



first nations schools association

Annual Report 2003/04





First Nations Schools Association

2003/2004 Annual Report

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Message from the FNSA President

As President of the First Nations Schools Association (FNSA), I am very pleased to introduce our Annual Report for 2003/2004. The past year has proven to be another very exciting one for the FNSA, and we welcome this opportunity to highlight some of the key activities we have undertaken.

As always, throughout the past twelve months the FNSA has continued its efforts to support First Nations schools in ensuring that quality and culturally appropriate educational opportunities are available for First Nations students. In order to support that goal, the FNSA services have included research, information sharing, collective professional development opportunities, school assessment support, as well as the administration of numerous funding programs aimed at strengthening the capacity of First Nations schools and communities. Overall, the FNSA has focused on providing a united voice for First Nations schools, and on promoting the schools' achievements and ongoing needs.

I am very pleased to report that in the past year, the work of the FNSA and First Nations schools has resulted in a number of important successes. Following more than five years of research, consultation, and awareness-raising, in 2003 the federal government

finally released new special education funding for First Nations schools in BC. Now, after a very successful full-year of special education program implementation, I strongly believe that we have clearly demonstrated the ability of First Nations controlled organizations to manage the special education funding equitably and efficiently.

In addition, in 2002 Industry Canada selected the FNSA and the First Nations Education Steering Committee (FNESC) to co-manage the First Nations SchoolNet program in BC. In 2003/2004, the first full-year of the program's implementation by the FNSA and FNESC, there were numerous immediate benefits to schools throughout the province. Last year, the FNSA also helped to manage a grant of \$500,000.00 to enhance First Nations school libraries, and the federal government announced new funding for parental and community engagement strategies in First Nations communities and schools.

While the FNSA is very proud to have been a part of all of those accomplishments, they would not have been possible without the support we received from our member schools. By working together, sharing our ideas, and speaking with a united voice, all

First Nations schools in BC have contributed to the great progress we have seen. I believe that our schools are much stronger because of our willingness to share our resources and commit to a collective vision of success for all First Nations students in BC.

Please remember that the FNSA welcomes suggestions and feedback about our efforts at any time, and we very much look forward to working with First Nations schools and all of our education partners in the year ahead.





Part One

Introduction to the First Nations Schools Association

The First Nations Schools Association (FNSA) was established in 1996 in response to the need for an organization dedicated to communicating and addressing the common concerns of First Nations schools in BC. The FNSA is operated and directed by First Nations schools, and it is incorporated as a non-profit society with charitable status.

The FNSA pursues its goals by undertaking research, sharing information, organizing professional development activities, improving networking opportunities, and coordinating provincial-level programs to assist schools in addressing issues such as assessment, reporting, parental involvement, special education, work experience, and technological capacity.

The work of the FNSA is overseen by a Board of Directors that is elected at its Annual General Meeting. The 2002/2003 Board of Directors and Executive included the following individuals.

President

Greg Louie, Maaqtusiis School

Vice President

Ernie Hill, Hartley Bay Elementary Secondary School

Treasurer

Amelia Stark, Eugene Joseph School

Secretary

Jeanette Jules, Little Fawn Nursery

Directors

Victor Jim, Moricetown Elementary School

Ruth Laurie, Sen Pok Chin School

Len Merriman, T'lisalaq'lakw School

Carol Michel, Stein Valley Nlakapamux School

Mark Point, Seabird Island Community School

Cathy Seymour, Kwadacha Dune Ty Centre

FNSA Partnerships

The First Nations Education Steering Committee (FNESC)

Since its establishment, the FNSA has worked in close partnership with the First Nations Education Steering Committee (FNESC). FNESC is a non-profit, independent organization dedicated to supporting First Nations in their efforts to promote quality educational opportunities for First Nations learners. Both the FNSA and FNESC are committed to sharing resources and coordinating efforts to ensure that the needs of First Nations schools and communities are addressed as effectively as possible. FNESC and the FNSA have formalized their very positive working relationship through an administrative agreement, according to which the FNESC staff provides administrative support to the FNSA Board of Directors. As reflected in this Annual Report, each year FNESC and the FNSA jointly implement a range of programs and services to support First Nations schools.

The Aboriginal Education Partners Group

The FNSA is also a member of the Aboriginal Education Partners Group, which includes the FNSA, FNESC, Indian and Northern Affairs Canada (INAC), the BC Ministry of Education, the BC Teachers' Federation, the BC College of Teachers, the

BC School Trustees Association, the BC School Superintendents Association, the BC Confederation of Parent Advisory Councils, and the BC Principals' and Vice-Principals' Association. The Aboriginal Education Partners Group was created in an effort to enhance the success of First Nation learners in the public and First Nations education systems.

