

FIRST PEOPLES' CULTURAL FOUNDATION
Financial Statements
Year Ended March 31, 2016

FIRST PEOPLES' CULTURAL FOUNDATION
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Year Ended March 31, 2016

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CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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, 2016 and the statements of revenues and expenditures and 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.

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, 2016 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.

Sidney, British Columbia
September 16, 2016


Chartered Professional Accountants

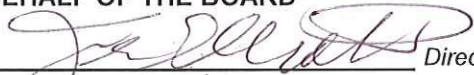
FIRST PEOPLES' CULTURAL FOUNDATION


Statement of Financial Position

March 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 4)</i>	\$ 486,088	\$ 349,963
Marketable securities - at market value <i>(Note 4)</i>	548,296	714,060
Accounts receivable	80,343	474,495
GST recoverable	2,950	1,640
Prepaid expenses	18,362	1,506
	<u>\$ 1,136,039</u>	<u>\$ 1,541,664</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 237,660	\$ 6,499
Short term loan payable <i>(Note 5)</i>	-	100,000
	<u>237,660</u>	<u>106,499</u>
DEFERRED REVENUE <i>(Note 6)</i>	<u>814,988</u>	<u>1,350,451</u>
	<u>1,052,648</u>	<u>1,456,950</u>
NET ASSETS	<u>83,391</u>	<u>84,714</u>
	<u>\$ 1,136,039</u>	<u>\$ 1,541,664</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

FIRST PEOPLES' CULTURAL FOUNDATION
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended March 31, 2016

	2016	2015
REVENUE		
Grants	\$ 555,511	\$ 338,017
Interest and other revenue	32,441	34,999
Donations	3,720	2,334
	<u>591,672</u>	<u>375,350</u>
EXPENSES		
Advertising and fundraising	2,556	18,612
Bank charges	395	323
Board of directors	612	-
Contractor fees	320,127	67,721
Grants	221,483	268,756
Insurance, licences and dues	20,096	2,869
Investment management fees	7,752	9,364
Professional fees	6,663	7,705
Training and development	5,537	-
Travel	7,774	-
	<u>592,995</u>	<u>375,350</u>
NET DEFICIENCY OF REVENUE OVER EXPENSES	(1,323)	-
NET ASSETS - BEGINNING OF YEAR	84,714	84,714
NET ASSETS - END OF YEAR	\$ 83,391	\$ 84,714

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

FIRST PEOPLES' CULTURAL FOUNDATION

Statement of Cash Flows

Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Deficiency Of Revenue Over Expenses	\$ (1,323)	\$ -
Item not affecting cash:		
Unrealized gains on marketable securities	<u>36,340</u>	<u>(50,615)</u>
	<u>35,017</u>	<u>(50,615)</u>
Changes in non-cash working capital:		
Accounts receivable	394,152	(407,016)
GST recoverable	(1,310)	(1,227)
Prepaid expenses	(16,856)	(1,326)
Accounts payable and accrued liabilities	231,162	-
Deferred Revenue	<u>(535,463)</u>	<u>160,896</u>
	<u>71,685</u>	<u>(248,673)</u>
Cash flow from operating activities	<u>106,702</u>	<u>(299,288)</u>
INVESTING ACTIVITY		
Net change in marketable securities (Note 4)	<u>129,423</u>	179,915
Cash flow from investing activity	<u>129,423</u>	179,915
FINANCING ACTIVITY		
Short term loan	<u>(100,000)</u>	100,000
Cash flow from (used by) financing activity	<u>(100,000)</u>	100,000
INCREASE (DECREASE) IN CASH FLOW	136,125	(19,373)
Cash - beginning of year	<u>349,963</u>	<u>369,336</u>
CASH - END OF YEAR	<u>486,088</u>	<u>349,963</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ 3,006</u>	<u>\$ 6,078</u>

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

FIRST PEOPLES' CULTURAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2016

1. PURPOSE OF THE FOUNDATION

First Peoples' Cultural Foundation (the "Foundation") is a not-for-profit organization incorporated under the Societies Act of British Columbia. As a registered charity the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

According to the Foundation's 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;
- to heighten appreciation and acceptance of the wealth of Aboriginal cultural diversity;
- to make grants to other charitable organizations with similar purposes; and
- 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills, GIC's, term deposits, or other highly liquid short term investments. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days. GIC's and term deposits are carried at cost plus accrued interest.

Financial instruments policy

Financial instruments include marketable securities consisting primarily of mutual funds which are considered low risk and highly liquid as they are regularly exchanged on the stock exchange. These marketable securities are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

FIRST PEOPLES' CULTURAL FOUNDATION
Notes to Financial Statements
Year Ended March 31, 2016

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. 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.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment	\$ 93,805	\$ 93,805	\$ -	\$ -
Furniture and fixtures	706	706	-	-
	\$ 94,511	\$ 94,511	\$ -	\$ -

FIRST PEOPLES' CULTURAL FOUNDATION
Notes to Financial Statements
Year Ended March 31, 2016

4. MARKETABLE SECURITIES

Investments held consist of the following:

	2016	2015
RBC Dominion Securities		
Various Mutual Funds		
Mutual funds - cost	\$ 507,505	\$ 636,927
Unrealized gains (losses)	40,792	77,133
	548,297	714,060
Cash and cash equivalents		
Cash account	27,913	34,514
Cash equivalents - savings account	211,295	257,255
	239,208	291,769
	\$ 787,505	\$ 1,005,829

Investments are held with RBC Dominion Securities in various mutual funds which are considered highly liquid and low risk investments.

As these investment funds have not yet been utilized for the Ministry of Children and Family Development Early Years Project these investments and the unrealized gain (loss) are included in deferred revenue (see Note 6).

5. LOAN PAYABLE

In the prior year (March 2015) a short term loan was advanced by the First Peoples' Heritage, Language & Culture Council for the purposes of funding a specific project. The loan was repaid in full near the beginning of the current year. The loan payable is recorded at cost and no interest was paid on this short term loan and all terms are now finalized.

FIRST PEOPLES' CULTURAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2016

6. DEFERRED REVENUE

Contributions related to the completion of the Foundation's continuing programs have been deferred as follows:

	<u>2016</u>	<u>2015</u>
Ministry of Children and Family Development Early Years Project - see note below	\$ 775,416	\$ 1,006,233
First Peoples' Heritage, Language & Culture Council - FirstVoices Maintenance	39,572	300,000
First Peoples' Heritage, Language & Culture Council	-	30,000
Ministry of Aboriginal Relations and Reconciliation	-	2,802
Administration Projects	-	11,416
	<u>\$ 814,988</u>	<u>\$ 1,350,451</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.

An adjustment for unrealized gains on mutual funds (see Note 4) resulted in a net decrease of \$36,341 in the current year and a net increase of \$77,613 in the prior year for the Ministry of Children and Family Development Early Years Project. The actual amount may differ when these investments are sold.

7. GOVERNMENT IN-KIND CONTRIBUTION

During the year, support by way of in-kind contributions was received from the Strategic Initiatives Division of the Ministry of Advanced Education for the Province of British Columbia. This support was received by means of consultation and access to the BC Government's expertise in Information Technology specifically related to enhancement of the FirstVoices program.

This in-kind contribution is not included in revenue or expenditures as per the Foundation's policy but is estimated to have a value of \$450,000.