



Independent Auditor's Report

Allan Innes, BA, CGA*

To the Board of Crown Corporation Employers' Association,

I have audited the accompanying financial statements of Crown Corporation Employers' Association, which comprise the statements of financial position as at March 31, 2013, March 31, 2012, and April 1, 2011, and the statements of operations, statements, statements of changes in net assets, and statements of cash flows for the years ended March 31, 2013, March 31, 2012, and 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 including the PS 4200 series, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the 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 judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

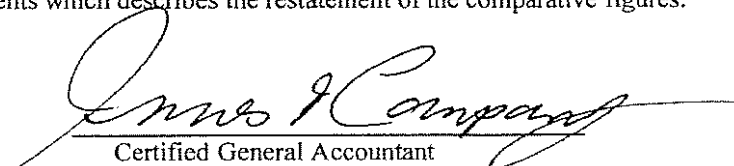
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Crown Corporation Employers' Association, as at March 31, 2013, March 31, 2012, and April 1, 2011, and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012, in accordance with Canadian Public Sector Accounting Standards including the PS 4200 series.

Emphasis of Matter

I draw attention to note 4 to the financial statements which describes the restatement of the comparative figures.

May 17, 2013
North Vancouver, B.C.

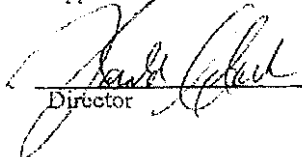

Certified General Accountant

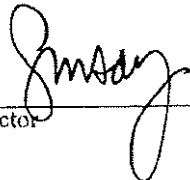
*Denotes Professional Corporation

Crown Corporations Employers' Association
Statement of Financial Position
As at March 31, 2013

| | March 31, 2013 | Restated (see note 4) March 31, 2012 | Restated (see note 4) April 1, 2011 |
|--|-----------------------------------|---|--|
| Assets | | | |
| Current assets | | | |
| Cash | <u>\$ 53,718</u> | <u>\$ 84,825</u> | <u>\$ 80,348</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | <u>\$ 16,440</u> | <u>\$ 17,440</u> | <u>\$ 8,843</u> |
| Net Assets | <u>37,278</u> <u>\$ 53,718</u> | <u>67,385</u> <u>\$ 84,825</u> | <u>71,505</u> <u>\$ 80,348</u> |

Approved on behalf of the board:


 Director


 Director

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

Innes & Company
 Certified General Accountant

Crown Corporations Employers' Association
Statement of Operations and Change in Net Assets
For the year ended March 31, 2013

| | 2013 | Restated (see note 4) 2012 |
|---|------------------|----------------------------------|
| Revenue | | |
| Membership dues | \$ 228,963 | \$ 267,500 |
| Expenses | | |
| Audit and accounting | 3,480 | 2,000 |
| Consulting | 197,909 | 209,103 |
| Legal fees | 1,154 | - |
| Annual general meeting | 15,716 | 22,569 |
| Memberships | 15,394 | 12,248 |
| Office and miscellaneous | 346 | 1,119 |
| Travel and meetings | 20,628 | 19,193 |
| Website | 4,443 | 5,388 |
| | <u>259,070</u> | <u>271,620</u> |
| Excess (deficiency) of revenue over expenditures | (30,107) | (4,120) |
| Net assets, beginning of year | <u>67,385</u> | <u>71,505</u> |
| Net assets, end of year | <u>\$ 37,278</u> | <u>\$ 67,385</u> |

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

Innes & Company
Certified General Accountant

Crown Corporations Employers' Association
Statement of Cash Flows
For the year ended March 31, 2013

| | 2013 | Restated (see note 4) 2012 |
|--|------------------|----------------------------------|
| Cash flows from operating activities | | |
| Excess (deficiency) of revenue over expenditures | \$ (30,107) | \$ (4,120) |
| Changes in working capital | | |
| Accounts payable | <u>(1,000)</u> | <u>8,597</u> |
| Increase (decrease) in cash | (31,107) | 4,477 |
| Cash and equivalents, beginning of year | <u>84,825</u> | <u>80,348</u> |
| Cash and equivalents, end of year | <u>\$ 53,718</u> | <u>\$ 84,825</u> |

