

Financial Statements of

**TRADES TRAINING CONSORTIUM
OF BRITISH COLUMBIA**

Year ended March 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 March 31, 2015, 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, 2015 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

May 29, 2015

Burnaby, Canada

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Financial Position


March 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 16,505	\$ 94,975
Investment (note 3)	500,000	700,000
Accounts receivable	8,523	68,753
	<u>525,028</u>	<u>863,728</u>
Liabilities:		
Accounts payable and accrued liabilities	70,372	36,019
Deferred contributions (note 4)	353,011	713,510
	<u>423,383</u>	<u>749,529</u>
Net financial assets and accumulated surplus	\$ 101,645	\$ 114,199

See accompanying notes to financial statements.

Approved on behalf of the Board:

Harvey Penlock. Director



Director

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

Year ended March 31, 2015, with comparative information for 2014

	Budget	2015	2014
	(note 7)		
Revenue:			
Grants and contributions (note 4)	\$ 348,518	\$ 385,499	\$ 304,620
Membership dues	100,000	100,000	100,000
Interest	8,000	6,252	7,532
Other income	-	506	17,509
	<u>456,518</u>	<u>492,257</u>	<u>429,661</u>
Expenses:			
Administration	81,620	119,312	79,304
Trades training development projects	374,898	385,499	304,620
	<u>456,518</u>	<u>504,811</u>	<u>383,924</u>
Annual surplus (deficit)	-	(12,554)	45,737
Accumulated surplus, beginning of year	114,199	114,199	68,462
Accumulated surplus, end of year	<u>\$ 114,199</u>	<u>\$ 101,645</u>	<u>\$ 114,199</u>

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	Budget	2015	2014
Annual surplus (deficit)	\$ -	\$ (12,554)	\$ 45,737
Increase (decrease) in net financial assets	-	(12,554)	45,737
Net financial assets, beginning of year	114,199	114,199	68,462
Net financial assets, end of year	\$ 114,199	\$ 101,645	\$ 114,199

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating:		
Annual surplus (deficit)	\$ (12,554)	\$ 45,737
Non-cash item:		
Restricted contributions spent and recognized as revenue	(385,499)	(304,620)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	60,230	(23,529)
Increase (decrease) in accounts payable and accrued liabilities	34,353	(32,346)
Deferred contributions received	25,000	150,000
	(278,470)	(164,758)
Investments:		
Redemption of investment	200,000	100,000
	200,000	100,000
Decrease in cash	(78,470)	(64,758)
Cash, beginning of year	94,975	159,733
Cash, end of year	\$ 16,505	\$ 94,975

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2015

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 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.

(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, 2015

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, 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 within the next fiscal year. The interest rate on the investment is 1.0% (2014 - 1.0%). The fair value of the investment approximates book value due to its short-term nature.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 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:

	2015	2014
Balance, beginning of year	\$ 713,510	\$ 868,130
Amounts received during the year	25,000	150,000
Recognized as revenue in the year	(385,499)	(304,620)
Balance, end of year	\$ 353,011	\$ 713,510

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:

	2015	2014
Management services	\$ 70,725	\$ 70,043
Administrative services	31,583	32,722
Training plan contracted services	35,000	-

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2015

6. Related party transactions (continued):

As at March 31, 2015, the Consortium had a balance owing to related parties for transactions included above of \$9,111 (2014 - \$10,022). During the year, the Consortium paid \$102,308 (2014 - \$102,765) 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.

In addition, \$35,000 was paid during the year to a member of the Consortium for training plan contracted services.

7. Budget data:

The budget data presented in these financial statements is based on the 2015 operating budget approved by the Board of Directors on January 13, 2014.

8. Expenses by object:

The following is a summary of expenses by object:

	2015	2014
Administration	\$ 12,284	\$ 6,444
Bank charges	109	109
InSPIRE project	160,000	101,409
Professional fees	138,745	144,773
Training plan contracted services	193,673	131,189
Total expenses	\$ 504,811	\$ 383,924