

BC ASSOCIATION FOR CRANE SAFETY

FINANCIAL STATEMENTS

DECEMBER 31, 2022

**BC ASSOCIATION FOR CRANE SAFETY
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DECEMBER 31, 2022**

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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, 2022, 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

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 ASNPO, 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.

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:

INDEPENDENT AUDITOR'S REPORT — continued

- ◆ 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, 2023

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2022

STATEMENT 1

	ESDC Fund	ITA Industry Training Authority Fund	Total WorksafeBC Fund	TOTAL 2022	TOTAL 2021
REVENUE					
Funding – Note 8	-	\$8,666	\$1,700,487	\$1,709,153	\$1,508,100
Sublet Rental Income – Note 11	-	-	140,944	140,944	-
	-	\$8,666	\$1,841,431	\$1,850,097	\$1,508,100
EXPENSES					
Advertising	-	-	105,158	105,158	75,648
Amortization	-	-	15,122	15,122	10,496
Automotive	-	-	1,710	1,710	369
Bank charges & interest	-	-	1,673	1,673	1,734
Computer and website	-	-	50,357	50,357	60,219
Consulting fees	-	-	228,081	228,081	164,110
Courses & conferences	-	-	555	555	4,267
Insurance	-	-	31,127	31,127	27,227
Interest	-	-	598	598	872
Maintenance of Industry Services – Note 3	-	-	174,978	174,978	112,985
Meeting Costs	-	-	3,667	3,667	2,912
Membership and dues	-	-	13,220	13,220	11,190
Moving Cost	-	-	1,276	1,276	-
Office supplies & other	-	-	49,362	49,362	21,923
Professional fees	-	-	22,560	22,560	24,112
Reference material	-	-	-	-	5,243
Rent	-	-	225,423	225,423	158,853
Salaries and benefits	-	-	660,702	660,702	714,639
Telephone	-	-	10,783	10,783	12,573
Training	-	-	-	-	6,580
Travel	-	-	9,209	9,209	3,835
	\$ -	\$8,666	\$1,605,561	\$1,605,561	\$1,419,767
Excess (deficiency) of funding over expenses	\$ -	\$8,666	\$ 235,870	\$ 244,536	\$ 88,333

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, 2022

STATEMENT 2

	WorkSafeBC Operations Fund	WorksafeBC Reserve Fund	WorksafeBC Projects Fund	WorksafeBC Capital Fund	Total WorksafeBC Fund
REVENUE					
Funding – Note 8	\$1,700,487	-	-	-	\$1,700,487
Sublet Rental Income – Note 11	140,944	-	-	-	140,944
	\$1,841,431	-	-	-	\$1,841,431
EXPENSES					
Advertising	105,158	-	-	-	105,158
Amortization	-	-	-	15,122	15,122
Automotive	1,710	-	-	-	1,710
Bank charges & interest	1,673	-	-	-	1,673
Computer and website	50,357	-	-	-	50,357
Consulting fees	228,081	-	-	-	228,081
Courses & conferences	555	-	-	-	555
Insurance	31,127	-	-	-	31,127
Interest	598	-	-	-	598
Maintenance of Industry Services – Note 3	174,978	-	-	-	174,978
Meeting Costs	3,667	-	-	-	3,667
Membership and dues	13,220	-	-	-	13,220
Moving cost	1,276	-	-	-	1,276
Office supplies & other	49,362	-	-	-	49,362
Professional fees	22,560	-	-	-	22,560
Rent	225,423	-	-	-	225,423
Salaries and benefits	660,702	-	-	-	660,702
Telephone	10,783	-	-	-	10,783
Travel	9,209	-	-	-	9,209
	\$ 1,590,439	\$ -	\$ -	\$15,122	\$1,605,561
Excess (deficiency) of funding over expenses	\$ 250,992	\$ -	\$ -	(\$15,122)	\$ 235,870

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, 2022

STATEMENT 3

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon WCHSB Fund	Total WorksafeBC Fund	TOTAL 2022	TOTAL 2021
Net assets, beginning of year	\$ 509	\$44,203	\$5,488	\$1,314	\$631,352	\$682,866	\$594,533
Excess (deficiency) of funding over expenses	-	8,666	-	-	235,870	244,536	88,333
Net assets, end of year	<u>\$ 509</u>	<u>\$52,869</u>	<u>\$5,488</u>	<u>\$1,314</u>	<u>\$867,222</u>	<u>\$927,402</u>	<u>\$682,866</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 – WORKSAFEBC FUND
YEAR ENDED DECEMBER 31, 2022

