements**  
**Year Ended March 31, 2013**

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\*operating as a partnership of incorporated professionals

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of First Peoples' Cultural Foundation

We have audited the accompanying financial statements of First Peoples' Cultural Foundation, which comprise the statement of financial position as at March 31, 2013 and the statements of revenues and expenditures, changes in net 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 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.

### 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.

(continues)

Independent Auditor's Report to the Members of First Peoples' Cultural Foundation *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Peoples' Cultural Foundation as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that First Peoples' Cultural Foundation adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Constand Paterson + Co.*

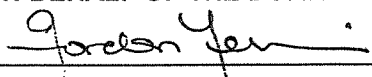
Sidney, British Columbia  
August 12, 2013

PROFESSIONAL ACCOUNTANTS

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Statement of Financial Position**  
**March 31, 2013**

	<i>March 31</i> <b>2013</b>	<i>March 31</i> <b>2012</b>	<i>April 1</i> <b>2011</b>
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and cash equivalents ( <i>Note 5</i> )	\$ 1,392,160	\$ 1,621,044	\$ 1,733,684
Accounts receivable	52,709	302,770	94,901
Government GST/HST recoverables	4,277	9,362	4,305
Prepaid expenses	554	12,788	555
	<u>\$ 1,449,700</u>	<u>\$ 1,945,964</u>	<u>\$ 1,833,445</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 11,896	\$ 173,482	\$ 82,346
Short term debt ( <i>Note 6</i> )	-	100,000	-
	<u>11,896</u>	<u>273,482</u>	<u>82,346</u>
DEFERRED REVENUE ( <i>Note 7</i> )	<u>1,353,091</u>	<u>1,577,712</u>	<u>1,721,444</u>
	<u>1,364,987</u>	<u>1,851,194</u>	<u>1,803,790</u>
<b>NET ASSETS</b>			
Unrestricted net assets	<u>84,713</u>	<u>94,770</u>	<u>29,655</u>
	<u>\$ 1,449,700</u>	<u>\$ 1,945,964</u>	<u>\$ 1,833,445</u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2013**

	2013	2012
<b>Revenue</b>		
Grants	\$ 270,359	\$ 576,660
Interest and other revenue <i>(Note 8)</i>	63,135	36,862
Donations	11,563	59,346
	<u>345,057</u>	<u>672,868</u>
<b>Expenditures</b>		
Administration fees	24,075	94,980
Bank Charges	424	462
Board of directors	-	1,479
Contractor fees	29,344	165,650
Equipment purchases	28,775	38,092
Grants	254,903	295,000
Insurance, licences and dues	2,441	2,302
Office	387	-
Professional fees	12,569	6,500
Travel	2,196	3,288
	<u>355,114</u>	<u>607,753</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (10,057)</u>	<u>\$ 65,115</u>

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 94,770</b>	<b>\$ 29,655</b>
Excess (deficiency) of revenue over expenditures	<u>(10,057)</u>	<u>65,115</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 84,713</u></b>	<b><u>\$ 94,770</u></b>

**FIRST PEOPLES' CULTURAL FOUNDATION**

**Statement of Cash Flows  
Year Ended March 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ (10,057)	\$ 65,115
Changes in non-cash working capital:		
Accounts receivable	250,061	(207,869)
Government GST/HST recoverables	5,085	(5,057)
Prepaid expenses	12,234	(12,233)
Accounts payable and accrued liabilities	(161,586)	91,137
Deferred revenue	(224,621)	(143,733)
	<u>(118,827)</u>	<u>(277,755)</u>
Cash flow used by operating activities	<u>(128,884)</u>	<u>(212,640)</u>
<b>FINANCING ACTIVITY</b>		
Short term debt	<u>(100,000)</u>	100,000
<b>Net change in cash and cash equivalents during the year</b>	<b>(228,884)</b>	<b>(112,640)</b>
Cash and cash equivalents - beginning of year	<u>1,621,044</u>	<u>1,733,684</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 5)</b>	<b>\$ 1,392,160</b>	<b>\$ 1,621,044</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	<u>\$ 10,755</u>	<u>\$ 11,955</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>



# FIRST PEOPLES' CULTURAL FOUNDATION

## Notes to Financial Statements

Year Ended March 31, 2013

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### 1. PURPOSE OF THE ORGANIZATION

First Peoples' Cultural Foundation (the "Foundation") is incorporated under the Society Act of British Columbia and is a Registered Charity under the Income Tax Act. According to its Constitution, the purposes of the Foundation are as follows:

To preserve and enhance the heritage, language and culture of the First Nations of British Columbia;

To increase sharing of cultural, linguistic and heritage knowledge amongst the First Nations of British Columbia;

To educate the public regarding the culture, heritage and languages of the First Nations of British Columbia; and

To heighten appreciation and acceptance of the wealth of Aboriginal cultural diversity.

To make grants to other charitable organizations with similar purposes.

