



ANNUAL REPORT
2002/03

FIRST NATIONS SCHOOLS ASSOCIATION





The First Nations Schools Association (FNSA) is proud to present our 2002/2003 Annual Report. Throughout the past year, we have continued our efforts to assist First Nations schools by sharing information, resources, and support. We hope that by facilitating collective initiatives we have helped First Nations schools provide the type of educational opportunities that our children deserve.

2002/2003 saw some very exciting developments for First Nations schools. After some wait, the new special education funding for First Nations schools was finally released. In addition, another \$3 million in new funding for First Nations schools was announced in 2003 – a development that reflects years of efforts to raise concerns and undertake detailed research into the need for more resources for our schools. Last year, the FNSA also allocated to all schools \$500,000 in new funding for school library and learning resources. I believe that those advances reflect the many benefits we will achieve by working together and by maintaining a collective voice for First Nations schools.

In addition to assisting with the administration of the new funding, the FNSA has spent the past year strengthening many of our ongoing initiatives. Our schools continue to enjoy the many Gathering Strength Program activities, the services provided by the busy Special Education Team, the First Nations schools assessment project, the INAC funded youth programs, and the Seventh Generation Club. As always, the FNSA welcomes any suggestions on how we can improve those initiatives.

The FNSA is also now planning some very interesting new projects for the upcoming year. Based upon the feedback we have received, the FNSA will be working to expand our support for First Nations school principals, recognizing that the leadership of our principals is critical to our schools' success. The FNSA is also ready to take on the very exciting challenge of considering how First Nations schools can measure and endorse the success of our programming so that we can consistently verify that what we are doing is making a real difference for our children.

As always, the FNSA would like to thank everyone who has helped our organization continue to grow. The First Nations Education Steering Committee (FNESC) has provided invaluable assistance since the establishment of the FNSA, and the First Nations Education Strategic Action Committee has also shared advice and support. The hundreds of people who have participated in FNSA events and programs are also responsible for the great progress that has been achieved.

Perhaps most importantly, the FNSA Board is very grateful to all of our members for their ongoing confidence and support. We hope that we have represented all schools and successfully reflected their directions throughout the past year. The FNSA looks forward to continuing our efforts to support all First Nations schools in providing the highest quality education possible.

GREG LOUIE



Another \$3 million in new funding for First Nations schools was announced in 2003 – a development that reflects years of efforts to raise concerns and undertake detailed research into the need for more resources for our schools.



The First Nations Schools Association (FNSEA) is a non-partisan organization committed to improving and supporting the development of quality and culturally appropriate education for First Nations learners. The FNSEA was established in response to requests for an organization dedicated to communicating and addressing the common concerns of First Nations schools.

The FNSEA is operated and directed by First Nations schools. It is incorporated as a non-profit society with charitable status.

The 2002/2003 Board of Directors and Executive included the following individuals.

PRESIDENT

Greg Louie, Maaqtusiis School

VICE PRESIDENT

Ernie Hill, Hartley Bay School

TREASURER

Barbara White
Qwam Qwum Stalicut School

SECRETARY

Sue Gower, Chalo School

DIRECTORS

Victor Jim
Morictown Elementary School

Jeannette Jules, Little Fawn Nursery

Georgina Nelson,
Xit'olacw Community School

Gloria Nicholson,
Tsawataineuk School

Amelia Stark, Eugene Joseph School

Robert Williams, ?a'q'amnik Primary

The FNSEA undertakes many of its activities through an administrative agreement with the First Nations Education Steering Committee (FNESC). According to that agreement, the FNESC staff provides administrative support to the FNSEA Board for the implementation of the FNSEA workplan. The FNSEA and FNESC also implement numerous programs in partnership, as demonstrated throughout this Annual Report.



The FNSEA is committed to improving and supporting the development of quality and culturally appropriate education for First Nations learners.





INFORMATION SHARING ACTIVITIES

One of the primary aims of the FNSA is to facilitate networking and information sharing amongst First Nations schools.

The 7th FNSA Annual General Meeting and Conference took place on April 25 & 26, 2003 at the Hyatt Regency Hotel in Vancouver, BC. That event was again very successful, with an unprecedented number of people in attendance. Over 300 people gathered at the Conference to enjoy a keynote address by Roy Henry Vickers, a presentation on First Nations jurisdiction for education, and numerous workshops on topics such as language and culture teaching, special education, teaching strategies, and anti-racism initiatives.