Since its establishment, the Aboriginal Education Partners Group has focused on three critical issues. The first of those issues relates to the need to increase the representation of Aboriginal teachers in the BC public and First Nations school systems. In that regard, the Education Partners have worked to build stronger relationships with teacher education programs, and to promote teaching as a career through informational materials and presentations. In 2003, the Education Partners received \$420,000.00 in funding from the federal government to sponsor three, one-year programs that offered potential Aboriginal students the academic courses and preparation they require for acceptance to and success in teacher education programs. Eighty-two students enrolled in the three programs in their first year of operation.

The second area of focus selected by the Aboriginal Education Partners Group is anti-racism, and 2003/2004 saw the completion

of a two-year anti-racism project funded by the Department of Canadian Heritage. That project included the hiring of an Anti-Racism Officer and an Anti-Racism Consultant, who facilitated over 100 anti-racism workshops and presentations, worked with post-secondary institutes to provide relevant information directly to students and practicing teachers, and developed an Anti-Racism Toolkit. That Toolkit includes materials, videos, and lesson plans designed to stimulate discussion about discrimination and its effects in classrooms throughout BC. Efforts are now underway to prepare for additional work on anti-racism issues.

Aboriginal employment equity in the public education system is the third area of focus for the Aboriginal Education Partners Group, reflecting the need to increase the representation of Aboriginal employees in all sectors of the public education system. In order to address that issue, the Education Partners have been working to develop an *Aboriginal Employment Equity Toolkit*, which is expected to be available shortly.

The FNSA's Information Sharing Activities

Annual First Nations Schools Conference

Each year, the FNSA organizes a conference for representatives of First Nations schools, which is scheduled to coincide with the FNSA Annual General Meeting (AGM). The theme selected for the 2003 FNSA Conference was *Working for the Future: Effective Practices for the School and Classroom*. That event included a keynote address by celebrated artist Roy Henry Vickers, as well as a number of workshops that shared practical suggestions for assisting First Nations students at the classroom, school, and community level. The response to the 2003 FNSA Conference was extremely encouraging; over 350 very enthusiastic people participated in the event – the highest level of attendance to date. The AGM discussions were also extremely positive, resulting in very useful direction for all of the activities described in this Annual Report.

Other Information Sharing Activities

In addition to its annual conference, the FNSA also regularly shares relevant information with First Nations schools and other interested stakeholders, and maintains a web site at www.fnsa.ca.



Part Two **2003/2004 FNSA Programs and Services**

The First Nations School Assessment Project

Throughout the past five years, the FNSA has worked to develop a school assessment model that reflects the unique needs of First Nations schools in BC. Through research, consultations, and pilot projects, the FNSA and First Nations schools jointly designed an assessment process focused on school-growth, which involves a thorough internal review of school programs, satisfaction surveys of parents, teachers, students and community members, and an external review of the assessment findings by colleagues from other First Nations schools.

Each year, INAC provides funding to support the FNSA School Assessment Project, which allows the FNSA to sponsor the school-based processes, and also to facilitate collective

training workshops, colleague mentoring, and an external assessment component. INAC also recognizes the FNSA School Assessment process for fulfillment of the federal government's First Nations school evaluation requirements.

To date, over 50 First Nations schools have participated in the FNSA sponsored process, and they have generally indicated that it is a challenging but very rewarding and worthwhile experience. To ensure that the process continues to meet the needs of First Nations schools, in 2003/2004 the FNSA endorsed an evaluation of the School Assessment Project. That evaluation, which involved a survey of school staff who had previously participated in an FNSA sponsored assessment, indicated that 90% of the survey respondents felt that the process was valuable for school growth. There was also overwhelming support for a



continuation of the mentoring component, and 85% of the respondents were satisfied with the feedback they received through the external assessment component. Some of the specific comments shared through the School Assessment Project evaluation include the following.

- “Helps keep the school focused and there is accountability.”
- “It keeps everyone striving for the same goals.”
- “If the plan is followed through it will have been an excellent use of our time.”
- “It’s crucial for planning and implementation.”
- “The process helped organize and narrow down areas which we want to improve in our school. We are addressing these areas now and the work helps keep us on track”

The evaluation also resulted in several useful

suggestions for improvements to the School Assessment Project, which will be addressed in the 2004/2005 school year.

Assessment Project Certification Component

At its 2003 AGM, the FNSA was also directed to investigate the possibility of enhancing the First Nations School Assessment Project with an optional “certification” component. Accordingly, a small working group was formed to consider how the FNSA might certify schools at the completion of their assessment processes, and that working group recommended a formal review to ensure that the school is meeting expectations in core curricular areas and is prepared for continued school growth. The recommended certification criteria were approved at the 2004 FNSA AGM, and for the first time ever seven First Nations schools were certified by the FNSA at the conclusion of their 2003/2004 school assessment processes.

School Measures and Data Collection Project

In 2003/2004, the FNSA implemented a new project that explored the complex issues of performance measures and data collection processes that are appropriate for First Nations schools. That project was designed in

response to requests for information about ways in which First Nations schools can best measure student progress and use data to track program and school effectiveness.

