

BC ASSOCIATION FOR CRANE SAFETY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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DECEMBER 31, 2020

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NORTH VANCOUVER

CHARTERED PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of the BC ASSOCIATION FOR CRANE SAFETY

Opinion

I have audited the accompanying financial statements of the BC Association For Crane Safety, which comprise the statement of financial position as at December 31, 2020 and December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BC Association For Crane Safety as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of BC Association For Crane Safety in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards 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.

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

Those charged with governance are responsible for overseeing BC Association For Crane Safety's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is high 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 BC Association For Crane Safety internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 BC Association For Crane Safety's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause BC Association For Crane Safety 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.

I 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 I identify during my audit.

Report on Other Legal and Regulatory Requirements

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

EPR

CHARTERED PROFESSIONAL ACCOUNTANTS

North Vancouver, BC
March 31, 2021

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020

STATEMENT 1

	ESDC Fund	ITA Industry Training Authority Fund	Total WorksafeBC Fund	TOTAL 2020	TOTAL 2019
FUNDING – Note 2	(\$42,515)	\$5,500	\$1,611,250	\$1,574,235	\$1,499,891
EXPENSES					
Advertising	-	-	22,639	22,639	306
Amortization	-	-	12,975	12,975	10,156
Automotive	-	-	407	407	3,337
Bank charges & interest	58	105	2,055	2,218	1,273
Computer and website	-	-	17,411	17,411	30,129
Consulting fees	27,898	-	162,203	190,101	82,193
Courses & conferences	-	-	2,006	2,006	11,408
GST expenses	574	-	-	574	3,250
Insurance	-	-	18,143	18,143	7,498
Interest	-	-	1,119	1,119	792
Loss on disposal of assets	-	-	1,972	1,972	6,971
Maintenance of Industry Services					
– Note 3	-	-	74,787	74,787	78,192
Meeting Costs	-	-	1,520	1,520	13,417
Membership and dues	-	-	5,694	5,694	5,125
Moving	-	-	-	-	3,359
Office supplies & other	-	-	13,666	13,666	4,874
Professional fees	-	-	25,892	25,892	29,029
Reference material	-	-	3,113	3,113	1,061
Rent	-	-	143,565	143,565	103,718
Salaries and benefits	-	-	874,385	74,385	863,947
Telephone	-	-	11,397	11,397	9,832
Training	-	-	6,923	6,923	1,902
Travel	5,671	-	6,984	12,655	37,358
	\$34,201	\$ 105	\$1,408,856	\$1,443,162	\$1,309,127
Excess (deficiency) of funding over expenses	(\$76,716)	\$5,395	\$ 202,394	\$ 131,073	\$ 190,764

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

EPR NORTH VANCOUVER

**BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF OPERATIONS – WORKSAFEBC FUND
YEAR ENDED DECEMBER 31, 2020**

STATEMENT 2

	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund
REVENUE					
Funding	\$1,315,800	-	\$287,200	-	\$1,603,000
Temporary Wage Subsidy – Note 12	8,250	-	-	-	8,250
	<u>1,324,050</u>	<u>-</u>	<u>287,200</u>	<u>-</u>	<u>1,611,250</u>
EXPENSES					
Advertising	22,639	-	-	-	22,639
Amortization	-	-	-	12,975	12,975
Automotive	407	-	-	-	407
Bank charges & interest	2,055	-	-	-	2,055
Computer and website	17,411	-	-	-	17,411
Consulting fees	27,364	-	134,839	-	162,203
Courses & conferences	2,006	-	-	-	2,006
Insurance	18,143	-	-	-	18,143
Interest	1,119	-	-	-	1,119
Loss on disposal of assets	-	-	-	1,972	1,972
Maintenance of Industry Services					
– Note 3					
Meeting Costs	74,787	-	-	-	74,787
Membership and dues	1,520	-	-	-	1,520
Moving	5,694	-	-	-	5,694
Office supplies & other	-	-	-	-	-
Professional fees	13,666	-	-	-	13,666
Reference material	25,892	-	-	-	25,892
Rent	3,113	-	-	-	3,113
Salaries and benefits	143,565	-	-	-	143,565
Telephone	821,424	-	52,961	-	874,385
Training	11,397	-	-	-	11,397
Travel	6,923	-	-	-	6,923
	<u>6,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,984</u>
	<u>\$ 1,206,108</u>	<u>\$ -</u>	<u>\$187,800</u>	<u>\$14,947</u>	<u>\$1,408,856</u>
Excess (deficiency) of funding					
over expenses	<u>\$ 117,941</u>	<u>\$ -</u>	<u>\$ 99,400</u>	<u>(\$14,947)</u>	<u>\$ 202,394</u>

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

EPR NORTH VANCOUVER

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

STATEMENT 3

	ESDC Fund	ITA Industry Training Authority Fund	BC Ministry of Jobs Fund	Yukon WCHSB Fund	Total WorksafeBC Fund	TOTAL 2020	TOTAL 2019
Net assets, beginning of year	\$77,225	\$30,874	\$5,488	\$1,314	\$348,559	\$463,460	\$272,696
Excess (deficiency) of funding over expenses	(76,716)	5,395	-	-	202,394	131,073	190,764
Net assets, end of year	<u>\$ 509</u>	<u>\$36,269</u>	<u>\$5,488</u>	<u>\$1,314</u>	<u>\$550,953</u>	<u>\$594,533</u>	<u>\$463,460</u>

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

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CHANGES IN NET ASSETS – WORKSAFEBC FUND
YEAR ENDED DECEMBER 31, 2020

