

B.C. ASSOCIATION FOR CRANE SAFETY

FINANCIAL STATEMENTS

DECEMBER 31, 2015

**B.C. ASSOCIATION FOR CRANE SAFETY
FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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NORTH VANCOUVER

CHARTERED PROFESSIONAL
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INDEPENDENT AUDITOR'S REPORT

To the Members of the B.C. Association For Crane Safety

Report on the Financial Statements

We have audited the accompanying financial statements of the B.C. Association For Crane Safety, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, 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 generally accepted accounting principles 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 from 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the B.C. Association For Crane Safety as at December 31, 2015 and its financial performance and its cash flows for the year ended December 31, 2015, in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

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.

CHARTERED PROFESSIONAL ACCOUNTANTS

North Vancouver, B.C.
March 22, 2016

**B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2015**

STATEMENT 1

	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund	TOTAL 2015	TOTAL 2014
FUNDING	\$ 16,800	\$ 87,334	\$ 548,900	\$ 28,039	\$ 68,100	\$ -	\$ 645,039	\$ 749,173	\$ 747,492
EXPENSES									
Advertising	-	-	1,561	-	-	-	1,561	1,561	2,387
Amortization	-	-	-	-	-	5,636	5,636	5,636	5,214
Automotive	-	-	1,741	-	-	-	1,741	1,741	2,263
Bank charges & interest	273	202	746	-	-	-	746	1,221	951
Computer and website	-	-	5,179	-	-	-	5,179	5,179	6,242
Consulting fees	18,204	127,317	-	-	62,556	-	62,556	208,077	180,233
Courses & conferences	-	-	5,225	-	-	-	5,225	5,225	8,806
Insurance	-	-	6,781	-	-	-	6,781	6,781	7,195
Loss on disposal of assets	-	-	1,227	-	-	-	1,227	1,759	641
Maintenance of Industry						532	1,759	1,759	
Services – Note 3			75,769	-	-	-	75,769	75,769	98,290
Meeting Costs			5,534	-	303	-	5,837	5,837	10,336
Membership and dues			898	-	-	-	898	898	760
Office supplies & other			5,149	-	458	-	5,607	5,607	7,126
Professional fees			8,597	-	-	-	8,597	8,597	11,506
Rent			55,248	-	-	-	55,248	55,248	48,577
Salaries and benefits			364,021	-	-	-	364,021	364,021	326,206
Telephone			8,685	-	-	-	8,685	8,685	6,463
Travel			1,044	-	4,410	-	5,454	5,454	11,681
	\$ 18,477	\$ 127,519	\$ 547,405	\$ -	\$ 67,727	\$ 6,168	\$ 621,300	\$ 767,296	\$ 734,877
Excess (deficiency) of funding over expenses	\$ (1,677)	\$ (40,185)	\$ 1,495	\$ 28,039	\$ 373	\$ (6,168)	\$ 23,739	\$ (18,123)	\$ 12,615

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

**B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015**

STATEMENT 2

	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund	TOTAL 2015	TOTAL 2014
Net assets, beginning of year	\$ 2,226	\$ 42,957	\$ -	\$ 121,948	\$ -	\$ 22,177	\$ 144,125	\$ 189,308	\$ 176,780
Excess (deficiency) of funding over expenses	(1,677)	(40,185)	1,495	28,039	373	(6,168)	23,739	(18,123)	12,615
Interfund transfers	-	-	373	-	(373)	-	-	-	87
Purchase of Capital Assets	-	-	(5,107)	-	-	5,107	-	-	-
Bridge financing from Reserve Fund — Note 5	-	-	3,239	(3,239)	-	-	-	-	-
Net assets, end of year	\$ 549	\$ 2,772	\$ -	\$ 146,748	\$ -	\$ 21,116	\$ 167,864	\$ 171,185	\$ 189,308

