

FRASER REGION INTERIM ABORIGINAL AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2008

FRASER REGION INTERIM ABORIGINAL AUTHORITY

INDEX

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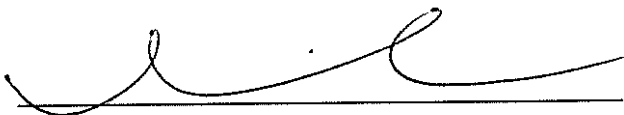
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FRASER REGION INTERIM ABORIGINAL AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31, 2008

	2008
ASSETS	
CURRENT ASSETS	
Cash	\$ 723,346
Accounts receivable (Note 3)	26,607
Prepaid expenses	1,667
	751,620
CAPITAL ASSETS (Note 4)	272,775
	751,620
TOTAL ASSETS	\$ 1,024,395
LIABILITIES AND NET ASSETS	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrual (Note 5)	\$ 160,099
	160,099
Deferred Capital Contributions (Note 7)	216,268
	376,367
NET ASSETS	
INVESTED IN CAPITAL ASSETS	56,508
UNRESTRICTED	591,520
	648,028
TOTAL LIABILITIES AND NET ASSETS	\$ 1,024,395

The accompanying notes are an integral part of these statements.

APPROVED BY THE BOARD:

 Director

 Director

FRASER REGION INTERIM ABORIGINAL AUTHORITY
STATEMENT OF OPERATIONS
For the period from August 15, 2007 to March 31, 2008 (Note 1)

	2008
REVENUES	
Ministry of Children and Family Development contribution	\$ 812,500
Amortization of Deferred capital contributions	38,533
Interest income	16,940
	867,973
EXPENDITURES	
Amortization	46,520
Building and occupancy	93,876
Communications	29,405
Computer systems rental	26,826
Consultants and contractors	117,045
Employee compensation and benefits	337,323
Honoraria	67,350
Meetings	23,826
Office, telephone and equipment	17,602
Professional fees	36,504
Public Relations	25,933
Training	12,945
Travel - Board and members	22,704
Travel - staff and contractor	20,399
	878,258
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (10,285)

The accompanying notes are an integral part of these statements.

FRASER REGION INTERIM ABORIGINAL AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
For the period from August 15, 2007 to March 31, 2008 (Note 1)

	Invested in Capital Assets	Unrestricted	2008
NET ASSETS, BEGINNING OF PERIOD	-	-	-
ADD (DEDUCT):			
Net assets transferred from the Fraser Region Aboriginal Planning Committee (Note 6)	\$ 43,466	\$ 631,927	\$ 675,393
Correction to Net Asset transferred (Note 6)	1,535	(18,615)	(17,080)
Adjusted net assets transferred	45,001	613,312	658,313
Deficiency of revenues over expenses	-	(10,285)	(10,285)
Purchase of capital assets	19,495	(19,495)	-
Amortization of capital assets, net of deferred capital contribution	(7,988)	7,988	-
NET ASSETS, END OF PERIOD	\$ 56,508	\$ 591,520	\$ 648,028

FRASER REGION INTERIM ABORIGINAL AUTHORITY
STATEMENT OF CASH FLOWS
For the seven and half months period ended March 31, 2008

	2008
CASH PROVIDED BY (USED IN):	
OPERATING ACTIVITIES	
deficiency of revenues over expenses	\$ (10,285)
Add: items not involving cash:	
Adjustment to opening net assets	(18,615)
Amortization	46,520
	17,620
Changes in non-cash working capital	
Accounts receivable	(26,607)
Prepaid expenses	(1,667)
Accounts payable	160,099
	149,445
INVESTING ACTIVITIES	
Deferred capital contribution	216,268
Purchase of capital assets	(19,495)
	196,773
Transfer of Assets from FRAPC (Note 6)	
Transfer of cash	619,790
Transfer of net working capital	(242,662)
	377,128
NET INCREASE (DECREASE) IN CASH	723,346
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	\$ 723,346

The accompanying notes are an integral part of these statements.

**FRASER REGION INTERIM ABORIGINAL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

For the seven and half months period ended March 31, 2008

1. AUTHORITY AND PURPOSE

Fraser Region Interim Aboriginal Authority ("the Interim Authority") is a Crown Agency of the Province of British Columbia. The Interim Authority was established on August 15, 2007 under the Community Services Interim Authority Act. The Interim Authority has all powers, duties and responsibilities granted to an Interim Authority under the Act.

The Interim Authority operates as a continuation of the Fraser Region Aboriginal Planning Committee ("FRAPC"). The mandate of the Interim 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; its actual structure has yet to be determined.

The Interim Authority is principally funded by the Province of British Columbia through MCFD.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been 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 can be reasonably estimated and collection is reasonably assured.

Externally restricted operating contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets are amortized.

