

**Financial Statements of SkilledTradesBC
for the year ended March 31, 2025**

SkilledTradesBC
Management's Report
for the year ended March 31, 2025

Management's Responsibility for the Financial Statements

THE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS AND THE INTEGRITY AND OBJECTIVITY OF THESE STATEMENTS ARE MANAGEMENT'S RESPONSIBILITY.

Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of SkilledTradesBC and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of SkilledTradesBC



Shelley Gray
Chief Executive Officer



Adam Bale
Chief Financial Officer



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
1100 Royal Centre
1055 West Georgia Street
Vancouver BC, V6E 3P3

Independent Auditor's Report

To the Board of Directors of SkilledTradesBC

Opinion

We have audited the financial statements of SkilledTradesBC, which comprise the Statement of Financial Position as at March 31, 2025, and the Statements Operations and Changes in Accumulated Surplus, Changes in Net Assets (Debt), 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 SkilledTradesBC as at March 31, 2025, and its results of operations, change in net financial debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 SkilledTradesBC 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 these financial statements in accordance with Canadian 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.

In preparing the financial statements, management is responsible for assessing SkilledTradesBC'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 SkilledTradesBC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SkilledTradesBC'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:

- 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 SkilledTradesBC'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 SkilledTradesBC'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 SkilledTradesBC 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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

May 16, 2025

SkilledTradesBC
Statement of Financial Position
As at March 31, 2025
in thousands of dollars

	Note	2025	2024
Financial Assets			
Cash		2,679	1,994
Accounts receivable		50	88
Due from government	3	1,353	1,697
		4,082	3,779
 Liabilities			
Accounts payable and accrued liabilities	4	2,329	2,286
Due to government and other government organizations	5	1,136	1,077
Deferred revenue	6	121	163
Obligations under capital lease	11	19	29
Asset retirement obligations	7	500	483
		4,105	4,038
Net debt		(23)	(259)
 Non-financial assets			
Tangible capital assets	10	10,050	10,171
Prepaid expenses		299	352
		10,349	10,523
 Accumulated surplus		10,326	10,264
Contractual obligations	11		

The accompanying notes are an integral part of these financial statements.



Cindy Oliver
Board Chair



Laird Cronk
Audit & Risk Committee Chair

SkilledTradesBC
Statement of Operations and Changes in Accumulated Surplus
For the year ended March 31, 2025
in thousands of dollars

	Note	Budget (Note 14)	2025	2024
Revenues				
Provincial core operating grant		106,960	107,220	106,723
Provincial project based funding		10,234	8,127	10,379
Operating		175	301	280
Fees		466	849	757
Interest income		892	995	1,238
Other		66	42	92
		<u>118,793</u>	<u>117,534</u>	<u>119,469</u>
Expenses				
Training Investment	<i>12</i>	88,008	87,981	88,043
Operations		14,618	14,091	13,565
Engagement		2,792	2,241	3,445
Business Support		13,375	13,159	14,254
		<u>118,793</u>	<u>117,472</u>	<u>119,307</u>
Annual surplus		<u>-</u>	<u>62</u>	<u>162</u>
Accumulated surplus, beginning of year			10,264	10,102
Annual surplus			<u>62</u>	<u>162</u>
Accumulated surplus, end of year			<u>10,326</u>	<u>10,264</u>

The accompanying notes are an integral part of these financial statements.

SkilledTradesBC
Statement of Changes in Net Financial Assets (Debt)
For the year ended March 31, 2025
in thousands of dollars

	Budget (Note 14)	2025	2024
Annual surplus for the year	-	62	162
Addition of tangible capital assets	(2,500)	(1,740)	(2,815)
Loss on disposal of tangible capital assets	-	-	381
Amortization of tangible capital assets	2,019	1,861	1,848
	(481)	121	(586)
Change in prepaid expense	-	53	107
(Decrease) increase in net financial assets	(481)	236	(317)
Net financial assets (debt), beginning of year	(259)	(259)	58
Net debt, end of year	(740)	(23)	(259)

The accompanying notes are an integral part of these financial statements.

