



Interim Authority for Community Living British Columbia

FINANCIAL STATEMENTS

PERIOD FROM NOVEMBER 13, 2002 TO MARCH 31, 2003



**Interim Authority for Community Living British Columbia
Financial Statements
Period from November 13, 2003 to March 31, 2003**

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**Interim Authority for Community Living British Columbia
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Statement of Management's Responsibility for Financial Reporting

The financial statements of the Interim Authority have been prepared by management in accordance with Canadian generally accepted accounting principles. When alternative accounting policies exist, management has chosen those it deems to be most appropriate in the circumstance.

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized in compliance with legislation and financial records are properly maintained to facilitate the preparation of timely financial statements that are accurate in all material respects.

The Auditor General of British Columbia has performed an independent audit of the financial statements of the Interim Authority. The Auditor's Report outlines the scope of this independent audit and expresses an opinion on the financial statements of the Interim Authority.

Doug Walls
Senior Consultant, Planning and Development
And Chief Executive Officer

Sarf Ahmed
Chief Financial Officer

Victoria, British Columbia
May 9, 2003



Report of the Auditor General of British Columbia

*To the Board of Directors
of the Interim Authority for Community Living British Columbia, and*

*To the Minister of Children and Family Development,
Province of British Columbia:*

I have audited the statement of financial position of the *Interim Authority for Community Living British Columbia* as at March 31, 2003 and the statement of operations for the period from November 13, 2002 to March 31, 2003. These financial statements are the responsibility of the Interim Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Interim Authority for Community Living British Columbia* as at March 31, 2003 and the results of its operations for the period then ended, in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 9, 2003*

Wayne Strelieff, CA
Auditor General



Interim Authority for Community Living British Columbia
Statement of Financial Position
As at March 31, 2003

	2003
Current Assets	
Cash	\$3,026,657
<hr/> Total Assets	<hr/> \$3,026,657
 Current Liabilities	
Accounts Payable and Accrued Liabilities (note 4)	\$ 602,538
Deferred Contributions (note 5)	1,500,597
<hr/> Total Liabilities	<hr/> \$2,103,135
 Net Assets	
Unrestricted Net Assets	\$ 923,522
<hr/> Total Net Assets	<hr/> \$ 923,522
<hr/> Total Liabilities and Net Assets	<hr/> \$3,026,657

Note: The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Interim Authority:



David Driscoll, Chair



Interim Authority for Community Living British Columbia
Statement of Operations
Period from November 13, 2002 to March 31, 2003

	2003
Revenue	
Provincial Government Operating Grant (note 8)	\$1,800,000
Interest Income	951
<hr/> Total Revenue	<hr/> \$1,800,951
Expenses	
Consulting Fees (note 6)	\$ 297,821
Staff Costs (note 6)	252,347
Travel	92,367
Board Costs (note 7)	78,830
Accommodation (note 8)	67,159
General Administration	35,152
Conference Costs	34,131
Office Supplies	19,622
<hr/> Total Expenses	<hr/> \$ 877,429
<hr/> Excess of Revenue Over Expenses	<hr/> \$ 923,522

Note: The accompanying notes are an integral part of these financial statements.



Interim Authority for Community Living British Columbia Notes to Financial Statement Period from November 13, 2002 to March 31, 2003

1. Purpose of the Interim Authority

The Interim Authority for Community Living British Columbia (Interim Authority) was created under the *Community Services Interim Authorities Act* on November 13, 2002. The Interim Authority has all the powers, duties and responsibilities granted an Interim Authority under the *Act*.

Also on November 13, 2002, a Memorandum of Understanding was signed between the Ministry of Children and Family Development and the Interim Authority, which provides further clarification of the relationship between the Interim Authority and the Ministry.

The Memorandum established a Management Committee to share decision making over community living services during the life of the Interim Authority. The sharing of decision making under the Management Committee is referred to as co-management and the committee is comprised of three members appointed by each of the Interim Authority and the Ministry and is co-chaired by senior staff of each.

