

B.C. ASSOCIATION FOR CRANE SAFETY

FINANCIAL STATEMENTS

DECEMBER 31, 2017

**B.C. ASSOCIATION FOR CRANE SAFETY
FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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NORTH VANCOUVER

CHARTERED PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of the B.C. Association For Crane Safety

Report on the Financial Statements

We have audited the accompanying financial statements of the B.C. Association For Crane Safety, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, 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 generally accepted accounting principles for not-for-profit organizations, 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

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

An audit involved 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.

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, these financial statements present fairly, in all material respects, the financial position of the B.C. Association For Crane Safety as at December 31, 2017 and its financial performance and its cash flows for the year ended December 31, 2017, in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principals have been applied on a basis consistent with that of the preceding year.



CHARTERED PROFESSIONAL ACCOUNTANTS

North Vancouver, B.C.
March 20, 2018

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017

STATEMENT 1

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon Fund	Total WCHSB Fund	WorksafeBC	TOTAL 2017	TOTAL 2016	TOTAL
FUNDING	\$90,193	\$107,100	\$85,000	\$ -	\$843,400		\$1,125,693	\$1,048,468	
EXPENSES									
Advertising	-	-	-	-	905		905	191	
Amortization	-	-	-	-	4,713		4,713	5,490	
Automotive	-	-	-	-	2,418		2,418	1,458	
Bank charges & interest	318	78	39	-	1,205		1,640	1,981	
Computer and website	-	-	-	-	13,557		13,557	9,573	
Consulting fees	56,433	76,598	84,684	1,230	103,622		322,572	376,313	
Courses & conferences	-	-	-	-	9,444		9,444	14,047	
GST expenses	3,359	-	-	-	-		3,359	-	
Insurance	-	-	-	-	7,255		7,255	7,255	
Loss on disposal of assets	-	-	-	-	244		244	457	
Maintenance of Industry Services									
– Note 3	-	-	-	-	153,411		153,411	114,395	
Meeting Costs	-	214	-	257	3,822		4,293	5,346	
Membership and dues	-	-	-	-	931		931	899	
Office supplies & other	500	-	-	-	8,533		9,033	7,478	
Professional fees	-	-	-	-	14,601		14,601	9,130	
Rent	-	-	-	-	55,136		55,136	55,472	
Salaries and benefits	9,185	10,000	-	-	438,480		457,665	396,329	
Telephone	-	-	-	-	8,122		8,122	6,911	
Travel	20,396	10,349	-	3,261	16,202		50,208	23,249	
	\$90,191	\$ 97,239	\$ 84,723	\$ 4,748	\$842,606		\$1,195,076	\$1,035,970	
Excess (deficiency) of funding over expenses	\$ 2	\$ 9,861	\$ 277	(\$4,748)	\$ 794		\$ 6,186	\$ 12,498	

The accompanying notes and schedules are an integral part of these financial statements

EPR NORTH VANCOUVER

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS – WORKSAFE BC FUND
YEAR ENDED DECEMBER 31, 2017

STATEMENT 2

	WorkSafeBC Operations Fund	WorksafesBC Reserve Fund	WorksafesBC Projects Fund	WorksafesBC Capital Fund	Total WorksafesBC Fund
FUNDING	\$720,400	\$ -	\$123,000	\$ -	\$843,400
EXPENSES					
Advertising	905	-	-	-	905
Amortization	-	-	-	4,713	4,713
Automotive	2,418	-	-	-	2,418
Bank charges & interest	1,205	-	-	-	1,205
Computer and website	13,557	-	-	-	13,557
Consulting fees	-	-	103,627	-	103,627
Courses & conferences	8,636	-	808	-	9,444
GST expenses	-	-	-	-	-
Insurance	7,255	-	-	-	7,255
Loss on disposal of assets	-	-	-	244	244
Maintenance of Industry Services					
– Note 3	153,411	-	-	-	153,411
Meeting Costs	3,822	-	-	-	3,822
Membership and dues	931	-	-	-	931
Office supplies & other	6,506	-	2,027	-	8,533
Professional fees	14,601	-	-	-	14,601
Rent	55,136	-	-	-	55,136
Salaries and benefits	429,086	-	9,394	-	438,480
Telephone	8,122	-	-	-	8,122
Travel	-	-	16,202	-	16,202
	\$705,591	\$ -	\$132,058	\$4,957	\$842,606
Excess (deficiency) of funding over expenses	\$ 14,809	\$ -	\$ (9,058)	\$(4,957)	\$ 794

