

# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

Suite 249 34A-2755 Lougheed Highway  
Port Coquitlam, BC  
V3B 5Y9

May 29, 2012

EPR Coquitlam  
Certified General Accountants  
2nd Floor Heron Centre  
566 Lougheed Highway  
Coquitlam, B.C.  
V3K 3S3

Dear Sirs,

We are providing this letter in connection with your preparation and review of the financial statements of Archives Association of British Columbia for the year ended March 31, 2012, which we acknowledge you performed in accordance with Canadian generally accepted standards for review engagements. We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for the design and implementation of internal control to prevent and detect fraud and error.

We understand that you have performed a review of the financial statements. We also understand that your review procedures consisted primarily of enquiry, analytical procedures, and discussion, which are not designed to identify, nor can they necessarily be expected to disclose, fraud, shortages, errors or other irregularities should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of the date noted above, the following representations made to you during your review.

## **Financial statements**

1. The financial statements referred to above present fairly, in all material respects, the financial position of the Association as at March 31, 2012 and the results of its operations and its cash flow for the year then ended in accordance with not-for-profit organizations.
2. We confirm that the Association is not a publicly accountable enterprise and is a qualifying enterprise for the application of not-for-profit organizations.
3. We have reviewed and approved all:
  - journal entries prepared or changed by you,
  - account codes determined or changed by you,
  - transactions classified by you, and
  - accounting records prepared or changed by you.

All misstatements identified by you and discussed with us, in the course of your review, have been recorded.

### **Completeness of information**

4. We have responded fully to all enquiries made to us and have made available to you all financial records and related data and all minutes of the meetings of members, directors, and committee of directors.
5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
7. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
8. We have identified to you all known related parties and related party transactions, including guarantees, non-monetary transactions, and transactions for no consideration.

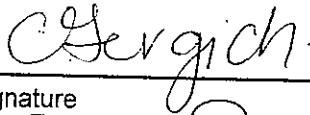
### **Recognition, measurement and disclosure**

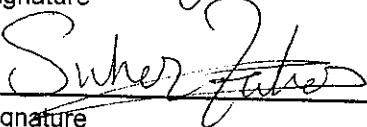
9. We have disclosed to you, and the Association has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
10. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
11. The Association has satisfactory title to all assets, and there are no liens or encumbrances on the Association's assets.
12. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
13. All related party transactions have been appropriately measured and disclosed in the financial statements.
14. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
15. There are no material unrecorded assets or contingent assets (such as claims relating to patent infringements or unfulfilled contracts whose value depends on satisfying conditions regarded as uncertain) that have not been disclosed.
16. There are no material losses (for example, from obsolete inventory or decreases in the carrying value of assets) that have not been properly included in the financial statements.
17. Provision has been made for any material loss to be sustained in the fulfillment of, or the inability to fulfill, any sales commitments.
18. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances. All material financial instruments, including derivatives, held at year end are reported on the balance sheet.
19. There are no liabilities or contingencies arising from environmental matters that have not already been disclosed to you.
20. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
21. All events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements have been disclosed to you and are appropriately disclosed in the financial statements.

22. We hereby acknowledge that you have made us aware of your legal obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize your firm to release and disclose information about the Association as required by statute.
23. We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.
24. The fee was discussed and is agreed to be in order.

Sincerely,

Confirmed this on May 29, 2012

  
\_\_\_\_\_  
Signature Director  
Archives Association of British Columbia

  
\_\_\_\_\_  
Signature Director  
Archives Association of British Columbia

# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

Financial Statements  
(Unaudited)

March 31, 2012



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## REVIEW ENGAGEMENT REPORT

To The Members of  
Archives Association of British Columbia

We have reviewed the statement of financial positions of Archives Association of British Columbia as at March 31, 2012, March 31, 2011, and April 01, 2010, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2012 and March 31, 2011. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussions related to information supplied to us by management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

**CERTIFIED GENERAL ACCOUNTANTS**

Coquitlam, B.C.  
May 29, 2012

**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF OPERATIONS**

**STATEMENT 1**

Year Ended March 31, 2012  
(Unaudited)

	2012	2011
<b>Revenue</b>		
General fund (schedule 1)	\$ 56,560	\$ 61,143
Archival network services program (schedule 2)	13,346	21,700
Conservation program (schedule 3)	25,425	32,323
Education program (schedule 4)	11,090	27,949
ICA-AtoM program (schedule 5)	-	25,505
Website renewal program (schedule 6)	21,160	-
	127,581	168,620
<b>Expenditures</b>		
General fund (schedule 1)	26,943	24,748
Archival network services program (schedule 2)	14,624	22,244
Conservation program (schedule 3)	40,679	32,908
Education program (schedule 4)	32,675	33,807
ICA-AtoM program (schedule 5)	-	25,497
Website renewal program (schedule 6)	22,164	-
	137,085	139,204
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>\$ (9,504)</b>	<b>\$ 29,416</b>

The accompanying notes and schedules are an integral part of these financial statements.



# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

STATEMENT 2

## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2012

(Unaudited)

	2012				2011			
	Unrestricted	Restricted (note 3)	Archival Network Program	Preservation Program	Education Program	Website Renewal Program		
<b>Net assets, opening balances</b>	\$ 82,180	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 117,180	\$ 87,764
Excess (deficiency) of revenue over expenditures for the year	29,617	-	(1,278)	(15,254)	(21,585)	(1,004)	(9,504)	29,416
Inter-fund transfers	(39,121)	-	1,278	15,254	21,585	1,004	-	-
<b>Net assets, closing balances</b>	<b>\$ 72,676</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,676</b>	<b>\$ 117,180</b>

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



**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

STATEMENT 3

**STATEMENT OF CASH FLOWS**

Year Ended March 31, 2012

(Unaudited)

	2012	2011
<b>Cash flows from (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ (9,504)	\$ 29,416
Changes in non-cash working capital		
Decrease in grants receivable	3,417	4,161
Decrease (increase) in government agencies recoverable	977	(2,698)
Decrease (increase) in prepaid expenses	(807)	141
Increase (decrease) in accounts payable and accrued liabilities	(39)	969
Decrease in deferred revenue	(2,110)	(2,759)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(8,066)</b>	<b>29,230</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>68,168</b>	<b>38,938</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 60,102</b>	<b>\$ 68,168</b>

The accompanying notes and schedules are an integral part of these financial statements.



# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

STATEMENT 4

## STATEMENT OF FINANCIAL POSITION

March 31, 2012

(Unaudited)

	2012	2011	April 1, 2010 (note 2)
<b>ASSETS</b>			
Current:			
Cash and cash equivalents - note 1	\$ 60,102	\$ 68,168	\$ 38,938
Grants receivable	16,780	20,198	24,359
Government agencies recoverable	4,810	5,786	3,088
Prepaid expenses	3,035	2,228	2,369
	84,727	96,380	68,754
Restricted cash - note 3	35,000	35,000	35,000
	<b>\$ 119,727</b>	<b>\$ 131,380</b>	<b>\$ 103,754</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current:			
Accounts payable and accrued liabilities	\$ 5,051	\$ 5,090	\$ 4,121
Deferred revenue - note 4	7,000	9,110	11,869
	12,051	14,200	15,990
Net assets			
Unrestricted	72,676	82,180	52,764
Restricted - note 3	35,000	35,000	35,000
	107,676	117,180	87,764
	<b>\$ 119,727</b>	<b>\$ 131,380</b>	<b>\$ 103,754</b>

Subsequent event - note 5

On behalf of the Board

C. Serghich President

July 31, 2012 Date

Suhel Zaher Treasurer

July 31, 2012 Date

The accompanying notes and schedules are an integral part of these financial statements.



# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

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The Archives Association of British Columbia (the "AABC") was established through the amalgamation of the Association of British Columbia Archivists and the BC Archives Council and was incorporated on January 21, 1991 under the Society Act of British Columbia as a not-for-profit organization. The association is a registered charity under the Income Tax Act and is exempt from income taxes under section 149 (1) (f) of the Act. Its main objective is to preserve British Columbia's documentary heritage by providing programs designed to promote and strengthen the archival network within the province. The Archives Association of British Columbia is committed to the following goals:

- To provide educational opportunities for those engaged in all aspects of archival work in British Columbia.
- To coordinate projects and programs designed to promote and strengthen the archival network within the province.
- To function as an advocacy and lobby group on behalf of archives and archivists by preparing presentations for governmental agencies, as well as by promoting a better understanding of our field amongst the general public.
- To cooperate with all organizations engaged in heritage and information-management activities within the province.

On April 1, 2000, the organization received official charitable status.

