

Aboriginal Mothers Centre Society

Financial Statements

For the year ended March 31, 2013

	Contents
Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
Schedule of Revenues	13
Schedule of Activities	14

Independent Auditor's Report

To the Members of:

Aboriginal Mothers Centre Society

Report on the Financial Statements

I have audited the accompanying financial statements of Aboriginal Mothers Centre Society, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and changes in net assets, and statement of 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

Auditor's Responsibility

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

As is common with many charitable organizations, the Aboriginal Mothers Centre Society derives revenue from general donations of which the completeness is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Society and I was not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Aboriginal Mothers Centre Society as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.



Chartered Accountant

Vancouver, British Columbia
July 4, 2013

Aboriginal Mothers Centre Society

Statement of Financial Position

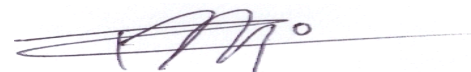
March 31	2013	2012	April 1, 2011
Assets			
Current			
Cash	\$ 32,159	\$ 4,693	\$ 47,661
Restricted cash	15,795	100,001	-
Accounts receivable	101,837	115,645	18,234
Harmonized sales tax refundable	20,251	18,810	5,730
Prepays and deposits	21,769	-	-
	191,811	239,149	71,625
Capital assets (Note 3)	200,768	218,228	129,323
	\$ 392,579	\$ 457,377	\$ 200,948

Liabilities, Deferred Contributions and Net Assets

Current			
Accounts payable and accrued liabilities	\$ 286,265	\$ 326,654	\$ 177,147
Government remittances payable	21,658	6,397	14,215
Loan payable	12,000	12,000	12,000
Deferred revenues	7,988	-	-
Deferred contributions (Note 4)	15,795	123,731	-
	343,706	468,782	203,362
Deferred capital contributions (Note 5)	49,677	31,471	-
Net Assets			
Invested in capital assets	151,088	186,757	129,323
Unrestricted	(151,892)	(229,633)	(131,737)
	(804)	(42,876)	(2,414)
	\$ 392,579	\$ 457,377	\$ 200,948

Commitment (Note 6)

Approved on behalf of the Board:

 Director

 Director

Aboriginal Mothers Centre Society

Statement of Operations

For the year ended March 31	2013	2012
Revenues		
Grants	\$ 838,940	\$ 20,818
Donations	170,626	334,370
Programs	124,519	74,064
Interest	763	68
Fundraising	718	8,834
	1,135,566	438,154
Expenditures		
Bank charges and interest	11,073	2,066
Insurance	6,915	4,662
Office and miscellaneous	29,624	65,419
Professional	33,790	-
Rent	151,776	76,810
Repairs and building maintenance	6,875	10,999
Salaries, wages and honorariums	701,167	263,898
Supplies	64,758	22,007
Telephone and utilities	41,711	18,679
Travel	4,205	702
	1,051,894	465,243
Surplus of revenues over expenses before amortization	\$ 83,672	\$ (27,089)
Amortization of capital assets (Note 3)	48,545	13,418
Amortization of deferred capital contributions (Note 5)	(6,945)	(45)
Surplus of revenues over expenses	\$ 42,072	\$ (40,462)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aboriginal Mothers Centre Society Statement of Changes in Net Assets

For the year ended March 31

	Invested in		
	Capital Assets	Unrestricted	Total
Net assets, March 31, 2011	\$ 129,323	\$ (131,737)	\$ (2,414)
Excess of revenues over expenses	-	(40,462)	(40,462)
Investment in capital assets	70,807	(70,807)	-
Amortization of capital assets	(13,418)	13,418	-
Amortization of deferred capital contributions	45	(45)	-
Net assets, March 31, 2012	\$ 186,757	\$ (229,633)	\$ (42,876)
Excess of revenues over expenses	-	42,072	42,072
Investment in capital assets	5,931	(5,931)	-
Amortization of capital assets	(48,545)	48,545	-
Amortization of deferred capital contributions	6,945	(6,945)	-
Net assets, March 31, 2013	\$ 151,088	\$ (151,892)	\$ (804)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aboriginal Mothers Centre Society