For the past three years, the FNSA has also attempted to address the challenging issue of teacher recruitment by organizing a Teacher Job Fair concurrently with the annual conference. That event allows First Nations schools to meet with teachers and administrators to discuss potential work placements.

In addition to those information sharing activities, the FNSA regularly distributes relevant information as it arises. The Association also publishes a newsletter and maintains a web site at www.firstnations-schools.bc.ca.

WORKING IN PARTNERSHIP FOR CHANGE

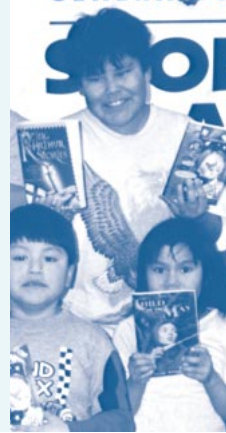
In addition to its close working relationship with FNEESC, the FNSA is proud to participate with the BC Aboriginal Education Partners Group. That group includes some of the most significant stakeholders in the BC

education system, including FNEESC, the FNSA, Indian and Northern Affairs Canada (INAC), the BC Ministry of Education (MoE), the BC Teachers' Federation, the BC College of Teachers, the BC School Trustees Association, the BC School Superintendents Association, and the BC Principals and Vice Principals Association.

Since that group first signed a Memorandum of Understanding (MoU) in 1999 the Education Partners have focused on ways to implement the MoU, which commits the Education Partners to "work within our respective organizations to improve school success for Aboriginal learners in British Columbia." Specifically, the Education Partners have begun their efforts with a focus on three issues: Aboriginal teacher recruitment, employment equity, and racism.

The Aboriginal teacher recruitment activities relate to the need to ensure greater representation of Aboriginal teachers in BC schools. To reach that goal, the Education Partners are working to increase the number of trained Aboriginal teachers in BC through the promotion of teaching as a profession, bridging programs to help interested Aboriginal candidates obtain the courses required to enter teacher education programs, and satellite teacher education programs organized in First Nations communities. Those initiatives will be more fully developed throughout the next several years.

The Education Partners Group has also established an Anti-Racism Working Group. In 2002/2003, the work of that group expanded considerably, as an Anti-Racism Officer was hired to directly support First Nations in facilitating relevant workshops and



As a member of the Education Partners Group the FNSA is focused on ways to improve school success for Aboriginal learners in British Columbia.





meetings, and also to collect information about effective materials and programs. In addition, an Anti-Racism Kit was developed to assist classroom teachers in stimulating discussions about discrimination, and the Anti-Racism Coordinator and an Anti-Racism Consultant are available to visit schools throughout the province to provide in-service for the effective use of the new resource.

The Education Partners Group is also working on an Employment Equity Handbook, to assist employers in designing and implementing policies to increase the number of Aboriginal people working throughout the education system.

GATHERING STRENGTH PROGRAM

For the past several years, a primary component of FNSA activities has been the administration of the INAC funded Gathering Strength Program. Since its establishment, the majority of Gathering Strength funding has been provided directly to First Nations schools and communities for locally-based activities. In 2002/2003, \$4 million was distributed to First Nations schools for projects related to school capacity building, stay-in-school, special education, and service integration. \$1.8 million in funding was also distributed to First Nations communities for education related projects.

Annual Speakers Series Workshops

For five years, Gathering Strength funding has been used to implement a Speakers Series, which involves the annual organization of approximately seventeen workshops in locations throughout BC. The workshops organized to date have focused on special education issues, literacy, community-wide programs to support young people, board training, conflict

resolution, and record keeping. Parents, teachers, school board members, education workers, and community members have all attended the annual Speakers Series workshops, and feedback from the participants has been consistently positive.

Special Education Toll-Free Resource Line

2002/2003 Gathering Strength Program funding also allowed for a continuation of the Special Education Toll-Free Resource Line. That initiative involves a toll-free telephone service that is staffed by a special education teacher. First Nations educators and parents are invited to use the telephone service to access information about resource people, professional development opportunities, materials, and specific special education matters. A monthly newsletter, *Special Education Connections*, is also distributed to share information about relevant workshops, training, and materials.

