

# **Aboriginal Tourism Association of British Columbia**

**Financial Statements**

**Year ended 31 March 2014**

**Independent Auditors' Report**  
**To the Stakeholders of Aboriginal Tourism Association of British Columbia**

We have audited the accompanying financial statements of **Aboriginal Tourism Association of British Columbia**, which comprise the statement of financial position as at **31 March 2014** and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

*Auditor's responsibility*

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

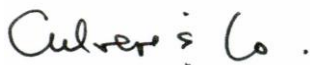
We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

Revenue from Klahowya Village train tickets is under the control of the City of Vancouver and so we were not able to determine if revenue remitted by the City was in accordance with the agreement. Accordingly, our work on revenue from ticket sales was limited to examining the amounts recorded in the accounts of the Association, and we were not able to determine whether any adjustments might be necessary to revenue and net assets.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at 31 March 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants  
Vancouver, Canada  
16 July 2014

# Aboriginal Tourism Association of British Columbia

## Statement of Financial Position

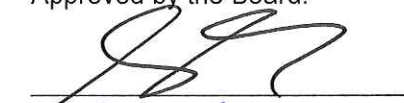
31 March 2014

	2014	2013
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 715,039	\$ 1,367,555
Contributions and other receivables	209,600	182,541
GST/HST receivable	73,535	39,240
Prepaid expenses	10,360	16,800
	<u>1,008,534</u>	<u>1,606,136</u>
<b>Equipment [note 3]</b>	1,551	3,101
	<u>\$ 1,010,085</u>	<u>\$ 1,609,237</u>

## Liabilities and Net Assets

<b>Current liabilities</b>		
Accounts payable and accruals	\$ 76,096	\$ 82,841
Deferred project funding [note 4]	667,000	1,100,000
	<u>743,096</u>	<u>1,182,841</u>
<b>Net assets</b>	266,989	426,396
	<u>\$ 1,010,085</u>	<u>\$ 1,609,237</u>

Approved by the Board:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

# Aboriginal Tourism Association of British Columbia

## Statement of Operations and Changes in Net Assets

Year ended 31 March 2014

	2014	2013
Revenue		
Contributions [note 4]	\$ 1,974,780	\$ 1,736,656
Sponsorships	88,470	100,622
Consulting/contract fees	30,633	40,551
Stakeholder fees	27,199	25,780
Klahowya Village	47,269	12,166
Interest and miscellaneous	1,588	4,556
Administration fees	9,466	-
Total revenue	2,179,405	1,920,331
Administrative expenses		
AGM and board	36,545	31,800
Amortization	1,549	4,908
Bank charges	4,145	5,327
Consultants and activities	-	6,250
Office and miscellaneous	15,959	13,055
Professional fees	13,000	13,075
Rent	52,270	54,538
Telephone	17,281	22,388
	140,739	151,341
Project expenses [schedule]	2,198,073	1,730,805
Total expenses	2,338,812	1,882,146
Excess (deficiency) of revenue over expenses	(159,407)	38,185
Net assets at beginning of year	426,396	388,211
Net assets at end of year	\$ 266,989	\$ 426,396

# Aboriginal Tourism Association of British Columbia

## Statement of Cash Flows Year ended 31 March 2014

	2014	2013
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (159,407)	\$ 38,185
Add amortization, an item not involving cash	1,549	4,908
	(157,858)	43,093
Changes in non-cash working capital items		
Contributions and other receivables	(27,059)	692,476
GST/HST receivable	(34,294)	9,231
Prepaid expenses	6,440	(11,800)
Accounts payable and accruals	(6,745)	(27,635)
Deferred project funding	(433,000)	166,200
<i>Cash provided by (used in) operations</i>	(652,516)	871,565
Investing:		
Purchase of equipment	-	(4,650)
<i>Cash provided by (used in) investing activities-</i>	-	(4,650)
Increase (decrease) in cash position	(652,516)	866,915
Cash, beginning of year	1,367,555	500,640
Cash, end of year	\$ 715,036	\$ 1,367,555

# Aboriginal Tourism Association of British Columbia

Notes to Financial Statements  
Year ended 31 March 2014

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## 1. General:

Aboriginal Tourism Association of British Columbia is incorporated under the *Society Act* of British Columbia. Its purpose is to provide training, awareness, product development and marketing to support a sustainable authentic Aboriginal culture tourism industry in British Columbia while contributing to cultural preservation and economic development. The Association is a qualifying not-for-profit organization under the *Income Tax Act* and is exempt from income tax.