The accompanying notes and schedules are an integral part of these financial statements

EPR NORTH VANCOUVER

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

STATEMENT 3

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon Fund	Total WCHSB Fund	WorksafeBC	TOTAL 2017	TOTAL 2016	TOTAL
Net assets, beginning of year	\$ -	\$ 6,833	\$5,251	\$6,062	\$165,537		\$183,683	\$171,185	
Excess (deficiency) of funding over expenses	2	9,861	277	(4,748)	794		6,186	12,498	
Net assets, end of year	\$ 2	\$16,694	\$5,528	\$1,314	\$166,331		\$189,869	\$183,683	

The accompanying notes and schedules are an integral part of these financial statements

EPR NORTH VANCOUVER

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CHANGES IN NET ASSETS – WORKSAFE BC FUND
YEAR ENDED DECEMBER 31, 2017

STATEMENT 4

	WorkSafeBC Operations Fund	WorksafeBC Reserve Fund	WorksafeBC Projects Fund	WorksafeBC Capital Fund	Total WorksafeBC Fund
Net assets, beginning of year	\$ -	\$143,498	\$ -	\$22,039	\$165,537
Excess (deficiency) of funding over expenses	14,809	-	(9,058)	(4,957)	794
Interfund transfers	(9,058)	-	9,058	-	-
Purchase of Capital Assets	(5,283)	-	-	5,283	-
Bridge financing from (to) Reserve Fund – Note 6	(468)	468	-	-	-
Net assets, end of year	\$ -	\$143,966	\$ -	\$22,365	\$166,331

The accompanying notes and schedules are an integral part of these financial statement

EPR NORTH VANCOUVER

B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

STATEMENT 5

	2017	2016
OPERATING ACTIVITIES		
Excess of funding over expenses for the year	\$ 6,186	\$ 12,498
Items not involving cash		
Amortization	4,713	5,490
Loss on disposal of assets	244	457
	<u>11,143</u>	<u>18,445</u>
Changes in working capital accounts		
Accounts receivable	66,207	(63,313)
Prepaid expenses	(27)	(822)
Accounts payable and accrued liabilities	(60,907)	58,854
Deferred revenue	124,535	(7,500)
	<u>140,951</u>	<u>5,664</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(5,283)	(6,870)
Increase (decrease) in cash	135,668	(1,206)
Cash, beginning of year	169,798	171,004
Cash, end of year	<u>\$305,466</u>	<u>\$ 169,798</u>

The accompanying notes and schedules are an integral part of these financial statements
EPR NORTH VANCOUVER


B.C. ASSOCIATION FOR CRANE SAFETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2017

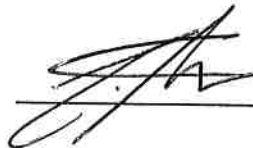
STATEMENT 6

	2017	2016
ASSETS		
Current Assets		
Cash	\$305,466	\$169,798
Accounts receivable	9,420	75,627
Prepaid expenses	11,331	11,304
	<u>326,217</u>	<u>256,729</u>
Tangible capital assets – Note 4	22,365	22,039
	<u>\$348,582</u>	<u>\$ 278,768</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 34,178	\$ 95,085
Deferred revenue – Note 5	124,535	-
	<u>158,713</u>	<u>95,085</u>
NET ASSETS		
Net assets	189,869	183,683
	<u>\$348,582</u>	<u>\$278,768</u>

Commitment – Note 9

Approved by the Directors:


 _____ Director
 June 21 / 18 Date


 _____ Director
 June 21 / 2018 Date

The accompanying notes and schedules are an integral part of these financial statements
EPR NORTH VANCOUVER

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. PURPOSE OF THE ASSOCIATION

The B.C. Association for Crane Safety (the “Association”) is incorporated under the Societies Act of British Columbia.

The Association provides leadership for health and safety development within the crane and hoisting industry. They serve all industry stakeholders as a forum for effectively addressing common safety issues and as an industry advisory body regarding standards, regulations, and qualifications. The purpose is to support and maintain a comprehensive, inclusive credentialing regime to support the goal of accident free crane operations throughout British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue Recognition

The Association follows the deferral method of accounting for contributions; restricted contributions, including provincial funding, and are deferred and matched with related expenses as incurred.

Unrestricted revenue, including administrative recoveries, are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

The ESDC Fund (Employment and Social Development Canada)

This fund is used to account all revenues and expenditures related to the Canada/European Union Crane Operator Credential MRA Project.