Parents Club

The First Nations Parents Club was also continued for the third year in 2002/2003. Recognizing the key role of parents in encouraging educational success, the Parents Club involves provincial-level support for approximately 75 locally-based parents clubs in First Nations communities. Those local clubs represent approximately 1500 members. The materials provided to date have included a specially designed First Nations Parents Handbook, a Parents Club Calendar with fun parenting suggestions, reading materials, and various incentives including mugs, vests, and book bags. The response to the Parents Club initiatives has been very positive.



In 2002/2003, the Gathering Strength Program distributed \$4 million to First Nations schools for projects related to school capacity building, stay-in-school, special education, and service integration.



Language Curriculum Development Workshops

Since 2000/2001, Gathering Strength funding has been used to sponsor Aboriginal Language Curriculum Development Workshops. Since their establishment, over a dozen workshops have been organized, including several level one, introductory workshops, as well as second level workshops for more advanced information. Approximately 350 people have participated in those training opportunities. The workshops have been quite well received, and there is a clear need for continued support for Aboriginal language programming.

Gathering Strength Sponsored Research Projects and Materials Development

Each year, Gathering Strength funding is used to undertake research, and in 2002/2003, a major project was sponsored in the area of career and employment planning. Evidence clearly indicates that too many First Nations students are graduating without the pre-requisites required for them to pursue their education and career goals. Many First Nations education workers have also suggested their desire for more information and training in this critical area. In response, a resource was created to assist people who work to support First Nations students in effectively planning for their lives beyond grade 12. In addition, the resource was shared in three workshops for First Nations education workers, and two workshops for First Nations youth. Given the success of the first year of the initiative, additional workshops will be organized in future years.

SCHOOL ASSESSMENT PROJECT

Throughout the past five years, the FNSA has been working in partnership

with First Nations schools to establish a school assessment framework that reflects their unique circumstances and goals. That work began with research and an extensive consultation process, followed by pilot projects to explore the effectiveness of various school assessment frameworks.

Based upon the responses received, in 2001/2002 First Nations schools reached agreement on one school assessment model. That model involves an internal review of school programming to self-identify school strengths and challenges, and the information gathered is then used to create a plan for school growth. That internal process is followed by an external review that allows for feedback from First Nations school colleagues.

Since the clarification of the school assessment model, the process has been expanded to include a mentoring initiative, which allows First Nations school representatives with assessment experience to support schools undergoing a school assessment for the first time.

First Nations schools have reported that the FNSA sponsored First Nations School Assessment Project has resulted in very meaningful reviews of school operations which will undoubtedly result in significant growth and benefits to the schools and their learners. Based upon that success, the FNSA membership has expressed its support for a continuation of this project, as well as consideration of an added optional component that will result in the certification of participating schools. That possible additional step will be explored throughout 2003/2004, and information about the findings will be reviewed at the 2004 FNSA Annual General Meeting.





SUPPORT FOR FIRST NATIONS SCHOOLS PRINCIPALS

Throughout 2002/2003, the FNSA began specific efforts to better support First Nations school principals. That work was founded upon clear evidence that the leadership provided by principals is critical to school success. Reflecting that finding, the FNSA Board dedicated a significant portion of its resources to organizing three principal and administrator workshops in the fall of 2002. Over fifty very enthusiastic principals attended those workshops and were extremely positive about the opportunity to come together to share their ideas and experiences. The FNSA also sponsored the development of *Providing Educational Leadership: A First Nations Schools Administration Handbook*, which was provided to all First Nations schools in BC. The FNSA has also been working to better connect principals through e-mail and a buddy system. In the upcoming year, the FNSA intends to expand its efforts in this area based upon consultations with First Nations school principals about the types of support that are most needed.

SPECIAL EDUCATION ACTIVITIES

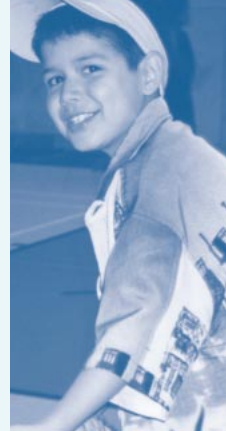
Throughout the past several years, the FNSA and FNEC have undertaken numerous efforts in the area of special education. That work has included consultation workshops, professional development activities, numerous research projects, the development of a range of support materials, and the toll-free special education resource line. In 2002/2003, new staff people were also hired to provide direct services to First Nations schools through telephone and school visits. In addition to those collective initiatives, for the past four years,

special education grants have been distributed to all First Nations schools in BC for the implementation of locally-based special education programs and services. To date, the grants have totaled close to \$5 million.