To solicit, collect, receive, acquire, hold and invest money and property, both real and personal, received by gift, contribution, bequest, or otherwise, sell and convert property, both real and personal, into cash and use the funds of the Society and the proceeds, income and rents derived from any property of the Society.

### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in no changes to beginning equity, assets or liabilities.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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.

*(continues)*

**FIRST PEOPLES' CULTURAL FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

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

Revenue recognition

First Peoples' Cultural Foundation 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.

Unrestricted investment income is recognized as revenue when earned.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. All capital assets have been fully amortized.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Computer equipment	\$ 93,805	\$ 93,805	\$ -	\$ -
Furniture and fixtures	706	706	-	-
	<u>\$ 94,511</u>	<u>\$ 94,511</u>	<u>\$ -</u>	<u>\$ -</u>

5. CASH AND CASH EQUIVALENTS

	2013	2012
Cash	\$ 31,383	\$ 20,106
Phillips, Hager & North Investment Funds Ltd.	1,360,777	1,600,938
	<u>\$ 1,392,160</u>	<u>\$ 1,621,044</u>

Cash equivalents consist of restricted funds invested in the Canadian Money Market Fund held with Phillips, Hager & North Investment Funds Ltd. which approximates the fair value of these cash equivalents.

6. SHORT TERM DEBT

During the prior year, the Foundation requested a loan from the First Peoples' Heritage, Language and Culture Council to use for project payments related to the Canadian Interactive Fund project (funded by the Department of Canadian Heritage).

The sum of the loan was \$100,000. The loan did not accrue interest during the first twelve months of the term. The Foundation repaid the loan in August 2012.

**FIRST PEOPLES' CULTURAL FOUNDATION**

**Notes to Financial Statements**

**Year Ended March 31, 2013**

**7. DEFERRED REVENUE**

The Foundation has continuing programs at March 31, 2013. Contributions related to the completion of these programs have been deferred as follows:

	<u>2013</u>	<u>2012</u>
Ministry of Children and Family Development Early Years Project	\$ 1,338,091	\$ 1,561,000
Saskatchewan Indian Cultural Centre	-	16,712
Ministry of Aboriginal Relations and Reconciliation	<u>15,000</u>	<u>-</u>
	<u>\$ 1,353,091</u>	<u>\$ 1,577,712</u>

In 2007 the Foundation received a \$2 million grant from the Province of British Columbia, Ministry of Children and Family Development. The purpose of the funding was to establish a trust fund to support the development of resources for British Columbia First Nations' languages for early childhood development.

**8. INTEREST AND OTHER REVENUE**

	<u>2013</u>	<u>2012</u>
Interest	\$ 10,755	\$ 11,954
First Nation Communities	52,380	-
Administrative Fees - DCH projects	<u>-</u>	<u>24,908</u>
	<u>\$ 63,135</u>	<u>\$ 36,862</u>

Interest is earned on the cash and cash equivalent accounts. Refer to Note 5.

The revenue generated by the First Nation Communities is an expense recovery for equipment distributed to the communities so they can access and use FirstVoices software.

The administrative fees were directly linked to the Department of Canadian Heritage projects. Those projects were completed in 2012.

**FIRST PEOPLES' CULTURAL FOUNDATION**

**Schedule of Operations by Program (Supplemental Unaudited Information)**

Year Ended March 31, 2013

	Administration	Cultural Programs	FirstVoices	Arts Programs	Total
<b>Revenue</b>					
Out of Province	\$ -	\$ 16,712	\$ -	\$ -	\$ 16,712
BC Ministry of Children and Family Development	-	222,909	-	-	222,909
RBC Foundation	-	-	-	10,000	10,000
First Nation Technology Council	-	-	30,000	-	30,000
First Nation Communities	52,380	-	-	-	52,380
First Peoples' Heritage, Language and Culture Council	738	-	-	-	738
	53,118	239,621	30,000	10,000	332,739
<b>Revenue - Other</b>					
Interest	10,755	-	-	-	10,755
Donations	1,563	-	-	-	1,563
	12,318	-	-	-	12,318
<b>Total Revenue</b>	65,436	239,621	30,000	10,000	345,057
<b>Expenditures - Grants</b>					
Grants	-	222,909	-	10,000	232,909
First Peoples' Heritage, Language and Culture Council	5,282	16,712	-	-	21,994
	5,282	239,621	-	10,000	254,903
<b>Other Expenditures</b>					
Administration Fees	24,075	-	-	-	24,075
Bank Charges	424	-	-	-	424
Contractor Fees	716	-	-	-	716
Equipment Purchases	28,775	-	28,628	-	29,344
Insurance, Licenses and Dues	2,441	-	-	-	2,441
Office	387	-	-	-	387
Professional Fees	12,569	-	-	-	12,569
Travel	1,211	-	985	-	2,196
	70,598	-	29,613	-	100,211
	75,880	239,621	29,613	10,000	355,114
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>\$ (10,444)</b>	<b>\$ -</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ (10,057)</b>