

APPENDIX



**Vancouver Island Aboriginal Transition Authority**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM JUNE 9, 2007 TO MARCH 31, 2008**



**VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
As at March 31, 2008**

	<u>March 31, 2008</u>
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS</b>	
CASH	\$ 379,432
ACCOUNTS RECEIVABLE (Note 3)	36,584
Total Current Assets	416,016
<b>CAPITAL ASSETS</b> (Notes 2d & 4)	203,442
	\$ 619,458
<b><u>LIABILITIES AND NET ASSETS</u></b>	
<b>CURRENT LIABILITIES</b>	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 126,958
PAYROLL LIABILITIES	59,012
Total Current Liabilities	185,970
<b>NET ASSETS</b>	
INVESTED IN CAPITAL ASSETS	203,442
INTERNALLY RESTRICTED (Note 5)	138,225
UNRESTRICTED	91,821
Total Net Assets	433,488
	\$ 619,458

*The accompanying notes are an integral part of these financial statements*

Approved:



Marion Wright  
Chair



David Stevenson  
Chief Executive Officer

**VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY  
STATEMENT OF OPERATIONS**

**For the period from June 9, 2007 to March 31, 2008**

**REVENUES**

Contributions:

Ministry of Children and Family Development	\$	1,366,252
Interest		12,331
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		1,378,583
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**EXPENDITURES**

Staff wages and benefits	\$	522,316
Honoraria		88,263
Consultants and contractors		457,736
Travel-		
Board and committee		46,373
Staff		38,313
Meetings		95,090
Training and education		12,638
Professional fees		48,156
Communications		17,933
Office equipment and supplies		46,295
Computer systems		46,013
Building and occupancy		100,275
Amortization of capital assets		86,849
		<hr/>
		1,606,250
		<hr/>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$</b>	<b>(227,667)</b>
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*The accompanying notes are an integral part of these financial statements*

**VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the period from June 9, 2007 to March 31, 2008

	<u>Invested in Capital Asset</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Net Assets, Beginning of period	-	-	-	-
Net assets transferred from Vancouver Island Aboriginal Transition Team (Note 5 & 6)	\$ 287,178	\$ 138,225	\$ 235,752	\$ 661,15
Deficiency of revenues over expenditures			(227,667)	(227,667)
Purchase of Capital Assets	3,113		(3,113)	
Amortization of Capital assets	(86,849)		86,849	-
Net Assets, March 31, 2008	\$ <u>203,442</u>	\$ <u>138,225</u>	\$ <u>91,821</u>	\$ <u>433,488</u>

*The accompanying notes are an integral part of these financial statements*

**VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
For the period from June 9, 2007 to March 31, 2008

Cashflow was provided by (used for):

Operating Activities:		
Deficiency of revenues over expenditures	\$	(227,667)
Items not involving cash:		
Amortization		86,849
Changes in non-cash working capital		<u>149,385</u>
		<u>8,567</u>
Investing Activities		
Capital assets purchased		<u>(3,113)</u>
Transfer of Assets from Vancouver Island Aboriginal Transition Team (Note 6)		
Transfer of Cash		266,229
Transfer of non-cash working capital		<u>107,749</u>
		<u>373,978</u>
Increase in cash		<u>379,432</u>
Cash, Beginning of Period		-
Cash, End of Period	\$	<u><u>379,432</u></u>

*The accompanying notes are an integral part of these financial statements*

# VANCOUVER ISLAND ABORIGINAL TRANSITION AUTHORITY

## Notes to the Financial Statements

For the period from June 9, 2007 to March 31, 2008

### 1. Purpose of the Transition Authority

The Vancouver Island Aboriginal Transition Authority ("Transition Authority") was created under the *Community Services Interim Authorities Act* on June 8<sup>th</sup>, 2007. The Transition Authority has all powers, duties and responsibilities granted to an Interim Authority under the Act. Its board of directors consists of up to 12 members selected through a community based process and appointed by the Province of British Columbia.

The Transition Authority operates as a continuation of the Vancouver Island Aboriginal Transition Team ("Transition Team"). The mandate of the Transition Authority is to prepare for a phased in transfer of resources and authority from the Ministry of Children and Family Development ("MCFD") to a new entity. This entity has been referred to as an Aboriginal Authority; however, its actual structure has yet to be determined.

The Transition Authority is principally funded by the Province of British Columbia through MCFD and is exempt from federal and provincial income taxes.

### 2. Significant Accounting Policies

#### a) Basis of Accounting:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for not-for-profit organizations.

#### b) Revenue Recognition

The Transition Authority follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Such contributions, if contributed to a future period, are deferred and reported as deferred contributions until that future period.

Contributions that are internally restricted are recorded as a separate component of the net assets.

c) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements.

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a difference between the recognized amount and another reasonably possible amount. Significant areas requiring the use of management estimates include the carrying value of assets and amortization of capital assets.

d) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

- Computer equipment 3 years
- Leasehold improvements 3 years
- Office furniture and equipment 5 years

e) Financial Instruments

Financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and other current liabilities. It is management's opinion that the Transition Authority is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

**3. Accounts Receivable:**

Accounts receivable consist of the following:

	<u>2008</u>
Employee Advances	\$ 6,810
GST Recoverable	<u>29,774</u>
	<u>\$ 36,584</u>

GST is recoverable at a rate of 50% for eligible expenditures.



#### 4. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2008</u>
Computer equipment	18,551	12,341	6,210
Leasehold improvements	256,092	127,250	128,842
Office furniture & equipment	<u>97,700</u>	<u>29,310</u>	<u>68,390</u>
	<u>\$ 372,343</u>	<u>\$ 168,901</u>	<u>\$ 203,442</u>

#### 5. Internally Restricted Fund:

The Transition Authority received the internally restricted contribution (\$138,225) as part of the transfer of net assets from the Transition Team for the following purposes:

- Act as a contingency reserve that will assist to conclude the operations in the event of a failure to create an Aboriginal Authority.
- Be placed into the operating budget once the Aboriginal Authority is established.

#### 6. Related Party Transactions

The Transition Authority is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

MCFD provides information technology support and leased space to the Transition Authority. The costs associated with these services for the period June 9 to March 31, 2008 were \$46,013 and \$100,275, respectively.

On June 9, 2007, the board of the Transition Team approved the transfer of operations and the following assets and liabilities to the Transition Authority at cost as follows:

	<u>2008</u>
Cash	\$266,229
Accounts Receivable	339,853
Capital Assets	287,178
Accounts Payable & Accrued expenses	(184,234)
Payroll liabilities	<u>( 47,871)</u>
	<u>\$ 661,155</u>

Capital assets have been recorded at their original cost and accumulated amortization at the date of transfer.

## **7. Economic Dependence**

Operations of the Transition Authority are dependent on continued funding from MCFD to carry out its program. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the Transition Authority as a “going concern”.



“Children  
at the centre...”



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ABORIGINAL  
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