The AABC offers the following main programs:

### British Columbia Archival Education and Advisory Service

The BC Archival Education and Advisory Service offers advisory and education services for archives and archivists in B.C. The program is responsible for the management of the Community Archives Education Program, as well as for providing ongoing advisory services to archives in the province.

The AABC Community Archives Education Program is designed to provide fundamental-level education courses to individuals working with archival material. These courses are also of interest to individuals who are responsible for records management and providing reference service for their institution and the general public.

### British Columbia Archival Preservation Service

The British Columbia Archival Preservation Service offers AABC member institutions access to a wide range of free conservation services. A professional conservator carries out site visits, surveys, and informal training, and provides a variety of ongoing advisory services (including a "conservation hotline"). Services are available only to institutions with a current AABC membership.

### British Columbia Archival Network Service

The British Columbia Archival Network Service program is responsible for the development and maintenance of web resources created by the Archives Association of British Columbia, including the B.C. Archival Information Network (BCAIN) web site, the British Columbia Archival Union List (BCAUL), a Guide to Archival Repositories in British Columbia, and the AABC's "The Archivists's Toolkit".



# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

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### ICA-AtoM Project

The ICA-AtoM Data Migration Project is a initiative between the Archives Association of British Columbia (AABC), Artefactual Systems Inc., the University of Victoria Archives, Simon Fraser University Archives, the University of Northern British Columbia Archives, and the Anglican Diocese of New Westminster Archives to promote the free, open-source software, ICA-AtoM, as a shared software platform for BC's archival community. The result of this project is a freely available software 'toolkit' that will reduce the time, costs and skills required to migrate data from community database systems into ICA-AtoM.

Archival institutions adopting the ICA-AtoM software will have improved capability to update their collections in BC's provincial archival database and portal MemoryBC and will have increased capacity to provide web-based access to their collections.

### Website Renewal Program

The Website Renewal Program is to create a new AABC website using a content management system. The old website was extremely outdated and the executive identified its replacement as a strategic priority which would quickly save financial and volunteer resources, ensuring that AABC no longer needs to internally fund a webmaster position and therefore freeing more resources for the Network Services Coordinator to work on Memory BC.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Association are in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

### Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources.

The Restricted Fund reports only restricted resources that are to be set aside as a minimum or safe reserve for the Association.

### Cash and cash equivalents

The policy of the Association is to disclose bank balances, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits that can be withdrawn when needed under cash and cash equivalents.

# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

#### Revenue Recognition

The Association receives grants from various sources as reflected in the statement of operations, and follows the deferral method of accounting for contributions.

Restricted contributions related to specific projects are recognized as revenue of the project in the year in which the related expense are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assumed.

Membership and seminar fees are recognized as revenue of the General Fund when services are rendered and seminars are held.

#### Allocation of Expenses

The Association adopted Section 4470, disclosure of allocated expenses by not-for-profit organizations according to a number of functions to which the expenses relate. The Association incurs a number of general and administrative support expenses that are common to the administration of the organization and each of its programs. All contract fees are directly expensed to the programs to which they relate, with the exception of finance and administration contract fees, which are allocated to the individual programs on a percentage agreed upon by the National Archival Development Program/Canadian Council of Archives. These expenses are disclosed under each program in the attached schedules.

# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

#### Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, grants receivable, government agencies recoverable and restricted cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost will be tested for impairment when there are indicators of impairment. The amount of any identified impairment will be written down and recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, either directly to this asset or by adjusting an allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in net income.

Transaction costs

The Association recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates are used for, but are not limited to, the accounting for accrued liabilities, impairments and contingencies. Actual results may differ from those estimates.

# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

### 2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The financial statements for the year ended March 31, 2012 are the first financial statements that are prepared in accordance with Canadian accounting standards for not-for-profit organizations [ASPE]. The financial statements for the year ended March 31, 2011 were previously prepared in accordance with the former Canadian generally accepted accounting principles in the Handbook — Accounting Part V Pre-changeover standards (Previous GAAP). Under ASPE provisions as set out in Section 1500 First-Time Adoption, the date of transition is the beginning of the fiscal period for comparative information. Therefore, the transition date for the Association is April 1, 2010, the beginning of the fiscal period ended March 31, 2011. An opening balance sheet at April 1, 2010 is prepared in accordance with ASPE. The Association made no changes to the previously presented financial statements.