SkilledTradesBC
Statement of Cash Flows
For the year ended March 31, 2025
in thousands of dollars

	2025	2024
Operating activities		
Annual surplus for the year	62	162
Non-cash items included in annual surplus:		
Amortization	1,861	1,848
Asset retirement obligation accretion expense	17	15
Change in non cash operating items		
Change in prepaid expenses	53	107
Change in receivables	382	2,304
Change in payables and accrued liabilities	92	(2,117)
Change in deferred revenue	(42)	(184)
Loss on disposal of tangible capital assets	-	381
Cash provided by operating transactions	2,425	2,516
 Capital transactions		
Cash used to acquire tangible capital assets	(1,740)	(2,815)
 Increase (decrease) in cash during the year	685	(299)
Cash, beginning of year	1,994	2,293
Cash, end of year	2,679	1,994

The accompanying notes are an integral part of these financial statements.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

1. Nature of Operations

SkilledTradesBC, a Crown corporation of the Government of the Province of British Columbia, was established on January 2, 2004 and operates under the authority of the *Skilled Trades BC Act*. SkilledTradesBC reports to the Legislative Assembly through the Ministry of Post-Secondary Education and Future Skills. The mandate of SkilledTradesBC is to lead and manage B.C.'s skilled trades training and apprenticeship system, including ensuring the system meets the province's need for skilled trades workers. Working with employers, apprentices, industry, labour, training partners, schools, Indigenous and other B.C. communities, and government, SkilledTradesBC funds training, issues credentials, supports apprenticeships, sets program standards, and works to increase opportunities in the skilled trades. These services are grouped into the following key areas: training investment, operations, engagement and business support.

SkilledTradesBC is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a. Basis of accounting

The financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.

b. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Capital lease – printers	8 years
Computer hardware and software	3-10 years
Leasehold improvements	Until the end of the lease term

Amortization is charged from the date the asset is put into use until it is taken out of use. Assets under construction are not amortized until the asset is put into productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to SkilledTradesBC's ability to provide credentials and services. The net write-downs are accounted for as an expense in the statement of operations.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

2. Summary of Significant Accounting Policies – continued

c. Employee future benefits

- i.** The employees of SkilledTradesBC belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. The contribution of SkilledTradesBC to the plan is recorded as an expense for the year.
- ii.** The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

d. Prepaid expenses

Prepaid expenses include payments for rent and other operational expenses and are charged to expense over the periods expected to benefit from the prepayment.

e. Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

g. Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

2. Summary of Significant Accounting Policies – continued

h. Financial instruments

Cash, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

i. Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. This affects the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of estimates include: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible capital assets, asset retirement obligations and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

j. Asset retirement obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

3. Due from Government

	2025	2024
Provincial government	1,297	1,578
Federal government	56	119
	1,353	1,697

4. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payable and accrued liabilities	1,987	1,987
Accrued vacation payable	265	296
Salaries and benefits payable	77	3
	2,329	2,286

5. Due to Government and Other Government Organizations

	2025	2024
Federal government	1	1
Provincial government	700	227
Other government organizations	435	849
	1,136	1,077

SkilledTradesBC's liabilities to government and other government organizations are all payable within 30 days. Other government organizations includes: colleges, universities and school districts that are controlled by the province.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

6. Deferred Revenue

SkilledTradesBC received \$530 (fiscal 2012) and \$814 (fiscal 2016) in tenant inducements for leasehold improvements to the Richmond office. This revenue is being deferred and recognized over the term of the lease.

The Ministry of Post-Secondary Education and Future Skills provided \$240 (fiscal 2024) continue supporting Skilled Trades Certification policy development and implementation.

	Balance 2024	Receipts	Transferred to revenue	Balance 2025
Tenant inducement Richmond Office	115	-	(42)	73
Skilled Trades Certification Policy Development	48	-	-	48
	163	-	(42)	121

7. Asset Retirement Obligation

SkilledTradesBC has recorded an asset retirement obligation associated with lease obligations for the estimated costs of removal and restoration of fixtures and improvements to the premise's original state. The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2025	2024
Balance at beginning of year	483	468
Add: Accretion expense	17	15
Balance at end of year	500	483

The accretion expense is included with amortization expense (Note 12). The undiscounted estimated cash flows required to settle the obligation are approximately \$522 to be incurred at the expiration or earlier termination of the lease. The lease expires on December 31, 2026. The estimated cash flows were discounted using the government average long term borrowing rate of 3.55% (2024 – 3.55%).

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

8. Employee Future Benefits

Information about obligations for retirement benefits and other employee future benefits is as follows:

a. Retirement and other employee future benefits – pension plan

SkilledTradesBC and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2024, the plan has about 76,000 active members and approximately 57,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4,491 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026.