STATEMENT 4

	WorkSafeBC Operations Fund	WorksafeBC Reserve Fund	WorksafeBC Projects Fund	WorksafeBC Capital Fund	Total WorksafeBC Fund
Net assets, beginning of year	\$192,238	\$400,750	\$ 2,830	\$35,534	\$631,352
Excess (deficiency) of funding over					
Expenses	250,992	-	-	(15,122)	235,870
Interfund transfers – Note 7	(58,250)	58,250	-	-	-
Purchase of Capital Assets	(45,082)	-	-	45,082	-
Net assets, end of year	<u>\$339,898</u>	<u>\$459,000</u>	<u>\$ 2,830</u>	<u>\$65,494</u>	<u>\$867,222</u>

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, 2022

STATEMENT 5

	2022	2021
OPERATING ACTIVITIES		
Excess of funding over expenses for the year	\$244,536	\$ 88,333
Items not involving cash		
Amortization	15,122	10,496
Loss on disposal of assets	-	-
	259,658	98,829
Changes in working capital accounts		
Accounts receivable	(27,596)	5,004
Supplies inventory	(17,244)	(11,196)
Prepaid expenses	18,953	(6,729)
Security deposit	25,431	(9,274)
Accounts payable and accrued liabilities	29,140	(124,188)
	288,342	(47,554)
INVESTING ACTIVITIES		
Purchase of capital assets	(45,082)	(6,945)
FINANCING ACTIVITIES		
Equipment loan	(2,749)	(2,475)
Increase (decrease) in cash	240,511	(56,974)
Cash, beginning of year	576,089	633,063
Cash, end of year	\$816,600	\$576,089

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, 2022

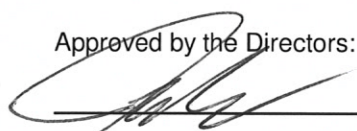
STATEMENT 6


	2022	2021
ASSETS		
Current Assets		
Cash	\$816,600	\$576,089
Accounts receivable	7,845	1,968
GST rebate receivable	37,424	15,705
Supplies inventory	37,644	20,400
Prepaid expenses	32,854	51,807
	<u>932,367</u>	<u>665,969</u>
Security deposit	8,827	34,258
Tangible capital assets under capital lease – Note 4	3,957	6,594
Tangible capital assets – Note 5	61,537	28,940
	<u>\$1,006,688</u>	<u>\$735,761</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 75,416	\$46,276
Current portion of obligation under capital lease – Note 6	3,055	2,749
	<u>78,471</u>	<u>49,025</u>
Long Term Liabilities		
Obligation under capital lease – Note 6	815	3,870
NET ASSETS		
Restricted net asset	459,000	400,750
Unrestricted net asset	468,402	282,116
Net assets	<u>927,402</u>	<u>684,866</u>
	<u>\$1,006,688</u>	<u>\$735,761</u>

Economic Dependence – Note 9

Commitment – Note 11

Approved by the Directors:


 _____ Director
 JUNE 15, 2023 Date


 _____ Director
 June 15/23 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, 2022

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, 2022.

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, 2022

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, 2022

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

			2022	2021
	Cost	Accumulated Amortization	Net	Net
Equipment	\$13,189	\$9,232	\$3,957	\$6,594

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. TANGIBLE CAPITAL ASSETS

			2022	2021
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$61,150	\$24,047	\$37,103	\$15,888
Furniture and equipment	45,585	21,151	24,434	13,052
	\$106,735	\$45,198	\$61,537	\$28,940

6. OBLIGATION UNDER CAPITAL LEASE

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

	2022	2021
\$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	3,870	6,619
<u>Less: current portion of obligation</u>	<u>(3,055)</u>	<u>(2,749)</u>
Lease obligation	\$ 815	\$3,870

For the year ended December 31, 2022, 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.

2023	\$3,055
2024	\$ 815

7. WORKSAFEBC RESERVE FUND

According to the HSA 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 2022, the Association was authorized to transfer \$58,250 from the Operations Fund to the Worksafe Reserve Fund, and Worksafe BC deducted \$135,513 from the annual Funding as a result of the 2021 surplus.

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

8. REVENUE FUNDING WORKSAFE BC

	2022	2021
Funding from WorksafeBC	\$1,836,000	\$1,603,000
Deducted for prior year Surplus Funds	<u>(135,513)</u>	<u>(102,868)</u>
	<u>\$1,700,487</u>	<u>\$1,500,132</u>

9. 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.

10. 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.

11. COMMITMENTS

The Association has lease commitments for its office premises. The minimum payments for the next three years are as follows:

2023	\$149,948
2024	\$ 75,541

On October 28, 2022 the Association has entered into a Sublease Agreement with the Landlord to sublease the premises to third parties effective January 1, 2022. The terms of the lease are the same terms of the Head Lease which was entered into on April 2, 2019, terminating on June 29, 2024.

On January 1, 2022 the Association has moved to a new location and has entered into a lease agreement with a 5-year term. The lease commences on February 1, 2022 and ends on January 31, 2027.

The minimum payments for the next five years on this current lease are as follows:

2023	\$28,134
2024	\$29,652
2025	\$29,790
2026	\$30,548
2027	2,545

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

12. 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	\$	446,720
Contractors	\$	0