For several years, the FNSA and FNEC were also actively involved in a national effort to access increased special education funding for First Nations schools, and in 2001 that work resulted in the announcement of significant new special education funding from the federal government. Following direction from First Nations schools, communities, and leaders, the FNSA and FNEC have taken responsibility for managing the new special education funding provided to BC. The first installment of the new special education funding was released for use by schools in January, 2003, and additional funding will be provided in future years. Plans for future collective special education services by the FNSA and FNEC include additional professional development initiatives, including the development of an accredited First Nations special education diploma. In addition, there will be continued efforts to facilitate student assessments, early intervention programs, and additional services in schools.

FIRST NATIONS SCHOOLNET PROGRAM

In October, 2002, the FNSA and FNEC were appointed by Industry Canada as the Regional Management Organization for the First Nations SchoolNet Program. The BC First Nations SchoolNet project aims to enhance the telecommunications infrastructure of First Nations schools by ensuring minimum computer to





student ratios, enhancing internet connectivity, and providing ongoing advice and support through a toll-free help desk and through technical assistance in schools. The FNSA and FNEsc initiated their administration of this project through the hiring of a SchoolNet coordinator. In addition, an advisory committee of First Nations school representatives was created to provide overall guidance and direction on program planning.

For the 2002/2003 school year, \$600,000 in funding was available in the BC Region for the SchoolNet initiative. That funding was used primarily to purchase and distribute computers. Funding was also used to purchase digital cameras for each school.

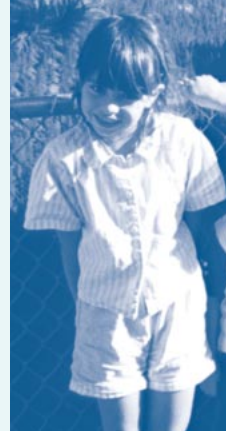
For the 2003/2004 school year, efforts will be underway to address the replacement or upgrade of 50 DirecPC satellite systems, to provide for technical support and for Internet access, to create a Helpdesk phone service, and to develop a guide to assist teachers in integrating computers into the classroom. In addition to those activities, the FNSA has been asked to take over the administration of Industry Canada's Grassroots program. That program will provide approximately 30 to 40 small grants for classroom-based website design projects.

SEVENTH GENERATION CLUB

For over five years, one of the main FNSA initiatives has been the Seventh Generation Club. That Club focuses on encouraging 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. The Seventh Generation Club has been a very successful initiative; over 6500 First Nations students are members, and teachers and parents of Club members consistently report their support for the initiative.

YOUTH PROGRAM ADMINISTRATION

For the past five years, the FNSA and FNEsc have cooperatively managed four youth programs that are funded by INAC – the Summer Science and Technology Camp Initiative, the Summer Student Career Placement Program, the Youth Work Experience Program, and the Cooperative Education Program. Proposal information for those programs is distributed to all First Nations schools and communities each spring, and final reports are collected upon completion of the projects. First Nations representatives continue to assert that the programs are very meaningful for First Nations young people, and the FNSA is very pleased to offer its support for their administration.



**SEVENTH
GENERATION**



Following the 2003 FNSA Annual General Meeting, the following individuals were appointed as the new FNSA Board of Directors.

President

Greg Louie, Maaqtusiis School

Vice President

Ernie Hill, Hartley Bay School

Treasurer

Amelia Stark, Eugene Joseph School

Secretary

Jeannette Jules, Little Fawn Nursery

Directors

Victor Jim
Morcetown Elementary School

Ruth Laurie
Sen*Pok*Chin School

Len Merriman
T'lisalaq'lakw School

Carol Michel
Stein Valley School

Mark Point
Seabird Island Community School

Cathy Seymour
Kwadacha Dune Ty Centre

The FNSA would like to thank all of the people who have volunteered their time as FNSA Board members in the past. The FNSA also congratulates the new Board of Directors.

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MARCH 31, 2003**

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Management's Responsibility for Financial Reporting

For The Year Ended March 31, 2003

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

Barbara White
Treasurer, Board Of Directors

Auditors' Report

First Nations Schools Association

We have audited the statement of financial position of First Nations Schools Association as at March 31, 2003 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, 2003 and the results of its operations 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 22, 2003
RICHMOND, B.C.



