

**BC ASSOCIATION FOR CRANE SAFETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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**EPR NORTH VANCOUVER**  
CHARTERED PROFESSIONAL ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
BC Association for Crane Safety

### *Opinion*

We have audited the financial statements of BC Association for Crane Safety, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with ASPE.

### *Basis for Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT — continued

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on Other Legal and Regulatory Requirements*

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

***EPR***

### **CHARTERED PROFESSIONAL ACCOUNTANTS**

North Vancouver, BC  
March 31, 2022

**BC ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 1**

	<b>ESDC Fund</b>	<b>ITA Industry Training Authority Fund</b>	<b>Total WorksafeBC Fund</b>	<b>TOTAL 2021</b>	<b>TOTAL 2020</b>
<b>FUNDING – Note 2</b>	<b>-</b>	<b>\$7,968</b>	<b>\$1,500,132</b>	<b>\$1,508,100</b>	<b>\$1,574,235</b>
<b>EXPENSES</b>					
Advertising	-	-	75,648	75,648	22,639
Amortization	-	-	10,496	10,496	12,975
Automotive	-	-	369	369	407
Bank charges & interest	-	34	1,700	1,734	2,218
Computer and website	-	-	60,219	60,219	17,411
Consulting fees	-	-	164,110	164,110	190,101
Courses & conferences	-	-	4,267	4,267	2,006
GST expenses	-	-	-	-	-
Insurance	-	-	27,227	27,227	18,143
Interest	-	-	872	872	1,119
Loss on disposal of assets	-	-	-	-	1,972
Maintenance of Industry Services					
– Note 3	-	-	112,965	112,965	74,787
Meeting Costs	-	-	2,912	2,912	1,520
Membership and dues	-	-	11,190	11,190	5,694
Office supplies & other	-	-	21,923	21,923	13,666
Professional fees	-	-	24,112	24,112	25,892
Reference material	-	-	5,243	5,243	3,113
Rent	-	-	158,853	158,853	143,565
Salaries and benefits	-	-	714,639	714,639	874,385
Telephone	-	-	12,573	12,573	11,397
Training	-	-	6,580	6,580	6,923
Travel	-	-	3,835	3,835	12,655
	<b>\$ -</b>	<b>\$ 34</b>	<b>\$1,419,733</b>	<b>\$1,419,767</b>	<b>\$1,443,162</b>
Excess (deficiency) of funding over expenses	<b>(\$ -)</b>	<b>\$7,934</b>	<b>\$ 80,399</b>	<b>\$ 88,333</b>	<b>\$ 131,073</b>

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

**EPR NORTH VANCOUVER**

**BC ASSOCIATION FOR CRANE SAFETY  
STATEMENT OF OPERATIONS – WORKSAFEBC FUND  
YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 2**

	<b>WorkSafeBC Operations Fund</b>	<b>WorksafeBC Reserve Fund</b>	<b>WorksafeBC Projects Fund</b>	<b>WorksafeBC Capital Fund</b>	<b>Total WorksafeBC Fund</b>
<b>REVENUE</b>					
Funding	\$1,500,132	-	-	-	\$1,500,132
Temporary Wage Subsidy – Note 12	-	-	-	-	-
	<u>1,500,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,132</u>
<b>EXPENSES</b>					
Advertising	75,648	-	-	-	75,648
Amortization	-	-	-	10,496	10,496
Automotive	369	-	-	-	369
Bank charges & interest	1,700	-	-	-	1,700
Computer and website	60,219	-	-	-	60,219
Consulting fees	67,540	-	96,570	-	164,110
Courses & conferences	4,267	-	-	-	4,267
Insurance	-	-	-	-	-
Interest	27,227	-	-	-	27,227
Loss on disposal of assets	872	-	-	-	872
Maintenance of Industry Services – Note 3	112,965	-	-	-	112,965
Meeting Costs	2,912	-	-	-	2,912
Membership and dues	11,190	-	-	-	11,190
Office supplies & other	21,530	-	393	-	21,923
Professional fees	24,112	-	-	-	24,112
Reference material	5,243	-	-	-	5,243
Rent	158,853	-	-	-	158,853
Salaries and benefits	714,639	-	-	-	714,639
Telephone	12,573	-	-	-	12,573
Training	6,580	-	-	-	6,580
Travel	3,835	-	-	-	3,835
	<u>\$ 1,312,274</u>	<u>\$ -</u>	<u>\$ 96,963</u>	<u>\$ 10,496</u>	<u>\$ 1,419,733</u>
Excess (deficiency) of funding over expenses	<u>\$ 187,858</u>	<u>\$ -</u>	<u>(\$ 96,963)</u>	<u>(\$ 10,496)</u>	<u>\$ 80,399</u>