Throughout the past year, the FNSA undertook research into the collection, analysis, and use of data to inform school growth and programming, and the results of that research were shared in four consultation workshops that took place in September and October 2003. The 65 school representatives who attended those workshops considered in detail a framework for possible data collection in First Nations schools. That framework included the identification of data to be collected by all schools, as well as the role of the FNSA in managing the collection and release of the data at the provincial level.

At the 2004 AGM, the FNSA membership approved the First Nations schools data collection framework, and agreed to the implementation of a pilot project in the 2004/2005 school year to determine the framework's effectiveness and ease of use.

The New Paths for Education Program

From 1998 until 2003, many FNSA and FNEC activities were sponsored using funding provided through the Gathering Strength

Program. That program was one component of INAC's response to the report of the Royal Commission on Aboriginal Peoples, which recommended that the federal government more actively support improvements in the quality of education available to First Nations students. On March 31 2003, the federal government's commitment to the Gathering Strength Program expired, and the funding that had been distributed through the program was added to the base budget of INAC and re-allocated to a replacement program titled *New Paths for Education*.

In 2003/2004, the federal government supported the administration of the BC *New Paths for Education* program by FNEC and the FNSA, and the organizations used the *New Paths* funding to continue many of the successful activities that had been initiated through the previous Gathering Strength program.

New Paths Community and School Grants

Throughout its five-year existence, the majority of funding provided through the Gathering Strength program was distributed directly to First Nations schools and communities for locally-based activities. In 2003/2004, that practice was continued through the *New Paths for Education* initiative, and \$2.5 million was distributed to First Nations schools through a base-plus-per-capita funding formu-

la. Schools used those grants for projects related to school capacity building, stay-in-school efforts, special education, literacy programming, and service integration. In addition, approximately \$2.4 million was provided to First Nations communities through a base-plus-per-capita formula for a range of initiatives to assist First Nations learners in BC. A final report outlining the use of the *New Paths* funding by schools and communities is available through the FNSA office.

2003/2004 New Paths Collective Activities

In addition to the grants provided to schools and communities, the 2003/2004 *New Paths for Education* funding was also used to sponsor a number of collective programs and initiatives. For example, the *New Paths* program included a continuation of the Speakers Series, which involves the organization of professional-development workshops in locations throughout BC. For six years, the Speakers Series has provided training to parents, teachers, school board members, education workers, and community representatives on issues such as special education, literacy, community-based programs to support young people, board training, and conflict resolution. In 2003/2004, the Speakers Series workshops focused on the topics of behaviour management, literacy, record keeping, board training, and conflict resolution.

2003/2004 *New Paths* funding was also used

to support the FNSA School Assessment Project mentoring initiative. That initiative allows people who have experience with the First Nations school assessment project to assist new project participants through the year-long process. The mentoring component has consistently been highlighted as one of the strengths of the FNSA School Assessment Project. The *New Paths* funding was also used to provide grants for the implementation of school growth plans, to assist schools in addressing some of the priorities identified through their assessment projects.

In addition, the 2003/2004 *New Paths* program included funding for a professional development day for principals of First Nations schools, and for a continuation of the First Nations Parents Club. Both of those activities are described in more detail in the following sections of this Annual Report.

Special Education Activities Update

As described above, since 1995 FNSA and the FNSA have actively promoted the critical need for special education funding for First Nations schools – work which finally resulted in the January 2003 release of new special education funding for First Nations students living on-reserve. In the 2003/2004 fiscal year, the special education funding available in BC



totaled \$5,867,400.00, representing the new Special Education Program (SEP) funding plus the portion of the *Gathering Strength/New Paths* program funding dedicated to special education. Of that amount, \$4,817,650 (82%) was allocated directly to schools, and \$1,049,750 (18%) was used for collective, regional-level initiatives.

Allocations to First Nations Schools

The majority of the special education funding available in BC was equitably allocated to all First Nations schools using a base-plus-per-capita formula. That funding distribution approach was approved by INAC on a pilot project basis until 2005; FNEESC and the FNSA are required to demonstrate the effectiveness and benefits of the base-plus-per-capita allocation method prior to the expiration of the pilot project. In addition, a portion of special education funding was used to assist schools that were not able to meet the needs of all of their students with High Cost special needs using their base-plus-per-capita allocation. Five percent (\$240,882) of the

funding identified for school allocations was withheld for that purpose, and it was made available for specific student services through an application process.

In managing the special education funding available in the BC region, FNEESC and the FNSA are committed to ensuring that all First Nations schools take advantage of the opportunities available. Accordingly, considerable time was spent assisting schools in accessing the special education grants, which resulted in 95% of eligible schools receiving their special education funding allocation in 2003/2004.

2003/2004 Collective Special Education Activities

In addition to school grants, a portion of the new special education funding was used to implement a number of collective, provincial-level activities. For example, the funding sponsored 70 psycho-educational assessments for students throughout the province, as well as a continuation of a toll-free telephone service for school staff, parents, and

community members who have questions regarding special education issues. In addition, a Special Education Consultant and Speech Language Pathologist were available to assist BC First Nations schools through in-school training and service delivery.