SUMMARY STATEMENT OF REVENUE AND EXPENDITURES**STATEMENT 1**

For the Year Ended March 31, 2003

| | Budget \$ | 2003 Actual \$ | 2002 Actual \$ |
|--|--------------|----------------------|----------------------|
| REVENUE | | | |
| First Nations Education Steering Committee Society Funding, Operations | 159,129 | 159,129 | 159,755 |
| First Nations Education Steering Committee Society Funding, Seventh Generation Gala | 9,000 | 9,000 | - |
| First Nations Education Steering Committee Society Funding, Annual general meeting | 76,974 | 76,974 | 72,586 |
| Membership fees | - | 18,616 | 15,114 |
| Interest income | - | 5,768 | 5,938 |
| Miscellaneous income | - | - | 800 |
| Seventh Generation Gala income | 25,500 | 25,585 | 28,867 |
| Annual general meeting vender's table income | - | 1,650 | - |
| | 270,603 | 296,722 | 283,060 |
| EXPENDITURES | | | |
| Administration | 3,400 | 3,921 | 27,403 |
| Annual general meeting | - | 1,643 | 8,333 |
| Annual report | 2,000 | 2,000 | 2,094 |
| Board members | 8,000 | 7,366 | 9,634 |
| Catering | 56,500 | 53,922 | 25,364 |
| Communications support | 3,000 | 3,000 | - |
| Directors meetings | 56,000 | 50,225 | 39,399 |
| Gala events | 3,800 | 4,707 | 5,750 |
| Facilities | 18,500 | 18,096 | 15,565 |
| Insurance | 1,650 | 1,670 | 1,630 |
| Newsletter | 2,500 | 2,684 | 2,197 |
| Office and miscellaneous | 15,800 | 10,641 | 13,016 |
| Professional fees | 5,500 | 5,500 | 4,912 |
| Promotion and advertising | - | 908 | - |
| Rent | 7,800 | 7,800 | 7,800 |
| Research | 10,000 | 10,254 | 16,751 |
| Silent auction items | 5,000 | 4,795 | - |
| Speakers | 6,000 | 5,915 | 4,377 |
| Supplies | 4,900 | 4,844 | 4,428 |
| Telephone | 5,600 | 4,885 | 5,579 |
| Wages and benefits | 48,529 | 48,529 | 57,044 |
| Contribution to First Nations Education Steering Committee Society | - | - | 20,000 |
| | 262,479 | 253,305 | 271,276 |
| EXCESS OF REVENUE OVER EXPENDITURES | 8,124 | 43,417 | 11,784 |
| FUND BALANCE, BEGINNING OF THE YEAR | 158,720 | 158,720 | 146,936 |
| FUND BALANCE, END OF THE YEAR | 166,844 | 202,137 | 158,720 |

The accompanying notes are an integral part of these financial statements

SUMMARY STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended March 31, 200

STATEMENT 2

| Schedule # | Opening Equity \$ | FNESC Funding \$ | Membership Fees \$ | 2003 Other Revenue \$ | Total Revenue \$ | Total Expenditures \$ | Excess (Deficiency) For the Year \$ | Transfers For the Year \$ | Ending Equity (Deficit) \$ |
|------------|-------------------|------------------|--------------------|-----------------------|------------------|-----------------------|-------------------------------------|---------------------------|----------------------------|
| 1 | 148,971 | 159,129 | 18,616 | 5,768 | 183,513 | 150,188 | 33,325 | (6,474) | 175,822 |
| 2 | 9,748 | 9,000 | - | 25,585 | 34,585 | 21,018 | 13,567 | 3,000 | 26,315 |
| 3 | - | 76,974 | - | 1,650 | 78,624 | 82,098 | (3,474) | 3,474 | - |
| | 158,719 | 245,103 | 18,616 | 33,003 | 296,722 | 253,304 | 43,418 | - | 202,137 |

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION **STMNT 3**
For the Year Ended March 31, 2003

| | 2003 \$ | 2002 \$ |
|-------------------------------|----------------|----------------|
| ASSETS | | |
| CURRENT | | |
| Cash | 112,035 | 82,478 |
| Prepaid expenses | - | 1,130 |
| | 112,035 | 83,608 |
| CAPITAL (Notes 2b & 3) | 254 | 509 |
| OTHER | | |
| Due from FNESC Society | 92,603 | 77,012 |
| | 204,892 | 161,129 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accruals | 2,501 | 1,901 |
| MEMBERS' EQUITY | | |
| CAPITAL FUND (Notes 2b & 3) | 254 | 509 |
| OPERATING FUNDS | 202,137 | 158,719 |
| | 202,391 | 159,228 |
| | 204,892 | 161,129 |