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

STATEMENT 3

	2015	2014
OPERATING ACTIVITIES		
Excess of funding over expenses for the year	\$ (18,123)	\$ 12,528
Items not involving cash		
Amortization	5,636	5,214
Loss on disposal of assets	532	641
	(11,955)	18,383
Changes in working capital accounts		
Accounts receivable	79,920	(57,145)
Prepaid expenses	(474)	458
Accounts payable and accrued liabilities	(73,933)	78,067
Deferred revenue	7,500	-
	1,058	39,763
FINANCING ACTIVITY		
WorkSafeBC funding payable	(87)	(4,041)
INVESTING ACTIVITIES		
Purchase of capital assets	(5,107)	(9,568)
Increase (decrease) in cash	(4,136)	26,154
Cash, beginning of year	175,140	148,986
Cash, end of year	\$ 171,004	\$ 175,140

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

**B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2015**

STATEMENT 4

	2015	2014
ASSETS		
Current Assets		
Cash	\$ 171,004	\$ 175,140
Accounts receivable	12,314	92,234
Prepaid expenses	10,482	10,008
	<u>193,800</u>	<u>277,382</u>
Capital assets – Note 4	21,116	22,177
	<u>\$ 214,916</u>	<u>\$ 299,559</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 36,231	\$ 110,164
WorkSafeBC funding surplus payable – Note 5	-	87
Deferred revenue – Note 6	7,500	-
	<u>43,731</u>	<u>110,251</u>
NET ASSETS		
Net assets	171,185	189,308
	<u>\$ 214,916</u>	<u>\$ 299,559</u>

Commitment – Note 9

Approved by the Directors:

 Director

APR 21 / 2016 Date

 Director

21 . 04 . 16 Date

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

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. PURPOSE OF THE ASSOCIATION

The B.C. 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 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 deferral 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.

ITA Industry Training Authority Fund

The industry Training Authority Fund is used to account for all revenue and expenditures related to services provided per ITA requests received.

BC Ministry of Jobs

The BC Ministry of Jobs Fund is used to account for all revenue and expenditures related to the development of crane operative jobs in British Columbia.

WorkSafeBC Operations Fund

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

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

WorkSafeBC Projects Fund

The WorkSafeBC Projects Fund is used to account for all revenue and expenditure 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.

Capital Assets

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.

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.

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued

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. CAPITAL ASSETS

			2015	2014
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 20,659	\$ 11,035	\$ 9,624	\$ 9,044
Furniture and equipment	23,791	12,299	11,492	\$ 13,133
	\$ 44,450	\$ 23,334	\$ 21,116	\$ 22,177

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
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5. WORKSAFEBC FUNDING SURPLUS PAYABLE

According to the agreement with WorkSafeBC, any surplus funds paid by WorkSafeBC shall either be deducted from the subsequent year's funding, returned to WorkSafeBC or retained in a reserve fund to a maximum of up to 3 months of the annual WorkSafeBC's funding amount. WorkSafeBC has historically reduced any surplus amounts by deducting them from the subsequent years' funding.

This year the Association has recorded a deficiency of funding as a result of an adjustment of \$373 in the WorkSafeBC Projects Fund to clear out the net income in that fund, a \$5,107 adjustment in the WorkSafeBC Capital Fund for capital purchases. When these adjustments are added to the net income of the fund of \$1,495 the net deficiency of funding in the WorkSafeBC Operations Fund is \$3,239. Management has authorized the transfer from the Reserve Fund to fund the deficiency

6. DEFERRED REVENUE

Deferred revenue represents unspent funds received from the Yukon's Workers' Compensation Health and Safety Board for the purpose of the provision and maintenance of a crane operator certification, information, support and record system for the Yukon.

7. 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.

8. 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.

9. COMMITMENT

The Association entered into a 3 year rental lease agreement commencing on March 1, 2012 and ending on February 28, 2015. The lease was extended by an additional 3 years effective on March 1, 2015 and ending on February 28, 2018. Pursuant to the lease agreement, the minimum required annual payments are as follows:

2016	25,650
2017	25,650
2018	<u>4,275</u>
	<u>\$ 55,575</u>

10. COMPARATIVE FIGURES

The comparative figures shown on the financial statements have been prepared by another accounting firm.