The special education collective activities also included efforts to organize professional development for First Nations school staff in a cost-effective manner. Simon Fraser University (SFU), in conjunction with the FNSA and FNEC, developed a 2-year graduate diploma/credit certificate called "Supporting Diverse Learners." As well, credit courses in the Language and Learning Certificate program through Shoreline Community College were offered regionally. In response to needs expressed by schools, 5 regional workshops on interpreting psycho-educational assessments also were organized around the province.

Special Education Program Evaluation

The 2003/2004 special education activities also included a thorough external evaluation of the BC initiatives, which included an analysis of written documents and records, as well as 45 interviews with a sample of First Nations school representatives, parents, FNSA Board members, Special Education Resource Committee members, INAC staff, and FNEC special education staff. The find-

ings of the 2004 SEP Evaluation included the following key points.

- Almost all of the interview respondents indicated that the funding provided does not allow First Nations schools to meet their special education needs. With existing funding levels, First Nations schools still require additional specialist services, staffing, and direct services to students. In addition, schools have identified a need for enhanced early intervention and prevention programs. In spite of the funding limitations, however, the new funding has allowed for the implementation of critical programs and the new financial resources are seen to be extremely valuable, even if limited.
- Over 90% of the interview respondents expressed satisfaction with the process used to allocate the special education funding in BC, and there is strong support for a continuation of the base-plus-per-capita formula process.
- The interview respondents overwhelmingly expressed satisfaction with the administration of the program, and the collective programs and professional development initiatives were said to be relevant, effectively and fairly implemented, and useful.
- The evaluators noted that there is strong support for, and evidence of, an effective

accountability process in the BC region. A high proportion of schools submit final reports accounting for their funding use, and schools are building their capacity in terms of identifying outcomes, indicators, and performance measures.

Copies of the special education evaluation report are available to anyone interested, and in the upcoming months the FNSA and FNECS will be using the evaluation recommendations to plan for continued improvements in the program.

First Nations SchoolNet Program

Funded by Industry Canada, the First Nations SchoolNet program is intended to develop information and communications technology (ICT) in schools through: a) providing connectivity and computers; b) building IT competencies and capacity; and c) developing IT content. In December 2002, FNECS and the FNSA began administering the First Nations SchoolNet program in the BC region, and in 2003/2004 the funding for the program included a base budget of \$812,000.00, with an additional \$1,245,000.00 acquired through a second proposal to Industry Canada.

Since its establishment, one of the key focuses of the SchoolNet program has been extending connectivity to First Nations



schools through the distribution of satellite dishes and Internet Service Provider (ISP) subsidies. The SchoolNet funding is also being used to provide an adequate number of computers per school, increased software, help desk services, and in-school assistance for First Nations schools. Specific SchoolNet program achievements in the 2003/2004 school year include:

- sponsoring the installation of 290 personal computers and 65 Apple Macintosh computers in First Nations schools;
- replacing DirecPC one-way satellite service with two-way VSAT satellite service in 43 schools, including dish hardware, LAN distribution within the school, and bandwidth subscription;
- providing ISP subsidies for 60 schools;
- arranging website and e-mail hosting service with a First Nations ISP for 10 schools;



- maintaining a 7AM – 7PM, 5-days/week help desk and technical support service, accessible by toll-free calling and available online;
- implementing an education-discounted software purchase program for all First Nations schools;
- procuring and installing local-area network (LAN) servers;
- sponsoring five youth science and technology camps, as well as an Aboriginal Youth Conference involving over 140 youth during Spring Break 2004;
- sponsoring a traveling in-service training program, with workshops conducted in over 25 schools;
- launching a First Nations SchoolNet website at bc.firstnationschools.ca;
- providing over 160 bundles of educational software to First Nation schools; and
- providing NVIT scholarships for 7 students and three youth at the First Nations Tech Resource Centre.

Finally, a portion of the 2003/2004 SchoolNet program funding was also used to support Aboriginal Language activities, including a workshop for youth focused on technology use for language programming, and the development of a handbook that describes how to use technology to effectively record language speakers.



The First Nations Parents Club

For the past three years, the FNSA has sponsored a First Nations Parents Club. This initiative supports First Nations schools and communities in their efforts to promote student success through greater parental involvement in school and home learning. As a result of the Parents Club support, by 2003 90 locally-based First Nations parents groups had been established throughout the province, all of which were specifically structured to reflect the unique needs of each community. Some of the activities being undertaken by those clubs include support meetings, adult education projects, workshops on safety, health and learning activities, and field trips to educational and higher learning centres. Many of the community groups are also working to increase the role of First Nations parents in school decision-making. The FNSA Parents Club supports the locally-based parent groups with a variety of support materials, including newsletters, incentive gifts, a parenting calendar, books for home reading, and other informational materials.