Approved On Behalf of First Nations Schools Association:

Greg Louie
Chair, Board Of Directors

Barbara White
Treasurer, Board Of Directors

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS **STATEMENT 4**
For the Year Ended March 31, 2003

| | 2003 | 2002 |
|---|----------------|---------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | 43,417 | 11,784 |
| CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS | | |
| Prepaid expenses | 1,130 | (1,130) |
| Accounts payable and accruals | 600 | - |
| | 45,147 | 10,654 |
| CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES | | |
| Due from FNEC Society | (15,590) | 29,810 |
| NET INCREASE IN CASH | 29,557 | 40,464 |
| CASH - BEGIN OF THE YEAR | 82,478 | 42,014 |
| CASH - END OF THE YEAR | 112,035 | 82,478 |

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2003

NOTE 1: SOCIETY, AIMS AND OBJECTIVES

The Society was incorporated under the Society Act on December 18, 1996. The Society obtained its Registered Charities 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 records accounting transactions using 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) Capital assets

Capital assets, when acquired, are recorded as an expenditure in the related fund and are also reported on the balance sheet as capital assets and equity in the capital assets at cost. Amortization is charged to equity in capital assets at cost. Amortization is charged to equity in capital assets 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: CAPITAL ASSETS

Capital assets consist of the following:

| | COST \$ | ACCUM. AMORTIZATION \$ | 2003 NET \$ | 2002 NET \$ |
|-------------------------|--------------|------------------------------|-------------------|-------------------|
| Computer equipment | 1,273 | 1,019 | 254 | 509 |
| Furniture and equipment | 2,115 | 2,115 | - | - |
| | 3,388 | 3,134 | 254 | 509 |

SCHEDULE OF CORE OPERATION**SCHEDULE 1**

For the Year Ended March 31, 2003

| | Budget \$ | 2003 Actual \$ | 2002 Actual \$ |
|--|---------------|----------------------|----------------------|
| REVENUE | | | |
| FNESC Society Funding, Core Operation | 159,129 | 159,129 | 159,755 |
| Membership fees | - | 18,616 | 15,114 |
| Interest income | - | 5,768 | 5,938 |
| Miscellaneous income | - | - | 800 |
| | <hr/> 159,129 | <hr/> 183,513 | <hr/> 181,607 |
| EXPENDITURES | | | |
| Administration | 3,000 | 3,000 | 750 |
| Annual Report | 2,000 | 2,000 | 2,094 |
| Communications support | 3,000 | 3,000 | - |
| Directors meetings | | | |
| - December meeting | 10,500 | 7,546 | 8,354 |
| - June meeting | 10,500 | 8,264 | 7,495 |
| - September meeting | 7,500 | 9,509 | 12,664 |
| - February meeting | 7,500 | 4,018 | 9,246 |
| - March meeting | - | 1,702 | 851 |
| - Principal Administration meeting | 20,000 | 19,186 | 789 |
| Insurance | 1,650 | 1,670 | 1,630 |
| Newsletter | 2,500 | 2,684 | 2,197 |
| Office and miscellaneous | 15,800 | 10,641 | 13,016 |
| Professional fees | 5,500 | 5,500 | 4,912 |
| Rent | 7,800 | 7,800 | 7,800 |
| Research | 10,000 | 10,254 | 16,751 |
| Telephone | 5,600 | 4,885 | 5,579 |
| Wages and benefits | 48,529 | 48,529 | 57,044 |
| Contribution to First Nations Education Steering Committee Society | - | - | 20,000 |
| | <hr/> 161,379 | <hr/> 150,188 | <hr/> 171,172 |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES | (2,250) | 33,325 | 10,435 |
| FUND BALANCE, BEGINNING OF THE YEAR | 148,971 | 148,971 | 138,536 |
| INTER-FUND TRANSFER | (6,474) | (6,474) | - |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCE, END OF THE YEAR | 140,247 | 175,822 | 148,971 |

