

**B.C. ASSOCIATION FOR CRANE SAFETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**B.C. ASSOCIATION FOR CRANE SAFETY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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NORTH VANCOUVER

CHARTERED PROFESSIONAL  
ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the B.C. ASSOCIATION FOR CRANE SAFETY

### Opinion

I 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, 2018 and December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the B.C. Association For Crane Safety as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of B.C. Association For Crane Safety in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing B.C. Association For Crane Safety'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 B.C. Association For Crane Safety or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing B.C. Association For Crane Safety's financial reporting process.

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

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is high 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 B.C. Association For Crane Safety internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 B.C. Association For Crane Safety's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause B.C. Association For Crane Safety 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.

I 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 I identify during my audit.

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

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

***EPR***

**CHARTERED PROFESSIONAL ACCOUNTANTS**

North Vancouver, B.C.  
March 5, 2019

**B.C. ASSOCIATION FOR CRANE SAFETY  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2018**

**STATEMENT 1**

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon WCHSB Fund	Total WorksafeBC Fund	TOTAL 2018	TOTAL 2017
<b>FUNDING</b>	\$460,924	\$7,500	\$ -	\$ -	\$974,500	\$1,442,924	\$1,125,593
<b>EXPENSES</b>							
Advertising	-	-	-	-	200	200	905
Amortization	-	-	-	-	6,092	6,092	4,713
Automotive	-	-	-	-	1,517	1,517	2,418
Bank charges & interest	353	-	45	-	933	1,331	1,640
Computer and lbsite	-	-	-	-	14,299	14,299	13,557
Consulting fees	271,024	-	-	-	158,881	429,905	322,572
Cmyses & conferences	-	-	-	-	8,922	8,922	9,444
GST expenses	14,887	-	-	-	-	14,887	3,359
Insurance	-	-	-	-	7,264	7,264	7,255
Loss on disposal of assets	-	-	-	-	2,344	2,344	244
Maintenance of Industry Services							
- Note 3	-	-	-	-	104,542	104,542	153,411
Meeting Costs	386	-	-	-	6,407	6,793	4,293
Membership and dues	-	-	-	-	1,488	1,488	931
Office supplies & other	500	-	-	-	8,426	8,426	9,033
Professional fees	-	-	-	-	11,252	11,252	14,601
Rent	-	-	-	-	58,107	58,107	55,136
Salaries and benefits	50,528	-	-	-	524,844	575,372	457,665
Telephone	-	-	-	-	9,001	9,001	8,122
Travel	89,687	-	-	-	8,668	98,355	50,208
	\$426,865	\$ -	\$ 45	\$ -	\$933,187	\$1,360,097	\$1,195,076
Excess (deficiency) of funding over expenses	\$ 34,059	\$ 7,500	(45)	-	\$ 41,313	\$ 82,827	\$ 6,186

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

**EPR NORTH VANCOUVER**

**B.C. ASSOCIATION FOR CRANE SAFETY  
STATEMENT OF OPERATIONS – WORKSAFEBC FUND  
YEAR ENDED DECEMBER 31, 2018**

**STATEMENT 2**

	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund
<b>FUNDING</b>	\$ 774,500	\$ -	\$ 200,000	\$ -	\$ 974,500
<b>EXPENSES</b>					
Advertising	200	-	-	-	200
Amortization	-	-	-	6,092	6,092
Automotive	1,517	-	-	-	1,517
Bank charges & interest	933	-	-	-	933
Computer and Ibsite	14,299	-	-	-	14,299
Consulting fees	-	-	158,881	-	158,881
Conyses & conferences	8,922	-	-	-	8,922
GST expenses	-	-	-	-	-
Insurance	7,264	-	-	-	7,264
Loss on disposal of assets	-	-	-	2,344	2,344
Maintenance of Industry Services					
- Note 3	104,542	-	-	-	104,542
Meeting Costs	6,296	-	111	-	6,407
Membership and dues	1,488	-	-	-	1,488
Office supplies & other	7,050	-	1,376	-	8,426
Professional fees	11,252	-	-	-	11,252
Rent	58,107	-	-	-	58,107
Salaries and benefits	497,700	-	27,144	-	524,844
Telephone	9,001	-	-	-	9,001
Travel	500	-	8,168	-	8,668
	\$ 729,071	\$ -	\$ 195,680	\$ 8,436	\$ 933,187
Excess (deficiency) of funding over expenses	\$ 45,429	\$ -	\$ 4,320	\$ (8,436)	\$ 41,313

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, 2018**

**STATEMENT 3**

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon WCHSB Fund	Total WorksafeBC Fund	TOTAL 2018	TOTAL 2017
Net assets, beginning of year	\$ 2	\$16,694	\$5,528	\$1,314	\$166,331	\$189,869	\$183,663
Excess (deficiency) of funding over expenses	34,059	7,500	(45)	-	41,313	82,827	6,186
Net assets, end of year	<u>\$34,061</u>	<u>\$24,194</u>	<u>\$5,483</u>	<u>\$1,314</u>	<u>\$207,644</u>	<u>\$272,696</u>	<u>\$189,869</u>