STATEMENT 4

	WorkSafeBC Operations Fund	WorkSafeBC Reserve Fund	WorkSafeBC Projects Fund	WorkSafeBC Capital Fund	Total WorkSafeBC Fund
Net assets, beginning of year	\$ -	\$294,526	\$ -	\$54,033	\$348,559
Excess (deficiency) of funding over expenses	117,941	-	99,400	(14,947)	202,394
Interfund transfers	-	-	-	-	-
Purchase of Capital Assets	-	-	-	-	-
Net assets, end of year	<u>\$117,941</u>	<u>\$294,526</u>	<u>\$99,400</u>	<u>\$39,086</u>	<u>\$550,953</u>

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

EPR NORTH VANCOUVER

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

STATEMENT 5

	2020	2019
OPERATING ACTIVITIES		
Excess of funding over expenses for the year	131,073	\$190,764
Items not involving cash		
Amortization	12,975	10,156
Loss on disposal of assets	1,972	6,971
	146,020	207,891
Changes in working capital accounts		
Accounts receivable	(14,894)	(2,804)
Supplies inventory	(9,204)	-
Prepaid expenses	(24,101)	(34,553)
Accounts payable and accrued liabilities	89,892	62,074
Deferred revenue	-	(91,014)
	187,713	141,594
INVESTING ACTIVITIES		
Purchase of capital assets	-	(49,439)
FINANCING ACTIVITIES		
Equipment loan	(2,228)	11,323
Increase (decrease) in cash	185,485	103,479
Cash, beginning of year	447,578	344,099
Cash, end of year	\$633,063	\$447,578

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

BC ASSOCIATION FOR CRANE SAFETY
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2020


STATEMENT 6

	2020	2019
ASSETS		
Current Assets		
Cash	633,063	\$447,578
Accounts receivable	2,334	2,711
GST rebate receivable	12,170	5,072
Subsidy receivable	8,173	-
Supplies inventory	9,204	-
Prepaid expenses	45,078	20,976
	710,022	501,321
Security deposit	24,984	24,984
Tangible capital assets under capital lease – Note 4		
Tangible capital assets – Note 5	39,086	54,033
	\$774,092	\$555,354
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$170,465	\$ 80,571
Current portion of obligation under capital lease – Note 6	2,475	1,649
	172,940	82,220
Long Term Liabilities		
Obligation under capital lease – Note 6	6,619	9,674
NET ASSETS		
Restricted net asset	294,526	294,526
Unrestricted net asset	300,007	168,934
Net assets	594,533	463,460
	\$774,092	\$555,354

Economic Dependence – Note 8

Commitment – Note 10

Approved by the Directors:

 Director
June 10/21 Date

Shawn Lynch Director Shawn Lynch
10 June 2021 Date

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

1. PURPOSE OF THE ASSOCIATION

The BC 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 restricted fund 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. The project was completed on March 31, 2020. As per agreement, the remaining bank funds were returned to the federal government agency in the amount of \$42,515.

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 ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES - continued

WorkSafeBC Operations Fund

The WorkSafeBC Operations Fund is used to account for all revenue and expenditures 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 expenditures 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.

Equipment Under Capital Lease

Equipment under capital lease is recorded at cost and is amortised over the lease term of 60 months.

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.

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Uncertainty (use of estimates) - continued

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.

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 UNDER CAPITAL LEASE

			2020	2019
	Cost	Accumulated Amortization	Net	Net
Equipment	\$13,189	\$3,957	\$9,232	\$11,870

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. TANGIBLE CAPITAL ASSETS

			2020	2019
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$25,269	\$11,730	\$13,539	\$21,770
Furniture and equipment	29,440	13,125	16,315	\$ 20,993
	\$54,709	\$24,855	\$29,854	\$ 42,163

6. OBLIGATION UNDER CAPITAL LEASE

In 2020, the Association entered into an agreement with Xerox Canada Ltd. for the lease of an office copier.

	2020	2019
\$13,189 lease obligation payable to Xerox Canada Ltd., bearing an interest rate of 10.650% per annum repayable in quarterly payments of \$764.21 due on April 30, 2024	9,094	11,323
<u>Less: current portion of obligation</u>	<u>(2,475)</u>	<u>(1,649)</u>
Lease obligation	\$6,619	\$9,674

For the year ended December 31, 2020, the Association incurred interest of \$1,118 in connection with the lease obligation.

Principal repayments to be made during the next years, at which time the lease obligation will be fully repaid.

2021	\$2,475
2022	\$2,749
2023	\$3,055
2024	\$ 815

7. WORKSAFEBC RESERVE FUND

According to the HAS funding agreement with WorkSafeBC, any surplus funds attributed to WorkSafeBC activities shall either be deducted from the subsequent year's funding, returned to WorkSafeBC or retained in a reserve fund. The maximum amount of the reserve fund shall not, at any time, exceed an amount equal to three months' worth of the total annual funding.

Due to the restrictions and operational issues confronted in 2020 due to COVID19, the Association has planned to carry forward the 2020 net surplus funds attributed to WorkSafeBC activities to funding continuing WorkSafeBC operations and projects in 2021.

BC ASSOCIATION FOR CRANE SAFETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

8. 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. The Association has a HSA funding agreement in place with WorkSafeBC for 2021.

9. 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.

10. COMMITMENT

The Association entered into a 5-year rental lease agreement commencing on July 1, 2020 and ending on June 30, 2024. Pursuant to the current lease agreements, the minimum required annual payments with operating costs are as follows:

2021	\$147,077
2022	\$147,932
2023	\$149,948
2024	\$ 75,541

11. 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 Association paid the following remuneration that exceeded \$75,000:

Directors	\$ 0
Employees	\$609,256
Contractors	\$162,103

12. TEMPORARY WAGE SUBSIDY

In 2020, the Association applied for the temporary wage subsidy from the Federal Government. In January 2021, the Federal Government forwarded \$8,250.00 in the Association's payroll remittance account.