Statement of Cash Flows

For the year ended March 31	2013	2012
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses	\$ 42,072	\$ (40,462)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of capital assets	48,545	13,418
Amortization of deferred capital contributions	(6,945)	-
Contributed capital assets	(25,154)	(59,325)
	58,518	(86,369)
Changes in non-cash working capital items		
Accounts receivable	12,367	(110,491)
Prepaid expenses	(21,769)	-
Accounts payable and accrued liabilities	(25,131)	141,689
Deferred contributions	(107,936)	123,731
Net cash (used in) from operating activities	(83,951)	68,560
Investing activities		
Purchase of capital assets	(5,931)	(42,998)
Financing activities		
Increase in deferred capital contributions	25,151	31,471
Changes in restricted cash	84,206	(100,001)
Net cash (used in) from financing activities	109,357	(68,530)
Increase (decrease) in cash for the year	27,466	(42,968)
Cash, beginning of year	4,693	47,661
Cash, end of year	\$ 32,159	\$ 4,693

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

1. Nature and Purpose of the Society

Aboriginal Mothers Centre Society (the "Society") was incorporated under the Society Act (British Columbia) as a not-for-profit organization. The purpose of the Society is to provide and foster programs of a social, cultural, education, recreational, and economic nature to Aboriginal women and their families. The Society is a charitable organization registered under the Income Tax Act (Canada), and accordingly is exempt from income taxes under section 149 of the Income Tax Act and is authorized to issue donation receipts for income tax purposes.

The Society's main source of revenue is derived from donations and funding received from federal, provincial and municipal governments for the purpose of conducting programs and activities pursuant to its mandate outlined above. There, its ability to conduct programs and activities relevant to its mandate in the future is dependent on the Society being able to continue to receive necessary funding from the various levels of government.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The Society is required to apply accounting standards for not-for-profit organizations ("Part III") of the CICA Handbook effective for the year ending March 31, 2013. Consequently, March 31, 2012 includes the following:

- (a). preparing and presenting its opening statement of financial position at April 1, 2011; and
- (b). preparing and presenting its statement of financial position for March 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in net assets, and statement of cash flows for the year to March 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2011).

The Society did not take any elections under the transition rules, but retrospectively applied the accounting standards for not-for-profit organizations. There were no changes to the opening assets, liabilities, and net assets at April 1, 2011 as a result of this transition.

(b) Revenue recognition

The Society follows the deferral method of accounting for contributions which include donations and grants. Under the deferral method of accounting for contributions, unrestricted contributions including program fees, rents, and sales are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized to revenue, at a rate corresponding with the amortization rate for the related capital assets.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

2. Summary of Significant Accounting Policies (continued)

(c) Contributed services and assets

Volunteers contributed an indeterminate number of hours to assist the Society in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributions of assets, supplies, and services that would otherwise have been purchased are recorded at fair value at the date of contribution provided a fair value can be reasonably determined.

(d) Restricted cash and term deposit

Restricted cash and term deposit represent externally restricted funds to be used for specific programs and includes a term deposit with a maturity greater than 90 days from the date of inception.

(e) Capital Assets

Capital assets are recorded at cost and amortized as follows. Contributed capital assets are recorded at the fair value at the date of contribution. Amortization is provided over the estimated useful life using the following methods and annual rates:

Computers & office equipment	- 55% declining balance
Furniture and fixtures	- 20% declining balance
Leasehold improvements	- straight line to the remaining lease term

(f) Financial Instruments

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Society would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

The fair values of term deposits are determined by the redemption value of the investment at year-end.

Risk management

The Society manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its Risk Management Policy. The objective of this policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and procedures on an annual basis.

The Society does not use derivative financial instruments to manage its risks.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

2. Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Cash flow risk

The Society is exposed to cash flow risk from the possibility that future cash flows associated with a monetary financial instrument will fluctuate in that amount. The exposure of The Society to cash flow risk arises from certain of its interest bearing assets. The Society has no interest bearing liabilities. The Society's cash includes amounts on deposit with financial institutions that earn interest at market rates. The Society manages its exposure to cash flow risk of its cash by maximizing the interest earned on excess funds while maintaining the minimum liquidity necessary to conduct operations on a day to day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Society's results of operations.

Credit risk

The Society is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society does not hold directly any collateral as security for its financial obligations.

The maximum exposure of The Society to credit risk is as follows:

Cash	\$ 32,159	\$ 4,693
Restricted cash	15,795	100,001
Accounts receivable	101,837	115,645
Goods and services tax refundable	20,251	18,810
	<hr/>	<hr/>
	\$ 170,042	\$ 239,149

Cash and restricted cash: Credit risk associated with cash and term deposits is minimized substantially ensuring that these assets are invested financial obligations of a local credit union that have been accorded investment grade ratings by a primary rating agency.

Accounts receivable: Credit risk associated with accounts receivable is minimized by The Society's diverse number of donors and grantors. No allowance is prepared for potential credit losses as payment is required from program participants before it begins and grants are only recorded as receivable once the application has been confirmed and payment assured.