In 2003/2004, the ability of the FNSA and FNEESC to promote parental involvement increased significantly as a result of an INAC grant of \$280,000.00. That funding allowed for a continuation of the Parents Club activities described above, including the distribu-

tion of materials and incentives focused on building parenting skills. The funding was also used to update the *First Nations Parents Club Handbook*, a resource originally prepared in 2000. In 2003/2004, a revised version of the *Parents Club Handbook* was published, which includes information about new opportunities for parental involvement in the public education system and more up-to-date information about First Nations school assessment projects.

The new parent involvement funding also allowed FNEESC and the FNSA to sponsor a number of networking opportunities for First Nations parents. For example, a second Parents Club Conference took place in May, 2004, and almost 200 parents attended that event, demonstrating their enthusiasm and commitment to their children's success. FNEESC and the FNSA also sponsored the attendance of 20 First Nations parents at the BC Confederation of Parent Advisory Council (BCCPAC) Conference. That sponsorship was intended to increase the voice of First Nations parents at the conference and to raise the overall profile of First Nations parents' perspectives and needs. Attendance at the Conference provided an important learning opportunity for the participating parents, as well.

In addition, the new parental involvement funding was used to sponsor workshops for



parents focused on Career and Education Planning. Those workshops built upon a previous publication – *Finding Your Path: A Guide to Career and Education Planning*. That resource provides information about how to support students in planning courses, assessing their skills and interests, and preparing for life beyond grade 12. The workshop participants indicated that the information provided would help them in guiding their children through the important task of planning for life beyond grade 12.

In the past year, FNEC and the FNSA also provided grants to local parents clubs to allow them to organize training sessions within their communities. With those grants, parents clubs were able to invite guest speakers to share information about a range of parenting issues, and many clubs encouraged high levels of parent participation by organizing a dinner or providing free childcare for the event. In addition, grants were also provided to a number of communities that had not yet established a local club, to assist them in

organizing start-up activities to encourage parent interest.

Support for First Nations School Principals

In 2003/2004, the FNSA also focused considerable effort on assisting principals of First Nations schools. Research clearly indicates that the leadership shown by school principals is a critical element of school success, and in response the FNSA planned a number of activities to ensure that First Nations school principals in BC receive adequate professional development and support.

Previously, the FNSA created a handbook for school principals that provides information related to their school leadership function. In addition, five regional workshops were organized to facilitate discussion about the role of a principal and to gather input about the issues affecting First Nations school principals throughout the province. The response to

those initiatives was extremely positive, and the workshop participants clearly articulated a need for continued networking and training opportunities.

As a result of that feedback, the FNSA used a portion of the 2003/2004 *New Paths for Education* funding to sponsor a professional development opportunity for First Nations school principals. Over 65 people attended that session, which focused on the role of an instructional leader. That collective professional development event was followed by five regional workshops, which focused specifically on the issues of teacher supervision and maintaining personal health and well-being.

In addition to those activities, the FNSA created a part-time Principal Resource Person staff position. That staff person was available to assist all First Nations school principals through telephone, e-mail, and site visits, and the Principal Resource Person also supported schools in preparing for and following up on the results of their school assessment projects. In the first six months of availability, the Principal Resource Person worked with over 80 schools in BC, and the FNSA membership felt that the position was so valuable that it should be expanded into a full-time position in the 2004/2005 school year.



The Seventh Generation Club

For over six years, one of the main FNSA initiatives has been the Seventh Generation Club, and that program continued to be a focus in 2003/2004. The Seventh Generation Club encourages First Nations students to stay-in-school and make healthy life choices. Club members receive regular newsletters, a school daytimer specifically designed for the Seventh Generation Club, as well as prizes for contests that are based upon participation and enthusiasm. Since its establishment, the Seventh Generation Club has been a very successful initiative; over 6000 First Nations students participate in the initiative, and teachers and parents of Club members consistently report their support for the program.

Youth Program Administration

In the past year, the FNSA and FNESC continued to administer four youth programs that are funded annually by INAC: the Student Summer Employment Opportunities Program; the Science and Technology Program; the Youth Work Experience Program; and the Career Promotion and Awareness Program.

In 2003/2004, \$860,031.20 was available for the Student Summer Employment Opportunities Program (formerly the Summer



Student Career Placement Program), which is intended to support opportunities for career-related work experience and training for in-school First Nations students. 196 First Nations were eligible to receive a portion of the Student Summer Employment funding, and 149 letters of intent were received for that initiative.

\$206,842.55 was also provided for the Science and Technology Program (formerly the Summer Science and Technology Camp Program). That program promotes science and technology as a career choice by providing First Nations youth with first-hand experience in various science and technology disciplines. In 2003/2004, 87 proposals were submitted for the Science and Technology Program, of which 41 could be supported with the funding available.