SkilledTradesBC paid \$1,332 (2024: \$1,236) for employer contributions to the plan in fiscal 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). The plan records accrued liabilities and accrued assets for the plan in aggregate, there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

b. Long-term disability life insurance and health care benefits

SkilledTradesBC provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, SkilledTradesBC is responsible for the payment of the premium costs of medical and dental under this plan.

These costs are event driven and are recorded when the long-term disability event occurs. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

9. Fiscal Risk Management

a. Financial management risk objectives and policies

In the normal course of operations, SkilledTradesBC is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk and liquidity risk.

b. Credit risk

Credit risk is the risk that SkilledTradesBC's counterparties will fail to meet their financial obligations to SkilledTradesBC, causing a potential financial loss.

Cash is only deposited with one financial institution. Accounts receivable primarily consists of amounts due from other governments; therefore, collection risk is low. SkilledTradesBC does not consider its exposure to credit risk to be material.

c. Liquidity risk

Liquidity risk is the risk that SkilledTradesBC may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due. Payment for any such commitments are typically due within 30 days.

SkilledTradesBC has in place a planning, budgeting and forecasting process to determine the funds required to support SkilledTradesBC's normal operating requirements. SkilledTradesBC's annual budgets are approved by the Board of Directors, the Ministry of Post-Secondary Education and Future Skills and the Treasury Board.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

10. Tangible Capital Assets

2025 (in \$ thousands)

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,566	23,679	2,157	27,402
Additions	30	1,710	-	1,740
Disposals	(10)	(144)	-	(154)
Closing Balance	1,586	25,245	2,157	28,988
Accumulated Amortization				
Opening balance	1,460	13,798	1,973	17,231
Additions	34	1,760	67	1,861
Disposals	(10)	(144)	-	(154)
Closing Balance	1,484	15,414	2,040	18,938
Net book value	102	9,831	117	10,050

2024 (in \$ thousands)

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,550	21,586	2,157	25,293
Additions	23	2,792	-	2,815
Disposals	(7)	(699)	-	(706)
Closing Balance	1,566	23,679	2,157	27,402
Accumulated Amortization				
Opening balance	1,437	12,445	1,826	15,708
Additions	30	1,671	147	1,848
Disposals	(7)	(318)	-	(325)
Closing Balance	1,460	13,798	1,973	17,231
Net book value	106	9,881	184	10,171

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

11. Contractual Obligations

a. Capital lease

Capital lease payments for lease copiers, including principal and interest are as follows:

<u>Year</u>	<u>Amount</u>
2026	10
2027	9
	<u>19</u>

b. Operating lease

SkilledTradesBC has entered into a number of multiple-year contracts for operating leases for premises. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

<u>Year</u>	<u>Amount</u>
2026	652
2027	470
2028	6
	<u>1,128</u>

12. Expenses by Object

The following is a summary of expenses by object:

	<u>Budget (Note 14)</u>	<u>2025</u>	<u>2024</u>
Training provider services (including Youth)	77,396	80,073	77,901
Compensation and staff development	17,631	17,617	16,458
WDA-CJF	10,030	7,907	9,855
Other operating costs	4,451	3,459	4,351
Information systems/telecommunications	3,070	3,703	4,584
Other administrative costs	2,323	1,372	1,891
Amortization	2,050	1,878	1,863
Building occupancy	1,340	1,198	1,186
External relations	502	265	837
Asset write-downs and write-offs	-	-	381
	<u>118,793</u>	<u>117,472</u>	<u>119,307</u>

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2025
in thousands of dollars

13. Related Party Transactions

SkilledTradesBC is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

	2025	2024
Revenues:		
Ministry of Post-Secondary Education and Future Skills		
- core funding	107,220	106,723
- projects	8,127	10,379
Ministry of Citizens' Services	301	280
	115,648	117,382
Expenses:		
Post secondary institutions	68,238	68,470
School districts	5,846	6,096
Ministry of Citizens' Services	1,751	1,466
Public Service Pension Plan	1,332	1,232
Ministry of Education and Child Care	315	382
Ministry of Finance	282	265
Ministry of Labour	21	19
Ministry of Environment & Climate Change Strategy	-	1
	77,785	77,931

14. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been approved by the Board of Directors. These budgeted figures were included in SkilledTradesBC's 2024-25 Service Plan.

15. Comparative Figures

Comparative figures have been reclassified to conform to the current year's presentation.