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

**EPR NORTH VANCOUVER**

**BC ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 3**

	<b>ESDC Fund</b>	<b>ITA Industry Training Authority Fund</b>	<b>BC Ministry of Jobs Fund</b>	<b>Yukon WCHSB Fund</b>	<b>Total WorksafeBC Fund</b>	<b>TOTAL 2021</b>	<b>TOTAL 2020</b>
Net assets, beginning of year	\$ 509	\$36,269	\$5,488	\$1,314	\$550,953	\$594,533	\$463,460
Excess (deficiency) of funding over expenses	-	7,934	-	-	80,399	88,333	131,073
Net assets, end of year	<b>\$ 509</b>	<b>\$44,203</b>	<b>\$5,488</b>	<b>\$1,314</b>	<b>\$631,352</b>	<b>\$682,866</b>	<b>\$594,533</b>

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

**EPR NORTH VANCOUVER**

**BC ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF CHANGES IN NET ASSETS – WORKSAFEBC FUND**  
**YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 4**

	<b>WorkSafeBC Operations Fund</b>	<b>WorksafeBC Reserve Fund</b>	<b>WorksafeBC Projects Fund</b>	<b>WorksafeBC Capital Fund</b>	<b>Total WorksafeBC Fund</b>
Net assets, beginning of year	\$117,941	\$294,526	\$99,400	\$39,086	\$550,953
Excess (deficiency) of funding over expenses	187,465	-	(96,570)	(10,496)	80,399
Interfund transfers - Note 7	(106,224)	106,224	-	-	-
Purchase of Capital Assets	-	-	-	-	-
Net assets, end of year	<b><u>\$199,182</u></b>	<b><u>\$400,750</u></b>	<b><u>\$ 2,830</u></b>	<b><u>\$28,590</u></b>	<b><u>\$631,352</u></b>

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

**EPR NORTH VANCOUVER**



**BC ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 5**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Excess of funding over expenses for the year	\$ 88,333	\$131,073
Items not involving cash		
Amortization	10,496	12,975
Loss on disposal of assets	-	1,972
	98,829	146,020
Changes in working capital accounts		
Accounts receivable	5,004	(14,894)
Supplies inventory	(11,196)	( 9,204)
Prepaid expenses	(6,729)	(24,101)
Security deposit	(9,274)	-
Accounts payable and accrued liabilities	(124,188)	89,892
	(47,554)	187,713
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(6,945)	-
<b>FINANCING ACTIVITIES</b>		
Equipment loan	(2,475)	(2,228)
Increase (decrease) in cash	(56,974)	185,485
Cash, beginning of year	633,063	477,578
<b>Cash, end of year</b>	<b>\$576,089</b>	<b>\$633,063</b>

The accompanying notes and schedules are an integral part of these financial statements  
**EPR NORTH VANCOUVER**

**BC ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED DECEMBER 31, 2021**

**STATEMENT 6**

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$576,089	\$633,063
Accounts receivable	1,968	2,334
GST rebate receivable	15,705	12,170
Subsidy receivable	-	8,173
Supplies inventory	20,400	9,204
Prepaid expenses	51,807	45,078
	<u>665,969</u>	<u>710,022</u>
Security deposit	34,258	24,984
Tangible capital assets under capital lease – Note 4	6,594	9,232
Tangible capital assets – Note 5	28,940	29,854
	<u><b>\$735,761</b></u>	<u><b>\$774,092</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 46,276	\$170,465
Current portion of obligation under capital lease – Note 6	2,749	2,475
	<u>49,025</u>	<u>172,940</u>
<b>Long Term Liabilities</b>		
Obligation under capital lease – Note 6	3,870	6,619
<b>NET ASSETS</b>		
Restricted net asset	400,750	294,526
Unrestricted net asset	282,116	300,007
Net assets	<u>682,866</u>	<u>594,533</u>
	<u><b>\$735,761</b></u>	<u><b>\$774,092</b></u>

**Economic Dependence** – Note 8

**Commitment** – Note 10

Approved by the Directors:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

\_\_\_\_\_ Date

\_\_\_\_\_ Date

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

**EPR NORTH VANCOUVER**

**BC ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**1. PURPOSE OF THE ASSOCIATION**

The BC Association for Crane Safety (the "Association") is incorporated under the Societies Act of British Columbia.

The Association provides leadership for health and safety development within the crane and hoisting industry. They serve all industry stakeholders as a forum for effectively addressing common safety issues and as an industry advisory body regarding standards, regulations, and qualifications. The purpose is to support and maintain a comprehensive, inclusive credentialing regime to support the goal of accident free crane operations throughout British Columbia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

**Revenue Recognition**

The Association follows the restricted fund method of accounting for contributions; restricted contributions, including provincial funding, and are deferred and matched with related expenses as incurred.

Unrestricted revenue, including administrative recoveries, are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

**Fund Accounting**

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

*The ESDC Fund (Employment and Social Development Canada)*

This fund is used to account all revenues and expenditures related to the Canada/European Union Crane Operator Credential MRA Project. The project was completed on March 31, 2021.