### 3. RESTRICTED CASH

The Association's board has internally restricted \$35,000 to be maintained as a minimum allowable safe reserve. This internally restricted amount is not available for unrestricted purposes without the approval of the board.

### 4. DEFERRED REVENUE

The amount represents prepaid membership and conference fees.

	2012	2011
Balance, beginning of year	\$ 9,110	\$ 11,869
Prepaid membership and conference fees	7,000	9,110
Less: amount recognized as revenue	(9,110)	(11,869)
Balance, end of year	\$ 7,000	\$ 9,110

### 5. SUBSEQUENT EVENT

Subsequent to the year end, Canadian Council of Archives announced the termination of funding from the National Archival Development Program ("NADP") by Library and Archives Canada. The Association received approximately 56% of its total revenue from the NADP in the current fiscal year.

For fiscal year 2013, the AABC will continue with the same core programs as in prior years, namely Archival Network Services, Preservation, and Education. These programs will be offered on a reduced basis. The AABC will continue to seek alternative sources of funding to replace the loss of funding from the NADP.



# ARCHIVES ASSOCIATION OF BRITISH COLUMBIA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2012

(Unaudited)

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### 6. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.



**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

SCHEDULE 1

**SCHEDULE OF GENERAL FUND**

Year Ended March 31, 2012

(Unaudited)

	2012	2011
<b>Revenue</b>		
Conference, workshop and registration fees	\$ 36,671	\$ 37,892
Membership fees	16,245	16,535
Miscellaneous	3,460	6,611
Investment income	184	105
	56,560	61,143
<b>Expenditures</b>		
Accounting and legal	10,965	9,550
Committees	2,397	1,986
Conference and workshops	6,905	8,526
Insurance	2,791	2,792
Office	2,704	1,894
Server and website maintenance	1,181	-
	26,943	24,748
<b>Excess of revenue over expenditures</b>	<b>\$ 29,617</b>	<b>\$ 36,395</b>



**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

SCHEDULE 2

**SCHEDULE OF ARCHIVAL NETWORK SERVICES PROGRAM**

Year Ended March 31, 2012

(Unaudited)

	2012	2011
<b>Revenue</b>	\$ 13,346	\$ 21,700
<b>Expenditures</b>		
Administration fee	1,350	3,000
Communications	-	1,680
Contract fees	13,036	17,189
Office	31	-
Travel	207	375
	14,624	22,244
<b>Excess of expenditures over revenue</b>	\$ (1,278)	\$ (544)



**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**  
**SCHEDULE OF PRESERVATION PROGRAM**

**SCHEDULE 3**

Year Ended March 31, 2012  
(Unaudited)

	2012	2011
<b>Revenue</b>	\$ 25,425	\$ 32,323
<b>Expenditures</b>		
Administration fee	3,316	3,600
Communications	772	883
Contract fees	34,616	26,481
Office	592	374
Travel	1,383	1,515
Workshop materials	-	55
	40,679	32,908
<b>Excess of expenditures over revenue</b>	\$ (15,254)	\$ (585)

**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

SCHEDULE 4

**SCHEDULE OF EDUCATION PROGRAM**

Year Ended March 31, 2012

(Unaudited)

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	2012	2011
<b>Revenue</b>	\$ 11,090	\$ 27,949
<b>Expenditures</b>		
Administration fee	1,446	2,650
Communications	553	687
Contract fees	29,694	27,416
Office	854	221
Travel	128	1,388
Workshop expenses	-	1,445
	32,675	33,807
<b>Excess of expenditures over revenue</b>	\$ (21,585)	\$ (5,858)

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**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

**SCHEDULE 5**

**SCHEDULE OF ICA-Atom PROGRAM**

Year Ended March 31, 2012

(Unaudited)

	2012	2011
<b>Revenue</b>	\$ -	\$ 25,505
<b>Expenditures</b>		
Contract fees	-	25,497
<b>Excess of revenue over expenditures</b>	\$ -	\$ 8



**ARCHIVES ASSOCIATION OF BRITISH COLUMBIA**

SCHEDULE 6

**SCHEDULE OF WEBSITE RENEWAL PROGRAM**

Year Ended March 31, 2012

(Unaudited)

	2012	2011
<b>Revenue</b>	\$ 21,160	\$ -
<b>Expenditures</b>		
Administration fee	2,760	-
Contractor Fees	19,404	-
	22,164	-
<b>Excess of expenditures over revenue</b>	\$ (1,004)	\$ -