In addition, FNEC and the FNSA received

\$1,053,265.95 for the Youth Work Experience Program, which provides supervised work experience opportunities for out-of-school, unemployed, or underemployed youth. FNEC and the FNSA were able to fund 20 of the 51 proposals received for that program in 2003/2004.

Finally, the Career Promotion and Awareness Program supports First Nations on-reserve youth through the establishment or continuation of Cooperative Education Program projects in on-reserve First Nations schools. With the \$375,000.00 available for that program in 2003/2004, 12 of the 31 submitted proposals could be funded through FNEC and the FNSA.

FIRST NATIONS SCHOOLS ASSOCIATION

AUDITED FINANCIAL STATEMENTS March 31, 2004

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
For The Year Ended March 31, 2004

The accompanying financial statements of the First Nations Schools Association and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Society maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Society's assets are appropriately accounted for and adequately safeguarded.

The Board is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Directors review the Society's financial statements and recommends their approval. The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Board takes this information into consideration when approving the financial statements for issuance to the Society. The Board also considers the engagement of the external auditors.

The financial statements have been audited by Reid Hurst Nagy in accordance with Canadian generally accepted auditing standards on behalf of the members. Reid Hurst Nagy have full access to the First Nations Schools Association.

Greg Louie, Chair, Board Of Directors

Amelia Stark, Treasurer, Board Of Directors

AUDITORS' REPORT

FIRST NATIONS SCHOOLS ASSOCIATION

We have audited the statement of financial position of the First Nations Schools Association as at March 31, 2004 and the statements of revenue and expenditures, operations and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Society. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of the Society, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2004, the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

REID HURST NAGY
CERTIFIED GENERAL ACCOUNTANTS

MAY 20, 2004
RICHMOND, B.C.

FIRST NATIONS SCHOOLS ASSOCIATION

SUMMARY STATEMENT OF REVENUE AND EXPENDITURES For the Year Ended March 31, 2004

Statement 1

| | Budget \$ | 2004 Actual \$ | 2003 Actual \$ |
|---|--------------|----------------------|----------------------|
| REVENUE | | | |
| First Nations Education Steering Committee Society Funding, Operations | 228,129 | 228,129 | 159,129 |
| Membership fees | 18,000 | 19,209 | 18,616 |
| Interest income | - | 7,544 | 5,768 |
| ArtStarts contributions | 17,500 | 17,500 | - |
| First Nations Education Steering Committee Society Funding, Seventh Generation | - | - | 9,000 |
| Seventh Generation Gala income | 25,500 | 31,488 | 25,585 |
| First Nations Education Steering Committee Society Funding, Capacity Building | 59,674 | 59,674 | 76,974 |
| Annual general meeting vendors' table income | 6,000 | 6,403 | 1,650 |
| Conference registration | - | 4,550 | - |
| | 354,803 | 374,497 | 296,722 |
| EXPENDITURES | | | |
| Administration | 5,500 | 5,080 | 3,796 |
| Artists in education program | 35,000 | 30,813 | - |
| Audio visual equipment | 5,700 | 5,659 | 270 |
| Annual report | 2,287 | 2,287 | 2,000 |
| Board members | 20,000 | 21,184 | 7,366 |
| Catering | 63,000 | 70,258 | 53,922 |
| Communications support | - | - | 3,000 |
| Directors meetings | 68,312 | 60,671 | 50,223 |
| Gala events | 6,300 | 6,378 | 4,707 |
| Facilities | 5,200 | 5,430 | 18,096 |
| Insurance | 2,890 | 2,890 | 1,670 |
| Newsletter | - | - | 2,684 |
| Office and miscellaneous | 20,950 | 20,386 | 18,079 |
| Professional fees | 7,000 | 6,968 | 5,500 |
| Rent | 7,800 | 7,800 | 7,800 |
| Research | - | - | 10,254 |
| School measures and data | 69,000 | 21,603 | - |
| Silent auction items | 5,000 | 5,045 | 4,795 |
| Speakers | 1,500 | 1,422 | 5,915 |
| Supplies | 10,000 | 9,352 | 4,699 |
| Wages and benefits | 48,529 | 48,529 | 48,529 |
| | 383,968 | 331,755 | 253,305 |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES | (29,165) | 42,742 | 43,417 |
| FUND BALANCE, BEGINNING OF THE YEAR | - | 202,137 | 158,720 |
| FUND BALANCE, END OF THE YEAR | - | 244,879 | 202,137 |

The accompanying notes are an integral part of these financial statements

FIRST NATIONS SCHOOLS ASSOCIATION

SUMMARY STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES For the Year Ended March 31, 2004