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

Innes & Company
 Certified General Accountant

Crown Corporations Employers' Association

Notes to Financial Statements

For the year ended March 31, 2013

1. Description of the Association

The Crown Employers' Association (the Association), a non-profit, non-taxable entity, was incorporated February 11, 1994 under the Society Act (British Columbia). The Association's purpose is to improve the efficient, effective and fair delivery of human resource services throughout all member organizations and to assist the Public Sector Employer's Council (the Council) in carrying out any objective and strategic direction established by the Council.

2. Significant accounting policies

Basis of presentation

The financial statements of the Association have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) including the 4200 series. The 4200 series are standards covering the unique needs of government not-for-profit organizations. The adoption of these standards was effective January 1, 2012. Details of the effects of this adoption are presented in Note 3. Significant accounting policies adopted by the Association are outlined below

Basis of accounting

The association follows the accrual method of accounting for revenues and expenditures. See below for revenue recognition policy. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal, constructive, or equitable obligation to pay.

Financial assets and financial liabilities

Cash and cash equivalents and investments are classified in the fair value category. These financial assets are recorded at fair value as determined by reference to their quoted bid price at the reporting date. Fair value adjustments to investments are recorded on the statement of remeasurement gains and losses. Purchases of investments are recorded on the statement of financial position on the settlement date

Revenue Recognition

The Association follows the deferral method of recognizing revenue. Under this method, revenue is recognized in the period the related services are provided to member corporations.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principals requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities. Actual results could differ from these estimates.

3. Transition to Public Sector Accounting Standards

In previous fiscal years, the Association followed the recommendations of the *CICA Handbook — Accounting Part V*. Effective January 1, 2012, government not-for-profit organizations are required to use the *Public Sector Accounting Handbook*. Government not-for-profit organizations have the option of applying the Public Sector Accounting Standards (PSAS) including or excluding the 4200 series for sections that are specific to not-for-profit organizations. The Library has opted to include the 4200 series.

The adoption of PSAS including the 4200 series is accounted for by retroactive application with restatement of prior periods. There are no differences as a result of the adoption of these standards.

Crown Corporations Employers' Association

Notes to Financial Statements

For the year ended March 31, 2013

4. Comparative Figures

The comparative figures shown in these financial statements include the corrections of an error in the previously presented audited financial statements dated of May 17, 2012. The error was for an accrual of a HST rebate receivable. During the audit of the current financial statements it was determined that the accrual for the HST rebate receivable was an error. The association applied for an HST rebate available to not-for-profit entities. The Canada Revenue Agency determined that the Association does not qualify for the rebate because the majority of funding for the association is not derived directly from government sources.

The effect of the restated figures for 2012 are:

| | Previously stated | Adjustment | Restated |
|---|----------------------|--------------------|-------------------|
| Membership dues | <u>\$ 267,500</u> | \$ - | <u>\$ 267,500</u> |
| Audit and accounting | 2,000 | - | 2,000 |
| Consulting | 203,891 | 5,212 | 209,103 |
| Annual general meeting | 21,917 | 652 | 22,569 |
| Memberships | 11,614 | 634 | 12,248 |
| Office and miscellaneous | 1,119 | 93 | 1,212 |
| Travel and meetings | 19,100 | - | 19,100 |
| Website | <u>4,800</u> | <u>588</u> | <u>5,388</u> |
| | <u>264,441</u> | <u>7,179</u> | <u>271,620</u> |
| Excess (deficiency) of revenue over expenditures | <u>\$ 3,059</u> | <u>\$ (7,179)</u> | <u>\$ (4,120)</u> |
| Harmonized sales tax receivable | <u>\$ 27,939</u> | <u>\$ (27,939)</u> | <u>\$ -</u> |
| Net assets, beginning of year | <u>\$ 92,265</u> | <u>\$ (20,760)</u> | <u>\$ 71,505</u> |