*ITA Industry Training Authority Fund*

The Industry Training Authority Fund is used to account for all revenue and expenditures related to apprenticeship standards, certification and exams, for Crane Operators in British Columbia.

**BC ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES** - continued

*WorkSafeBC Operations Fund*

The WorkSafeBC Operations Fund is used to account for all revenue and expenditures related to general and ancillary operations of the Association and Maintenance of Industry Services function.

*WorkSafeBC Projects Fund*

The WorkSafeBC Projects Fund is used to account for all revenue and expenditures related to non-administrative operations of the Association.

*The WorkSafeBC Reserve Fund*

The WorkSafeBC Reserve Fund may be used as an alternative funding source for unforeseen, time sensitive and unbudgeted initiatives that will result in a deficit at the end of the year. It may also be used as a bridge financing until the next funding payment is received from WorkSafeBC. The WorkSafeBC Reserve Fund consists of a maximum of up to 3 months of the annual WorkSafeBC's funding amount.

*The WorkSafeBC Capital Fund*

The WorkSafeBC Capital Fund is used to account for all capital assets of the organization and to present the flow of funds related to their acquisition and disposal, unexpended capital resources.

**Equipment Under Capital Lease**

Equipment under capital lease is recorded at cost and is amortised over the lease term of 60 months.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

Computer equipment	30%
Furniture and equipment	20%

**Measurement Uncertainty** (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

**BC ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES** - continued

**Measurement Uncertainty** (use of estimates) - continued

Amortization is based on the estimated useful lives of capital assets. Accounts receivable are stated after evaluations as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

**Financial Instrument**

The Association recognized its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year. The Association subsequently measures financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

**Long-lived Assets**

Long-lived assets consist of computer equipment and furniture and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an assets, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Prices for similar items are used to measure fair value of long-lived assets. Any impairment is included in the net loss for the year.

**3. MAINTENANCE OF INDUSTRY SERVICES**

Maintenance of Industry Services are expenditures to support, expand and maintain industry established services and products relevant and in tune with industry expressed and demonstrated needs. In contrast, Project Costs are related to new or in-progress services and products.

**4. TANGIBLE CAPITAL ASSETS UNDER CAPITAL LEASE**

			<b>2021</b>	<b>2020</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Net</b>
Equipment	\$13,189	\$6,595	\$6,594	\$9,232

**BC ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**5. TANGIBLE CAPITAL ASSETS**

			<b>2021</b>	<b>2020</b>
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$32,214	\$16,326	\$15,888	\$13,539
Furniture and equipment	29,440	16,388	13,052	16,315
	<b>\$61,654</b>	<b>\$32,714</b>	<b>\$28,940</b>	<b>\$29,854</b>

**6. OBLIGATION UNDER CAPITAL LEASE**

In 2019, the Association entered into an agreement with Xerox Canada Ltd. for the lease of an office copier.

	2021	2020
\$13,189 lease obligation payable to Xerox Canada Ltd., bearing an interest rate of 10.650% per annum repayable in quarterly payments of \$764.21 due on April 30, 2024	6,619	9,094
Less: current portion of obligation	(2,749)	(2,475)
Lease obligation	<b>\$3,870</b>	<b>\$6,619</b>

For the year ended December 31, 2021, the Association incurred interest of \$872 in connection with the lease obligation.

Principal repayments to be made during the next years, at which time the lease obligation will be fully repaid.

2022	\$2,749
2023	\$3,055
2024	\$ 815

**7. WORKSAFEBC RESERVE FUND**

According to the HAS funding agreement with WorkSafeBC, any surplus funds attributed to WorkSafeBC activities shall either be deducted from the subsequent year's funding, returned to WorkSafeBC or retained in a reserve fund. The maximum amount of the reserve fund shall not, at any time, exceed an amount equal to three months' worth of the total annual funding.

In 2021 the Association was authorized to transfer \$106,224 from the Operations Fund to the WorkSafe Reserve Fund as a result of the 2020 surplus.

**BC ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**8. ECONOMIC DEPENDENCE**

The Association's primary source of income is from WorkSafeBC funding. The Association's ability to continue viable operations is dependent on maintaining the funding relationship and agreements with WorkSafeBC. The Association has a HSA funding agreement in place with WorkSafeBC for 2022.

**9. FINANCIAL INSTRUMENTS**

The Association as part of its operations carries a number of financial instruments. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates its fair value given the short-term nature of these financial instruments. It is administration's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

**10. COMMITMENT**

The Association entered into a 5-year rental lease agreement commencing on July 1, 2019 and ending on June 30, 2024. Pursuant to the current lease agreements, the minimum required annual payments with operating costs are as follows:

2022	\$147,932
2023	\$149,948
2024	\$ 75,541

**11. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS**

The Society Act of British Columbia requires disclosure of remuneration to directors and remuneration to employees and contractors when this is in excess of \$75,000.

During the year the Association paid the following remuneration that exceeded \$75,000:

Directors	\$ 0
Employees	\$520,954
Contractors	\$ 0