Statement 2

| Schedule # | Opening Equity \$ | FNEC Funding \$ | Membership Fees \$ | 2004 Other Revenue \$ | Total Revenue \$ | Total Expenditures \$ | Excess (Deficiency) For the Year \$ | Transfers For the Year \$ | Ending Equity \$ |
|---|-------------------|-----------------|--------------------|-----------------------|------------------|-----------------------|-------------------------------------|---------------------------|------------------|
| Core Operation 1 | 175,822 | 228,129 | 19,209 | 25,044 | 272,382 | 204,945 | 67,437 | (103,000) | 140,259 |
| Seventh Generation Gala 2 | 26,315 | - | - | 31,488 | 31,488 | 33,732 | (2,244) | 3,000 | 27,071 |
| Annual General Meeting and Conference 3 | - | 59,674 | - | 10,953 | 70,627 | 93,078 | (22,451) | 100,000 | 77,549 |
| | 202,137 | 287,803 | 19,209 | 67,485 | 374,497 | 331,755 | 42,742 | - | 244,879 |

The accompanying notes are an integral part of these financial statements

FIRST NATIONS SCHOOLS ASSOCIATION

STATEMENT OF FINANCIAL POSITION
March 31, 2004

Statement 3

| | 2004 | 2003 |
|---|----------------|---------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT | | |
| Cash | 175,875 | 112,035 |
| EQUIPMENT (Notes 2b & 3) | - | 255 |
| OTHER | | |
| Due from First Nations Education Steering Committee Society | 87,164 | 92,603 |
| | 263,039 | 204,893 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accruals | 18,160 | 2,500 |
| MEMBERS' EQUITY | | |
| CAPITAL FUND (Notes 2b & 3) | - | 255 |
| OPERATING FUNDS | 244,879 | 202,138 |
| | 244,879 | 202,393 |
| | 263,039 | 204,893 |

Approved On Behalf of First Nations Schools Association:

Greg Louie

Amelia Stark

The accompanying notes are an integral part of these financial statements

FIRST NATIONS SCHOOLS ASSOCIATION

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2004

Statement 4

| | 2004 | 2003 |
|---|---------|----------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | 42,742 | 43,417 |
| CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS | | |
| Prepaid expenses | - | 1,130 |
| Accounts payable and accruals | 15,659 | 600 |
| | 58,401 | 45,147 |
| CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES | | |
| Due from First Nations Education Steering Committee Society | 5,439 | (15,590) |
| NET INCREASE IN CASH | 63,840 | 29,557 |
| CASH - BEGINNING OF THE YEAR | 112,035 | 82,478 |
| CASH - END OF THE YEAR | 175,875 | 112,035 |

The accompanying notes are an integral part of these financial statements

FIRST NATIONS SCHOOLS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2004

NOTE 1: SOCIETY, AIMS AND OBJECTIVES

The Society was incorporated under the Society Act of British Columbia on December 18, 1996. The Society obtained its Registered Charity status effective April 1, 1998.

The First Nations Schools Association serves First Nations schools to promote quality education and to maximize the available resources in order to improve the quality of education for First Nations students. The First Nations Schools Association will direct its energies to supporting the work of First Nations schools in developing and implementing culturally appropriate, meaningful and quality educational programs. The First Nations Schools Association will work to provide a forum for networking, communication and liaison among First Nations schools, other educational institutes, and federal, provincial and other governments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of the financial statements:

a) Fund accounting

The First Nations Schools Association uses the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The financial position of the Society is shown on the statement of financial position which included the assets, liabilities and equity of all funds presented in the financial statements.

b) Equipment

Equipment, when acquired, is recorded as an expenditure in the appropriate fund and is also reported on the balance sheet as equipment and equity in the capital fund at net book value. Depreciation is charged to equity in capital fund on a straight-line basis over the expected useful life of the assets at the following annual rates:

| | |
|-------------------------|---------|
| Computer equipment | 3 years |
| Equipment and furniture | 5 years |

c) Budget figures

All budget figures were prepared by management and are unaudited.

NOTE 3: EQUIPMENT

Equipment consists of the following:

| | <u>COST</u> | <u>ACCUMULATED DEPRECIATION</u> | <u>2004 NET</u> | <u>2003 NET</u> |
|-------------------------|--------------|-------------------------------------|---------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Computer equipment | 1,273 | 1,273 | - | 255 |
| Furniture and equipment | 2,115 | 2,115 | - | - |
| | <u>3,388</u> | <u>3,388</u> | <u>-</u> | <u>255</u> |