Management believes concentration of credit risk with respect to accounts receivable is limited due to the nature of the grant approval process and the large number of program participants.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

2. Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk risk of the Society not being able to liquidate assets in a timely manner at a reasonable price.

The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. The Society actively manages its cash flow to ensure sufficient funds are on hand to meet its obligations. The Society does not have a bank facility in place.

Price risk

The Society is exposed to price risk in the form of currency risk, interest rate risk and market risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. the exposure of the Society to interest rate risk arises from certain of its interest bearing assets. The Society has no interest bearing liabilities.

The primary objective of the Society with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

Market risk

Market risk refers to the the risk that the fair value of financial instruments will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, deferred contributions at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Specific areas of estimates include the rate of amortization of capital assets, accrued liabilities and deferred contributions. Actual results may differ from those estimates.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

3. Capital Assets

	Cost	Accumulated Depreciation	Net 2013
Equipment	\$ 224,988	\$ 54,445	\$ 170,543
Computers	12,589	7,518	5,071
Leasehold improvements	25,154	-	25,154
	\$ 262,731	\$ 61,963	\$ 200,768

	Cost	Accumulated Depreciation	Net 2012
Equipment	\$ 221,707	\$ 12,098	\$ 209,609
Computers	9,939	1,320	8,619
	\$ 231,646	\$ 13,418	\$ 218,228

4. Deferred contributions

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations for specific programs.

	2013	2012
Balance, beginning of year	\$ 123,731	\$ -
Contributions received during the year	838,941	123,731
Expenditures incurred	(946,877)	-
Balance, end of year	\$ 15,795	\$ 123,731

5. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount of deferred contributions specified for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2013	2012
Balance, beginning of year	\$ 31,471	\$ -
Contributions received during the year	25,151	31,516
Amortization of deferred capital contributions	(6,945)	(45)
Balance, end of year	\$ 49,677	\$ 31,471

During the year, the Society entered into a capital funding agreement with Metro Vancouver. The Society incurred \$25,151 in capital expenditures under this program.

Aboriginal Mothers Centre Society

Notes to Financial Statements

March 31, 2013

6. Commitment

In October 2011, the Society entered into a sub-lease agreement for its operating premises until September 2021. In the first two years of the lease, the minimum annual lease payment is \$1 plus expenses, triple net. In the third, fourth, and fifth years, the minimum annual lease payment would be equal to the prevailing private market rent for similar premises plus expenses, triple net. In the sixth to tenth years, the minimum annual lease commitment would be renegotiated to equal the prevailing private market rent for similar premises plus expenses, triple net.

Subsequent to year-end, the Society entered into a new lease agreement for its operating premises until June 2028. The minimum annual lease commitment is \$nil plus expenses, triple net.

7. Program expenses

There are six different programs in operation during the year which include:

- 1). Community kitchen program - the main objective of this program is to provide food services to the other programs provided by the Society and to provide on the job training.
- 2). Day programming - the main objective of this program is to deliver on-site programming for both mothers in residence and in the local Aboriginal community, with traditional Indigenous knowledge-centered approach. The approach includes knowledge to spiritual, physical, and emotional health through counselling, advocacy, education, training and social support.
- 3). Daycare program - the main objective of this program is to provide a safe and accessible childcare facility that has culturally appropriate programming and services.
- 4). Social entrepreneurship program - the main objective of this program is to create entry level jobs for mothers in need through the production of high quality sewn products such as handbags, tote bags, and high quality machine knitted scarves and mittens.
- 5). Transformative housing program - the main objective of this program is to provide temporary housing to pregnant or early parenting mothers who are at risk of homelessness or require child welfare intervention.
- 6). West coast feast - the main objective of this program is raise for funds for programs that assist mothers and children through methods of providing traditional foods and meals to the Aboriginal and local community. This program ceased in the March 31, 2012 fiscal year.

The following expenditures are incurred by the various programs:

Aboriginal Mothers Centre Society Notes to Financial Statements

March 31, 2013

7. Program expenses (continued)

	<u>2013</u>	<u>2012</u>
Community kitchen program	\$ 75,759	\$ 27,905
Day program	92,341	7,807
Daycare program	177,006	109,430
Social entrepreneurship program	118,802	39,669
Transformative housing program	382,381	177,864
West coast feast	-	4,692
	<u>\$ 846,289</u>	<u>\$ 367,367</u>

8. Comparative numbers

Certain comparative figures have been reclassified to conform to the current year's presentation.