## 2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of significant accounting policies followed by the Association.

### Use of estimates

The preparation of financial statements requires that management make estimates and assumptions that impact the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the recognized amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

### Equipment

Equipment is recorded at cost. Amortization is provided as follows, with one half of these rates used in the year of acquisition:

Computer equipment	3 years straight line
Office furniture and equipment	5 years straight line

### Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions, sponsorships, stakeholder fees and Klahowya Village income are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

## 3. Equipment:

	Cost	Accumulated Amortization	2014 Net	2013 Net
Computer equipment	\$ 4,648	\$ 3,097	\$ 1,551	\$ 3,101
Office furniture and equipment	16,844	16,844	-	-
	\$ 21,492	\$ 19,941	\$ 1,551	\$ 3,101

# Aboriginal Tourism Association of British Columbia

Notes to Financial Statements, page 2

Year ended 31 March 2014

## 4. Contributions:

	2014	2013
Destination British Columbia – received on cash basis	\$ 672,000	\$ 1,100,000
Funding from Destination British Columbia received in prior year and recognized as income in current year	1,100,000	933,800
Funding from Destination British Columbia received in current year and deferred until following year	(667,000)	(1,100,000)
Destination British Columbia – revenue recognized in year	1,105,000	933,800
Government of Canada – Aboriginal Affairs and Northern Development Canada	786,500	735,700
Government of Canada – Aboriginal Business Development New Relationship Trust	37,500	-
New Pathways to Gold Project	40,000	50,000
	5,780	17,156
	\$ 1,974,780	\$ 1,736,656

## 5. Financial assets and liabilities and risk

The Association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit, interest rate, and liquidity risk.

### (a) Credit risk

The Association is exposed to credit risk for possible non-payment by its funders or for other accounts receivable. Management considers that credit risk is minimal. Cash on deposit is held by two major Canadian chartered banks.

### (b) Interest rate risk

The Association is not exposed to interest rate risk.

### (c) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations for financial liabilities. The Association's ability to meet obligations depends on continued profitable operations and support from its funders.

# Aboriginal Tourism Association of British Columbia

Notes to Financial Statements, page 3

Year ended 31 March 2014

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## 6. Commitments:

The Association has entered into an operating lease for office premises which provides for annual minimum lease payments of approximately \$48,000 until March 2014. Subsequent to the year end a new lease was entered into which provides for annual minimum lease payments as follows:

2015	\$ 69,310
2016	70,505
2017	71,700

## 7. Economic dependence

The majority of funding is received from the Federal government and a Provincial crown corporation. Future operations depend on continuing of this funding or replacement from alternate sources.



# Aboriginal Tourism Association of British Columbia

## Schedule of Project Expenses

Year ended 31 March 2014

	2014	2013
<b>Aboriginal Tourism Action Plan</b>		
5.2 – Stakeholder Engagement Forum	\$ 33,957	\$ 44,986
5.3 – Push for Market Readiness - Product Development	525,710	105,191
5.4 – Aboriginal Tourism Community Workshops & Presentations	-	103,188
5.5 – Regional Tourism Strategies and Protocols	128,060	250,028
5.6 – ATMC National Cruise Ship Strategy	82,517	60,700
5.7 – Awareness and Training	11,048	-
7.1 – Tourism Development Partnerships	66,000	-
8.1 – Productions and Design of Consumer Brochures	24,556	17,979
8.2 – Distribution of AtBC Consumer Brochures	-	19,955
8.3 – Regional Travel Guides	46,835	35,992
9.1 – Creative Services for Marketing Campaign	28,926	19,345
9.2 – Domestic Consumer Advertising	85,109	73,529
9.7 – Share Your Stories Contest	6,704	7,858
9.8 – Marketing Campaign Development	27,540	16,707
10.1 – Website Infrastructure and Development	85,960	12,436
10.2 – Website Maintenance - Authenticity	-	40,713
10.4 – Online Marketing and Social Media Strategy	43,432	64,930
10.6 – Email Marketing and Community Management	46,846	11,114
10.7 – Online Advertising	-	25,645
10.9 – Marketing Materials	52,134	-
10.10 – Online Marketing Audit	2,000	-
12.1 – Media Familiarization Tours	42,334	18,184
12.2 – Digital Press Kits	4,461	5,586
12.4 – Participation in Media Marketplaces and Events	13,976	-
12.6 – Media Assistance and Special Event Coordination	30,556	18,500
13.1 – Tour Operator Marketplaces and Events	61,208	30,488
13.3 – Familiarization Tours for Tour Operators	19,566	2,214
13.4 – Travel Trade Networking Event	6,013	1,793
13.5 – Development of Tour Packages	3,177	12,127
13.6 – Travel Trade Coordinator	39,026	58,000
15.2 – Authenticity, Quality Assurance and Tourism Expert	140,050	-
17.1 – Klahowya Village	249,398	198,729
17.2 – Aboriginal Culture Pavilion	-	75,012
17.3 – Aboriginal Travel Services	50,000	-

# Aboriginal Tourism Association of British Columbia

Schedule of Project Expenses, page 2

Year ended 31 March 2014

	2014	2013
Program management	228,224	376,388
Total Aboriginal Tourism Action Plan project	2,185,323	1,707,317
Aboriginal Business Development Plan	9,610	13,488
New Pathways to Gold	3,140	10,000
Total project expenses	\$ 2,198,073	\$ 1,730,805