FIRST NATIONS SCHOOLS ASSOCIATION

SCHEDULE OF CORE OPERATION For the Year Ended March 31, 2004

Schedule 1

| | Budget \$ | 2004 Actual \$ | 2003 Actual \$ |
|---|--------------|----------------------|----------------------|
| REVENUE | | | |
| First Nations Education Steering Committee Society | | | |
| Funding, Core Operation | 228,129 | 228,129 | 159,129 |
| Membership fees | 18,000 | 19,209 | 18,616 |
| Interest income | - | 7,544 | 5,768 |
| ArtStarts contributions | 17,500 | 17,500 | - |
| | 263,629 | 272,382 | 183,513 |
| EXPENDITURES | | | |
| Administration | 3,000 | 3,000 | 3,000 |
| Artists in education program | 35,000 | 30,813 | - |
| Annual report | 2,287 | 2,287 | 2,000 |
| Communications support | - | - | 3,000 |
| Directors meetings | | | |
| - December meeting | 7,500 | 4,676 | 7,546 |
| - June meeting | 7,500 | 5,403 | 8,264 |
| - September meeting | 10,312 | 9,314 | 9,509 |
| - February meeting | 11,500 | 11,573 | 4,018 |
| - March meeting | 3,000 | 1,353 | 1,702 |
| - Principal professional development | 26,000 | 26,092 | - |
| - General meeting | 2,500 | 2,258 | 19,186 |
| Insurance | 2,890 | 2,890 | 1,670 |
| Newsletter | - | - | 2,684 |
| Office and miscellaneous | 20,950 | 20,386 | 15,526 |
| Professional fees | 7,000 | 6,968 | 5,500 |
| Office rent | 7,800 | 7,800 | 7,800 |
| Research | - | - | 10,254 |
| School measures and data | 69,000 | 21,603 | - |
| Wages and benefits | 48,529 | 48,529 | 48,529 |
| | 264,768 | 204,945 | 150,188 |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES | (1,139) | 67,437 | 33,325 |
| FUND BALANCE, BEGINNING OF THE YEAR | 175,822 | 175,822 | 148,971 |
| INTER-FUND TRANSFER | (103,000) | (103,000) | (6,474) |
| FUND BALANCE, END OF THE YEAR | 71,683 | 140,259 | 175,822 |

\$10,150 in committed funds have been accrued at the year end date

FIRST NATIONS SCHOOLS ASSOCIATION

SCHEDULE OF SEVENTH GENERATION GALA For the Year Ended March 31, 2004

Schedule 2

| | Budget | 2004 | 2003 |
|--|----------------|----------------|---------------|
| | \$ | Actual | Actual |
| | | \$ | \$ |
| REVENUE | | | |
| First Nations Education Steering Committee Society Funding, Seventh Generation Gala | - | - | 9,000 |
| Sale of tables | 17,500 | 19,015 | 14,225 |
| Silent auction | 8,000 | 12,473 | 11,360 |
| | 25,500 | 31,488 | 34,585 |
| EXPENDITURES | | | |
| Administration | 1,000 | 816 | 1,292 |
| Audio visual equipment | 700 | 702 | 270 |
| Catering | 13,000 | 18,116 | 6,611 |
| Gala events | 6,300 | 6,378 | 4,707 |
| Facilities | 2,500 | 2,675 | 2,435 |
| Promotion and advertising | - | - | 908 |
| Silent auction items | 5,000 | 5,045 | 4,795 |
| | 28,500 | 33,732 | 21,018 |
| (DEFICIENCY) INCOME OF REVENUE OVER EXPENDITURES | (3,000) | (2,244) | 13,567 |
| FUND BALANCE, BEGINNING OF THE YEAR | 26,315 | 26,315 | 9,748 |
| INTER-FUND TRANSFER | 3,000 | 3,000 | 3,000 |
| FUND BALANCE, END OF THE YEAR | 26,315 | 27,071 | 26,315 |

FIRST NATIONS SCHOOLS ASSOCIATION

SCHEDULE OF ANNUAL GENERAL MEETING AND CONFERENCE For the Year Ended March 31, 2004

Schedule 3

| | Budget | 2004 | 2003 |
|--|---------------|-----------------|---------------|
| | \$ | Actual | Actual |
| | | \$ | \$ |
| REVENUE | | | |
| First Nations Education Steering Committee Society | | | |
| Funding, Annual General Meeting | 59,674 | 59,674 | 76,974 |
| Conference registration | - | 4,550 | - |
| Vendors' tables | 6,000 | 6,403 | 1,650 |
| | <hr/> | <hr/> | <hr/> |
| | 65,674 | 70,627 | 78,624 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Administration | 1,500 | 1,265 | 294 |
| Audio visual equipment | 5,000 | 4,957 | - |
| Board members | 20,000 | 21,184 | 7,366 |
| Catering | 50,000 | 52,142 | 47,310 |
| Facilities | 2,700 | 2,756 | 15,660 |
| Miscellaneous | - | - | 1,643 |
| Office expenses | 10,000 | 9,352 | 3,910 |
| Speakers | 1,500 | 1,422 | 5,915 |
| | <hr/> | <hr/> | <hr/> |
| | 90,700 | 93,078 | 82,098 |
| | <hr/> | <hr/> | <hr/> |
| DEFICIENCY OF REVENUE OVER EXPENDITURES | (25,026) | (22,451) | (3,474) |
| FUND BALANCE, BEGINNING OF THE YEAR | - | - | - |
| INTER-FUND TRANSFER | 100,000 | 100,000 | 3,474 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCE, END OF THE YEAR | 74,974 | 77,549 | - |



First Nations Schools Association

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