

Financial Statements of

**TRADES TRAINING CONSORTIUM
OF BRITISH COLUMBIA**

Year ended March 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Members of Trades Training Consortium of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of Trades Training Consortium of British Columbia, which comprise the statement of financial position as at March 31, 2014, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, 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 public sector accounting standards, 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.

Auditors' 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 an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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, the financial statements present fairly, in all material respects, the financial position of the Trades Training Consortium of British Columbia as at March 31, 2014 and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

June 6, 2014

Burnaby, Canada

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash	\$ 94,975	\$ 159,733
Investment (note 3)	700,000	800,000
Accounts receivable	68,753	45,224
	<u>863,728</u>	<u>1,004,957</u>
Liabilities:		
Accounts payable and accrued liabilities	36,019	68,365
Deferred contributions (note 4)	713,510	868,130
	<u>749,529</u>	<u>936,495</u>
Net financial assets and accumulated surplus	\$ 114,199	\$ 68,462

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
	(note 7)		
Revenue:			
Grants and contributions (note 4)	\$ 212,110	\$ 304,620	\$ 301,122
Membership dues	100,000	100,000	100,000
Interest	8,000	7,532	11,624
Other income	-	17,509	-
	<u>320,110</u>	<u>429,661</u>	<u>412,746</u>
Expenses:			
Administration	97,500	79,304	116,860
Trades training development projects	182,600	304,620	301,123
	<u>280,100</u>	<u>383,924</u>	<u>417,983</u>
Annual surplus (deficit)	40,010	45,737	(5,237)
Accumulated surplus, beginning of year	68,462	68,462	73,699
Accumulated surplus, end of year	<u>\$ 108,472</u>	<u>\$ 114,199</u>	<u>\$ 68,462</u>

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Annual surplus (deficit)	\$ 40,010	\$ 45,737	\$ (5,237)
Amortization of tangible capital assets	-	-	8,274
Increase in net financial assets	40,010	45,737	3,037
Net financial assets, beginning of year	68,462	68,462	65,425
Net financial assets, end of year	\$ 108,472	\$ 114,199	\$ 68,462

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating:		
Annual surplus (deficit)	\$ 45,737	\$ (5,237)
Non-cash item:		
Amortization of tangible capital assets	-	8,274
Restricted contributions spent and recognized as revenue	(304,620)	(301,122)
Changes in non-cash working capital:		
Increase in accounts receivable	(23,529)	(24,805)
Decrease in accounts payable and accrued liabilities	(32,346)	(36,760)
Deferred contributions received	150,000	150,000
	(164,758)	(209,650)
Investments:		
Redemption of investment	100,000	1,169,038
Acquisition of investment	-	(800,000)
	100,000	369,038
Increase (decrease) in cash	(64,758)	159,388
Cash, beginning of year	159,733	345
Cash, end of year	\$ 94,975	\$ 159,733

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2014

1. Operations:

The Trades Training Consortium of British Columbia (the "Consortium") was incorporated on September 8, 2005 under the Society Act (British Columbia). The purpose of the Consortium is to promote trades training in British Columbia through encouraging and supporting communication and co-ordination among British Columbia educational institutions and businesses. The Consortium members are comprised of fifteen educational institutions in British Columbia that offer trades training programs. The Consortium is exempt from income taxes.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Canadian Public Sector Accounting Board incorporating the following significant accounting policies:

(a) Revenue recognition:

Government transfers and externally restricted contributions are deferred and recognized as revenue when the associated stipulations per the agreements are met. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Investment:

Investment consists of a guaranteed investment certificate (GIC) and is recorded at amortized cost.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives that may extend beyond the current year and are not intended for sale in the ordinary course of operations.

(d) Contributed services:

Employees from member educational institutions contribute time to the Consortium each year. Any donated services are not recognized in the financial statements. Any services provided under a contract are recorded based on the values agreed to in the contract.

(e) Use of estimates:

In preparing the financial statements, management makes 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 revenue and expenses during the year. Actual results could differ from those estimates.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are not recognized until they are realized, when they are recorded in the statement of operations and accumulated surplus.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

The Consortium does not have any financial instruments that are required or elected to be recorded at fair value. The Consortium has not entered into any derivative contracts or identified any embedded derivatives.

(g) Segmented reporting and functional presentation:

The operations of the Consortium are comprised of a single function, promoting trades training. As a result, there are no additional segmented disclosures.

3. Investment:

Investment consists of a guaranteed investment certificate with a maturity date within the next fiscal year. The interest rate on the investment is 1.0% (2013 - 1.0%). The fair value of the investment approximates book value due to its short-term nature.

4. Deferred contributions:

Deferred contributions represent externally restricted contributions received by the Consortium for specific projects and programs. The amounts are recognized as revenue when spent on the specified projects or programs. Changes in deferred contributions are as follows:

	2014	2013
Balance, beginning of year	\$ 868,130	\$ 1,019,252
Amounts received during the year	150,000	150,000
Recognized as revenue in the year	(304,620)	(301,122)
Balance, end of year	\$ 713,510	\$ 868,130

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2014

5. Fair value of financial instruments and related financial risks:

The Consortium's financial instruments consist of cash, investment, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short maturities.

The Consortium is exposed to interest rate risk on its fixed rate investment certificate which subjects the Consortium to fair value risks related to this instrument. The risk is not considered significant due to the short term to maturity of the investment certificate.

The Consortium believes that it is not exposed to significant foreign currency, credit or liquidity risks arising from its financial instruments.

6. Related party transactions:

During the year, the Consortium had the following related party transactions:

	2014	2013
Computer services and training plan tool development by members of the Consortium	\$ -	\$ 76,108
Fees paid to the Industry Training Authority for development of a training plan	-	18,402
Funding received from the Province of B.C.	150,000	150,000
Management services	70,043	60,420
Administrative services	32,722	30,726

As at March 31, 2014, the Consortium had a balance owing to related parties for transactions included above of \$10,022 (2013 - \$54,254). During the year, the Consortium paid \$102,765 (2013 - \$91,146) for management and administrative services to a company that in turn contracts the services of the Secretary of the Consortium. The transactions are considered to be in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Budget data:

The budget data presented in these financial statements is based on the 2014 operating budget approved by the Board of Directors on January 21, 2013.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2014

8. Expenses by object:

The following is a summary of expenses by object:

	2014	2013
Administration	\$ 6,444	\$ 6,945
Amortization	-	8,274
Bank charges	109	106
Computer support	98,777	87,523
InSPIRE (Skills Canada B.C.)	101,409	-
Professional fees	144,773	118,661
Training plan development by ITA	32,412	196,474
Total expenses	\$ 383,924	\$ 417,893