ITA Industry Training Authority Fund

The Industry Training Authority Fund is used to account for all revenue and expenditures related to apprenticeship standards, certification and exams, for Crane Operators in British Columbia.

BC Ministry of Jobs

The BC Ministry of Jobs Fund is used to account for all revenue and expenditures related to the development of crane operative jobs in British Columbia.

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES - continued

The Yukon Workers' Compensation Health & Safety Board Fund

This fund is used to account for all revenue and expenditures related to services provided for crane operator certification, information, support and record system for Yukon Territory.

WorkSafeBC Operations Fund

The WorkSafeBC Operations Fund is used to account for all revenue and expenditure related to general and ancillary operations of the Association and Maintenance of Industry Services function.

WorkSafeBC Projects Fund

The WorkSafeBC Projects Fund is used to account for all revenue and expenditure related to non-administrative operations of the Association.

The WorkSafeBC Reserve Fund

The WorkSafeBC Reserve Fund may be used as an alternative funding source for unforeseen, time sensitive and unbudgeted initiatives that will result in a deficit at the end of the year. It may also be used as a bridge financing until the next funding payment is received from WorkSafeBC. The WorkSafeBC Reserve Fund consists of a maximum of up to 3 months of the annual WorkSafeBC's funding amount.

The WorkSafeBC Capital Fund

The WorkSafeBC Capital Fund is used to account for all capital assets of the organization and to present the flow of funds related to their acquisition and disposal, unexpended capital resources.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

Computer equipment	30%
Furniture and equipment	20%

Measurement Uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make 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 revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets. Accounts receivable are stated after evaluations as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instrument

The Association recognized its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year. The Association subsequently measures financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Long-lived Assets

Long-lived assets consist of computer equipment and furniture and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an assets, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Prices for similar items are used to measure fair value of long-lived assets. Any impairment is included in the net loss for the year.

3. MAINTENANCE OF INDUSTRY SERVICES

Maintenance of Industry Services are expenditures to support, expand and maintain industry established services and products relevant and in tune with industry expressed and demonstrated needs. In contrast, Project Costs are related to new or in-progress services and products.

4. TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$23,615	\$14,425	\$ 9,190	\$ 10,444
Furniture and equipment	29,407	16,232	13,175	\$ 11,595
	\$53,022	\$30,657	\$22,365	\$ 22,039

B.C. ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

5. DEFERRED REVENUE

Deferred revenue represents funds received from Employment and Social Development Canada, for the Canada/European Union Crane Operator Credential MRA project that will be spent in the first quarter of 2018.

6. WORKSAFEBC FUNDING DEFICIENCY

According to the agreement with WorkSafeBC, any surplus funds paid by WorkSafeBC shall either be deducted from the subsequent year's funding, returned to WorkSafeBC or retained in a reserve fund to a maximum of up to 3 months of the annual WorkSafeBC's funding amount. WorkSafeBC has historically reduced any surplus amounts by deducting them from the subsequent years' funding.

This year the Association has recorded a surplus of funding as a result of an adjustment of \$9,058 in the WorkSafeBC Projects Fund to clear out the net deficiency in that fund, a \$5,823 adjustment in the WorkSafeBC Capital Fund for capital purchases. When these adjustments are added to the net income of the fund of \$14,809 the net surplus of funding in the WorkSafeBC Operations Fund is \$468. Management has authorized the transfer to the Reserve Fund.

7. ECONOMIC DEPENDENCE

The Association's primary source of income is from WorkSafeBC funding. The Association's ability to continue viable operations is dependent on maintaining the funding relationship and agreements with WorkSafeBC.

8. FINANCIAL INSTRUMENTS

The Association as part of its operations carries a number of financial instruments. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates its fair value given the short-term nature of these financial instruments. It is administration's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

9. COMMITMENT

The Association entered into a 3-year rental lease agreement commencing on March 1, 2012 and ending on February 28, 2015. The lease was extended a second time by an additional 3 years effective on March 1, 2018 and ending on February 28, 2021. Pursuant to the lease agreement, the minimum required annual payments with operating costs are as follows:

2018	\$55,900
2019	57,475
2020	58,825
2021	19,175

10. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

The Society Act of British Columbia requires disclosure of remuneration to directors and remuneration to employees and contractors when this is in excess of \$75,000.

During the year the Society paid the following remuneration:

Directors	\$ 0
Employees	\$178,136
Contractors	\$221,071