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 – WORKSAFEBC FUND  
YEAR ENDED DECEMBER 31, 2018**

**STATEMENT 4**

	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund
Net assets, beginning of year	\$ -	\$ 143,966	\$ -	\$ 22,365	\$ 166,331
Excess (deficiency) of funding over expenses	45,429	-	4,320	(8,436)	41,313
Interfund transfers	-	-	-	-	-
Purchase of Capital Assets	(7,792)	-	-	7,792	-
Bridge financing from (to)					
Reserve Fund – Note 6	(37,637)	41,957	(4,320)	-	-
Net assets, end of year	\$ -	\$ 185,923	\$ -	\$ 21,721	\$ 207,644

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

**EPR NORTH VANCOUVER**



**B.C. ASSOCIATION FOR CRANE SAFETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**

**STATEMENT 5**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess of funding over expenses for the year	\$ 82,827	\$ 6,186
Items not involving cash		
Amortization	6,092	4,713
Loss on disposal of assets	2,343	244
	91,262	11,143
Changes in working capital accounts		
Accounts receivable	4,441	66,207
Prepaid expenses	(76)	(27)
Accounts payable and accrued liabilities	(15,681)	(60,907)
Deferred revenue	(33,521)	124,535
	(44,837)	140,951
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(7,792)	(5,283)
Increase (decrease) in cash	38,633	135,668
Cash, beginning of year	305,466	169,798
<b>Cash, end of year</b>	<b>\$344,099</b>	<b>\$ 305,466</b>

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, 2018**


**STATEMENT 6**

	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$344,099	\$305,466
Accounts receivable	4,979	9,420
Prepaid expenses	11,407	11,331
	<u>360,485</u>	<u>326,217</u>
Tangible capital assets – Note 4	21,721	22,365
	<u><b>\$382,206</b></u>	<u><b>\$ 348,582</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 18,497	\$ 34,178
Deferred revenue – Note 5	91,014	124,535
	<u>109,511</u>	<u>158,713</u>
<b>NET ASSETS</b>		
Net assets	272,695	189,869
	<u><b>\$382,206</b></u>	<u><b>\$348,582</b></u>

**Commitment – Note 9**

Approved by the Directors:

  
 \_\_\_\_\_ Director  
 June 20/19 Date

  
 \_\_\_\_\_ Director  
 20.06.19 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, 2018**

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**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 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 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 resmyces available to the Association, the accounts are maintained on a fund accounting basis. Accordingly, resmyces 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.

*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 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.

**B.C. ASSOCIATION FOR CRANE SAFETY**  
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**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

*The Yukon Workers' Compensation Health & Safety Board Fund*

This fund is used to account for all revenue and expenditures related to services provided for crane operator certification, information, support and record system for Yukon Territory.

*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.

**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.

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**  
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**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. TANGIBLE CAPITAL ASSETS**

			<b>2018</b>	<b>2017</b>
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$19,913	\$ 9,185	\$10,728	\$ 9,190
Furniture and equipment	26,646	15,653	10,993	\$ 13,175
	<b>\$46,559</b>	<b>\$24,838</b>	<b>\$21,721</b>	<b>\$ 22,365</b>

**B.C. ASSOCIATION FOR CRANE SAFETY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. DEFERRED REVENUE**

Deferred revenue represents funds received from Employment and Social Development Canada, for the Canada/European Union Crane Operator Credential MRA project that will be spent in the first quarter of 2019.

**6. WORKSAFEBC FUNDING DEFICIENCY**

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 surplus of funding as a result of an adjustment of \$8,436 in the WorkSafeBC Capital Fund to clear out the net deficiency in that fund, a \$7,792 adjustment in the WorkSafeBC Capital Fund for capital purchases. When these adjustments are added to the net income of the fund of \$49,749 the net surplus of funding in the WorkSafeBC Operations Fund is \$41,957. Management has authorized the transfer to the Reserve Fund.

**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 a second time by an additional 3 years effective on March 1, 2018 and ending on February 28, 2021. The Association is planning to move out to new larger premises on or around July 1, 2019. Negotiations are in place but not yet finalized. In the event an agreement is reached, the current premises will be subleased for the remainder of the lease term. The new negotiated terms will be for estimated annual lease and operating costs of approximately \$140,000. Pursuant to the current lease agreements, the minimum required annual payments with operating costs are as follows:

2019	\$57,475
2020	\$58,825
2021	\$19,175

**B.C. ASSOCIATION FOR CRANE SAFETY  
NOTES TO FINANCIAL STATEMENTS  
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**10. 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 Society paid the following remuneration:

Directors	\$	0
Employees	\$269,902	
Contractors	\$325,555	