SCHEDULE OF SEVENTH GENERATION GALA

For the Year Ended March 31, 2003

SCHEDULE 2

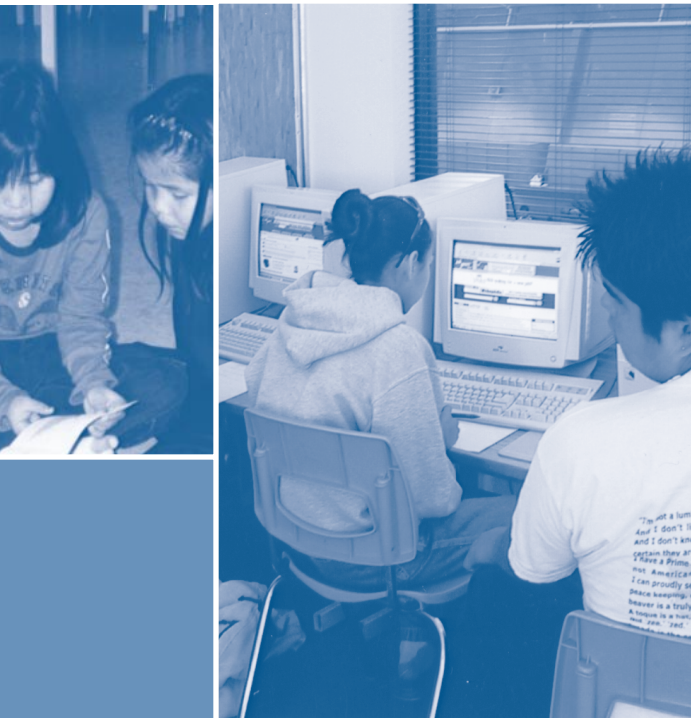
| | Budget \$ | 2003 Actual \$ | 2002 Actual \$ |
|--|---------------|----------------------|----------------------|
| REVENUE | | | |
| First Nations Education Steering Committee Society Funding, Seventh Generation Gala | 9,000 | 9,000 | - |
| Sale of tables | 17,500 | 14,225 | 19,500 |
| Silent auction | 8,000 | 11,360 | 7,867 |
| Donation | - | - | 1,500 |
| | 34,500 | 34,585 | 28,867 |
| EXPENDITURES | | | |
| Administration | 400 | 503 | 12,33 |
| Audio visual equipment | 300 | 270 | - |
| Catering | 6,500 | 6,611 | 572 |
| Gala events | 3,800 | 4,707 | 5,750 |
| Facilities | 2,500 | 2,435 | 7,890 |
| Promotion and advertising | - | 908 | - |
| Silent auction items | 5,000 | 4,795 | - |
| Supplies | 600 | 789 | 970 |
| | 19,100 | 21,018 | 27,519 |
| EXCESS OF REVENUE OVER EXPENDITURES | 15,400 | 13,567 | 1,348 |
| FUND BALANCE, BEGINNING OF THE YEAR | 9,748 | 9,748 | 8,400 |
| INTER-FUND TRANSFER | 3,000 | 3,000 | - |
| FUND BALANCE, END OF THE YEAR | 28,148 | 26,315 | 9,748 |

SCHEDULE OF ANNUAL GENERAL MEETING AND CONFERENCE

SCHEDULE 3

For the Year Ended March 31, 2003

| | Budget \$ | 2003 Actual \$ | 2002 Actual \$ |
|---|--------------|----------------------|----------------------|
| REVENUE | | | |
| First Nations Education Steering Committee Society Funding, Annual General Meeting | 76,974 | 76,974 | 72,586 |
| Vendor's tables | - | 1,650 | - |
| | 76,974 | 78,624 | 72,586 |
| EXPENDITURES | | | |
| Administration | 300 | 419 | 14,318 |
| Board members | 8,000 | 7,366 | 9,634 |
| Catering | 50,000 | 47,310 | 24,792 |
| Facilities | 16,000 | 15,660 | 7,675 |
| Miscellaneous | 1,700 | 1,643 | 8,333 |
| Supplies | 4,000 | 3,785 | 3,457 |
| Speakers | 6,000 | 5,915 | 4,377 |
| | 86,000 | 82,098 | 72,586 |
| DEFICIENCY OF REVENUE OVER EXPENDITURES | (9,026) | (3,474) | - |
| INTER-FUND TRANSFER | 3,474 | 3,474 | - |
| FUND BALANCE, END OF THE YEAR | (5,837) | - | - |



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