The purposes of the Interim Authority are to prepare for the establishment and operation of the permanent provincial authority for Community Living British Columbia (provincial authority), and to perform the functions necessary to facilitate the provision of some or all of community living services, by the provincial authority, in place of the Ministry of Children and Family Development.

When the provincial authority is established, all acquired assets, liabilities and equity of the Interim Authority will be transferred to the provincial authority.

The Interim Authority is exempt from federal and provincial income tax.

2. Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Revenue Recognition

The Interim 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 reasonably assured. Restricted Contributions for expenditures that will be incurred in future periods are deferred and recognized in the period in which the related expenditures are incurred.



**Interim Authority for Community Living British Columbia
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Restricted contributions for the purchase of capital assets that will be amortized will be recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Restricted contributions for the purchase of capital assets that will not be amortized will be recognized as a direct increase in net assets.

(c) Tangible Capital Assets

The Interim Authority has not purchased and does not currently own any tangible capital assets. The assets currently being used by the Interim Authority are on loan from the Ministry of Children and Family Development.

Purchased tangible capital assets will be recorded at their historical cost. Contributed tangible capital assets will be recorded at fair value at the date of contribution. The cost, less any residual value, of the tangible capital assets will be amortized on a straight-line basis over the relevant asset's estimated useful life.

(d) 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.

Measurement uncertainty in these financial statements exists in the estimation of the year-end accruals.

3. Statement of Changes in Net Assets and Statement of Cash Flows

The financial statements of the Interim Authority do not include a statement of changes in net assets and a statement of cash flows, as such statements would not provide additional useful information.



Interim Authority for Community Living British Columbia
Notes to Financial Statement
Period from November 13, 2002 to March 31, 2003

4. Accounts Payable and Accrued Liabilities

The Interim Authority has the following amounts payable:

Province of British Columbia	\$ 285,947
Consultants	107,569
Trade Accounts	75,860
British Columbia Buildings Corporation	67,159
Board Members	<u>66,003</u>
	<u>\$ 602,538</u>

5. Deferred Contributions

The Ministry of Children and Family Development provided two restricted contributions in 2003 to fund:

Development of new information technology systems	\$1,000,000
Purchase of ministry assets for the Interim and provincial authority	<u>500,597</u>
	<u>\$1,500,597</u>

6. Staff Costs and Consulting Fees

The Interim Authority is prohibited by the *Community Services Interim Authorities Act* from hiring employees. Accordingly all work, of the Interim Authority, is performed by employees seconded to the Interim Authority from the Province or by independent contractors.

Since the Interim Authority has no staff they have not provided for future employee benefits.

7. Board Costs

The board consists of 24 members, appointed by the Minister, including one non-voting member who is employed by the Ministry of Children and Family Development. The Minister designates a voting member of the board to be Chair.

The *Community Services Interim Authorities Act* provides that the Interim Authority may pay a voting member of the board the remuneration set by the Minister and, in accordance with the directives of Treasury Board, an allowance for reasonable travelling and incidental expenses incurred in carrying out the business of the board.



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During the reporting period the Interim Authority board incurred the following costs:

Directors' Fees	\$63,375
Business Expenses	<u>15,455</u>
	<u>\$78,830</u>

The board also incurred travel costs of \$38,546 bringing the total board costs to \$117,376.

8. Related Party Transactions

The Interim Authority is related through common control to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, unless disclosed separately in these financial statements, are generally considered to be in the normal course of operations, and are recorded at their fair market value.

- The Interim Authority receives all of its funding from the Province of British Columbia and is therefore economically dependent on the Province of British Columbia.
- The Government of British Columbia provides payroll services and processing for seconded staff at no charge.
- Accommodation for office space is leased through British Columbia Buildings Corporation.

9. Commitments and Contingencies

Since the Interim Authority exists to facilitate the transfer of ministry programs to the provincial authority, no long-term contracts have been entered into.

The Interim Authority has no outstanding legal claims against it or any known contingent liabilities.