

FIRST PEOPLES' CULTURAL FOUNDATION
Financial Statements
Year Ended March 31, 2017

FIRST PEOPLES' CULTURAL FOUNDATION
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Year Ended March 31, 2017

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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, 2017 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, 2017 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 20, 2017

Chartered Professional Accountants

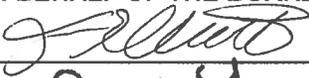
FIRST PEOPLES' CULTURAL FOUNDATION

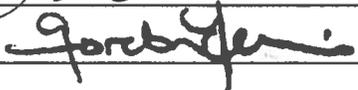
Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	\$ 182,112	\$ 486,088
Marketable securities - at market value (Note 4)	358,351	548,296
Accounts receivable	65,246	80,343
GST recoverable	305	2,950
Prepaid expenses	20,112	18,362
	\$ 626,126	\$ 1,136,039
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,500	\$ 237,660
 DEFERRED REVENUE (Note 5)	 536,236	 814,988
	542,736	1,052,648
 NET ASSETS	 83,390	 83,391
	\$ 626,126	\$ 1,136,039

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, 2017

	2017	2016
REVENUE		
Grants	\$ 360,108	\$ 555,511
Interest and other revenue	12,018	32,441
Donations	2,216	3,720
	<u>374,342</u>	<u>591,672</u>
EXPENSES		
Advertising and fundraising	769	2,556
Bank charges	324	395
Board of directors	-	612
Contractor fees	375	320,127
Grants	322,492	221,483
Insurance, licences and dues	37,892	20,096
Investment management fees	5,827	7,752
Professional fees	6,663	6,663
Training and development	-	5,537
Travel	-	7,774
	<u>374,342</u>	<u>592,995</u>
NET DEFICIENCY OF REVENUE OVER EXPENSES	-	(1,323)
NET ASSETS - BEGINNING OF YEAR	<u>83,390</u>	<u>84,714</u>
NET ASSETS - END OF YEAR	<u>\$ 83,390</u>	<u>\$ 83,391</u>

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, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency Of Revenue Over Expenses	\$ -	\$ (1,323)
Item not affecting cash:		
Unrealized gains (losses) on marketable securities for year	<u>(56)</u>	36,340
	<u>(56)</u>	35,017
Changes in non-cash working capital:		
Accounts receivable	15,097	394,152
GST recoverable	2,645	(1,310)
Prepaid expenses	(1,750)	(16,856)
Accounts payable and accrued liabilities	(231,161)	231,162
Deferred revenue	<u>(278,752)</u>	<u>(535,463)</u>
	<u>(493,921)</u>	71,685
Cash flow from operating activities	<u>(493,977)</u>	106,702
INVESTING ACTIVITY		
Net change in marketable securities	<u>190,001</u>	129,423
Cash flow from investing activity	<u>190,001</u>	129,423
FINANCING ACTIVITY		
Short term loan	<u>-</u>	(100,000)
Cash flow from (used by) financing activity	<u>-</u>	(100,000)
INCREASE (DECREASE) IN CASH FLOW	(303,976)	136,125
Cash - beginning of year	<u>486,088</u>	349,963
CASH - END OF YEAR	\$ 182,112	\$ 486,088

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, 2017

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, 2017

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	2017 Net book value	2016 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>

FIRST PEOPLES' CULTURAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2017

4. MARKETABLE SECURITIES

Investments held consist of the following:

	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents		
Cash account	\$ 12,232	\$ 27,913
Cash equivalent - savings account	<u>131,538</u>	<u>211,295</u>
	<u>143,770</u>	<u>239,208</u>
Various Mutual Funds		
Mutual funds - cost	317,504	507,505
Unrealized gains (losses)	<u>40,847</u>	<u>40,791</u>
	<u>358,351</u>	<u>548,296</u>
	<u>\$ 502,121</u>	<u>\$ 787,504</u>

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 5).

5. DEFERRED REVENUE

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

	<u>2017</u>	<u>2016</u>
Ministry of Children and Family Development Early Years Project - see note below	\$ 461,743	\$ 775,416
First Peoples' Heritage, Language & Culture Council - FirstVoices Maintenance	19,831	39,572
First Peoples' Heritage, Language & Culture Council - Language Legislation Engagement Sessions	<u>54,662</u>	<u>-</u>
	<u>\$ 536,236</u>	<u>\$ 814,988</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 increase of \$2,339 in the current year and a net decrease of \$36,341 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.