Contributed materials and services are recognized where a fair value can be reasonably estimated; the materials and services are used in the normal course of business; and would otherwise have been purchased.

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

(c) Capital assets

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the assets' estimated useful lives or lease term at the following rates:

Asset	Rate
Leasehold improvements	Lease term to a maximum of 5 years
Furniture and equipment	5 years

Assets acquired under capital lease are amortized over the lesser of the estimated life of the asset and the lease term.

In the year of acquisition, the above rates are reduced by one-half.

(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. Significant areas requiring the use of management estimates include the carrying value of assets and amortization of capital assets.

(e) Financial Instruments

Section 3855 of the CICA Handbook *Financial Instruments – Recognition and Measurement* establishes for recognizing and measuring financial instruments including financial assets, financial liabilities and non-financial derivatives. Financial instruments are to be classified either as held-for-trading, held-to-maturity, loans and receivables, available-for-sale, or other financial liabilities. Regardless of classification, financial instruments are required to be measured at fair value on initial recognition except for certain related party transactions.

After initial recognition, measurement of a financial instrument will depend on its classification. Held-for-trading financial instruments are subsequently measured at fair value and changes in fair value are recognized immediately in net income. Financial instruments classified as held-to-maturity, loans and receivables and other financial liabilities are subsequently measured at amortized cost using the effective interest rate method of amortization.

The Interim Authority has classified its financial instruments as follows:

- Cash and cash equivalents are classified as held-for-trading.
- Accounts receivable are classified as loans and receivables.
- Accounts payable and accrual liabilities are classified as other financial liabilities.

The carrying value of cash approximates its fair values. The carry value of accounts receivable and accounts payable and accrual approximates its amortized cost.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2008
Due from ANTCO	\$ 12,800
GST receivable	10,013
Due from MCFD	523
Salary recovery	2,271
Rental recovery	500
Employee advance	500
Total accounts receivable	\$ 26,607

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

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2008
Office furniture	\$ 73,187	\$ 16,679	\$ 56,508
Leasehold improvements	308,260	91,993	216,267
	\$ 381,447	\$ 108,672	\$ 272,775

5. **ACCOUNTS PAYABLE AND ACCRUAL**

Accounts payable consist of the following:

	2008
Accrued payroll and benefits	\$ 52,890
IT systems rental payable to Ministry of Children and Families Development	42,923
Professional fees	29,500
Consulting fee	16,721
Other trade payable	18,065
Total accounts payable	\$160,099

6. **TRANSFER OF ASSETS AND LIABILITIES FROM THE FRASER REGION ABORIGINAL PLANNING COMMITTEE (FRAPC)**

The assets and liabilities of the FRAPC were transferred to the Interim Authority on August 15, 2007. Assets and liabilities have been recorded at their carrying value at the time of transfer. Capital assets have been recorded at their original cost and accumulated amortization at the date of transfer. The following assets and liabilities were transferred:

	2008
Assets	
Cash	\$ 619,790
Accounts receivable	431,662
Prepaid expenses	4,792
Capital Assets (net)	
Leasehold improvements	254,800
Office furniture	43,466
Liabilities	
Accounts payable	424,317
Deferred capital contribution	254,800
Net assets before adjustments	675,393
Subtract: net adjustments	(17,080)
Net assets transferred	\$ 658,313

Net adjustments were allocation of expenses to the appropriate period of operations.

Per MCFD instruction, this net assets transferred from FRAPC is to form part of the 2008-09 funding for the Interim Authority.

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relating to capital assets, represent restricted contributions with which the Interim Authority's leasehold improvements were originally purchased. The amount amortized to revenue during the period was \$38,533.

8. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments:

As at March 31, 2008, the Interim Authority is committed to the lease of its office buildings which expires on January 31, 2012. The lease obligations over the next 4 years are as follows:

2009	154,832
2010	157,649
2011	160,551
2012	135,886

(b) Litigation and claims:

There is litigation pending and management has estimated the potential liability and the amount is accrued in the accounts payable.

9. RELATED PARTY TRANSACTIONS

The Interim 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 to the Interim Authority. The costs associated with these services for the period ended March 31, 2008 were approximately \$27,000.

In addition the Interim Authority is related to other entities through members of the Board of Directors. The amounts of related party transactions included within expenditures are as follows:

Related Vendors	Total
Tsawwassen First Nation	\$ 8,025
Ruby Creek Art Gallery	1,670
Skawahlook First Nation	2,836
You've Been Framed	<u>655</u>
	<u>\$13,186</u>

10. ECONOMIC DEPENDENCE

Operations of the Interim 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 Interim Authority as a "going concern".

11. COMPARATIVE FIGURES

The Interim Authority commenced operations on August 15, 2007 and accordingly, no comparative figures are presented in these financial statements.