

Financial Statements of

**TRADES TRAINING CONSORTIUM
OF BRITISH COLUMBIA**

For the four month period ended July 31, 2015



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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 July 31, 2015, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the four month period 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 July 31, 2015 and its results of operations, changes in net financial assets and its cash flows for the four month period ended in accordance with Canadian public sector accounting standards.



Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Trades Training Consortium of British Columbia dissolved as a not for profit under the Society Act as of May 11, 2015 and the net assets will be subject to transfer at their carrying values to another entity.

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 Professional Accountants

September 14, 2015

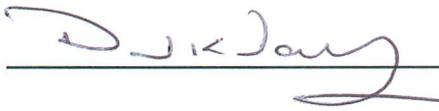
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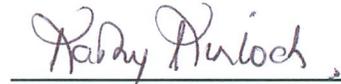
TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA
 Statement of Financial Position

	July 31, 2015	March 31, 2015
Financial assets:		
Cash	\$ 70,432	\$ 16,505
Investment (note 3)	300,000	500,000
Accounts receivable	11,461	8,523
	<u>381,893</u>	<u>525,028</u>
Liabilities:		
Accounts payable and accrued liabilities	26,199	70,372
Deferred contributions (note 4)	275,960	353,011
	<u>302,159</u>	<u>423,383</u>
Dissolution of operations (note 1)		
Net financial assets and accumulated surplus	\$ 79,734	\$ 101,645

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

	Four months ended July 31, 2015	Year ended March 31, 2015
Revenue:		
Restricted contributions recognized (note 4)	\$ 77,051	\$ 385,499
Membership dues	-	100,000
Interest and other income	1,310	6,758
	<u>78,361</u>	<u>492,257</u>
Expenses:		
Administration	23,221	119,312
Trades training development projects	77,051	385,499
	<u>100,272</u>	<u>504,811</u>
Annual deficit	(21,911)	(12,554)
Accumulated surplus, beginning of period	101,645	114,199
Accumulated surplus, end of period	<u>\$ 79,734</u>	<u>\$ 101,645</u>

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

	Four months ended July 31, 2015	Year ended March 31, 2015
Annual deficit	\$ (21,911)	\$ (12,554)
Decrease in net financial assets	(21,911)	(12,554)
Net financial assets, beginning of period	101,645	114,199
Net financial assets, end of period	\$ 79,734	\$ 101,645

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Cash Flows

	Four months ended July 31, 2015	Year ended March 31, 2015
Cash provided by (used in):		
Operating:		
Annual deficit	\$ (21,911)	\$ (12,554)
Non-cash item:		
Restricted contributions spent and recognized as revenue	(77,051)	(385,499)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	(2,938)	60,230
Increase (decrease) in accounts payable and accrued liabilities	(44,173)	34,353
Deferred contributions received	-	25,000
	(146,073)	(278,470)
Investments:		
Redemption of investment	200,000	200,000
	200,000	200,000
Increase (decrease) in cash	53,927	(78,470)
Cash, beginning of period	16,505	94,975
Cash, end of period	\$ 70,432	\$ 16,505

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements

Four month period ended July 31, 2015

1. Dissolution of 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.

Effective May 11, 2015, the Consortium dissolved as a not-for-profit under the Society Act (British Columbia). To meet its obligations, the Consortium continued to operate under the Board's oversight until July 31, 2015. Following a reconciliation of commitments to July 31, 2015, the remaining net assets will be transferred to BCIT, a member institution of the Consortium, under an administration and transfer agreement with BCIT. The financial position and results of operations as presented in these financial statements include the results of operations of the Consortium up to dissolution and remaining operational committed activities of the Consortium subsequent to dissolution to July 31, 2015.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. The significant accounting policies are as follows:

(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.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Four month period ended July 31, 2015

2. Significant accounting policies (continued):

(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.

(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, expenses are presented by object on the statement of operations and accumulated surplus and there are no additional segmented disclosures.

3. Investment:

Investment consists of a guaranteed investment certificate with a maturity date of January 2016. The interest rate on the investment is 1.0% (March 31, 2015 - 1.0%). The fair value of the investment approximates carrying value due to its short-term nature.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Four month period ended July 31, 2015

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:

	July 31, 2015	March 31, 2015
Balance, beginning of period	\$ 353,011	\$ 713,510
Amounts received during the period	-	25,000
Recognized as revenue in the period	(77,051)	(385,499)
Balance, end of period	\$ 275,960	\$ 353,011

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 period, the Consortium had the following related party transactions:

	July 31, 2015	March 31, 2015
Management services	\$ 25,369	\$ 70,725
Administrative services	10,045	31,583
Training plan contracted services	-	35,000

As at July 31, 2015, the Consortium had a balance owing to related parties for transactions included above of \$7,416 (March 31, 2015 - \$9,111). During the period, the Consortium paid \$35,414 (March 31, 2015 - \$102,308) 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.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Four month period ended July 31, 2015

7. Budget

A budget has not been presented in these financial statements as a 2016 operating budget was not approved by the Board based on the planned dissolution of the entity (note 1).

8. Expenses by object:

The following is a summary of expenses by object:

	July 31, 2015	March 31, 2015
Administration	\$ 369	\$ 12,284
Bank charges	63	109
InSPIRE project	-	160,000
Professional fees	41,379	138,745
Training plan contracted services	58,461	193,673
Total expenses	\$ 100,272	\$ 504,811