

SKILLS CANADA - BRITISH COLUMBIA CHAPTER

YEAR END MANAGEMENT REPORT

December 31, 2016

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SKILLS CANADA - BRITISH COLUMBIA CHAPTER

Financial Statements

December 31, 2016



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EPR NORTH VANCOUVER
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Members of
Skills Canada - British Columbia Chapter

We have audited the accompanying financial statements of **Skills Canada - British Columbia Chapter**, which comprise the statement of financial position as at December 31, 2016 and December 31, 2015, and the statements of operations, changes in net assets and cash flows for the years ended December 31, 2016 and December 31, 2015, 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.

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 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 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.



EPR NORTH VANCOUVER
CHARTERED PROFESSIONAL ACCOUNTANTS

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Skills Canada - British Columbia Chapter** as at December 31, 2016 and December 31, 2015, and its financial performance and its cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Other Matter

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

EPR

CHARTERED PROFESSIONAL ACCOUNTANTS

North Vancouver, B.C.
April 21, 2017

SKILLS CANADA - BRITISH COLUMBIA CHAPTER

STATEMENT 1

STATEMENT OF OPERATIONS

Year Ended December 31, 2016

	2016	2015
Revenue		
Sponsorships - note 4	\$ 398,429	\$ 358,581
Skills/Competence Canada Funding	269,371	226,881
Project income	331,788	254,940
Affiliation fees	33,625	33,704
	<u>1,033,213</u>	<u>874,106</u>
Expenses		
Amortization	1,952	2,322
Bank charges and interest	354	971
Conferences	-	16,449
Insurance	10,803	9,030
Marketing and communication	10,512	14,117
Membership fees and dues	1,008	891
Office, printing and supplies	5,677	5,513
Professional fees	65,996	20,610
Projects - note 5	405,037	321,313
Programs	50,323	42,873
Travel & Meeting Expenses	66,752	51,834
Wages, contracts and benefits	307,350	295,333
	<u>925,764</u>	<u>781,256</u>
Excess of revenue over expenses for the year	\$ 107,449	\$ 92,850

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



SKILLS CANADA - BRITISH COLUMBIA CHAPTER

STATEMENT 2

STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 2016

	Unrestricted	Invested In Capital Assets	Contingency Fund	2016	2015
Net assets, beginning of year	597,573 \$	3,983 \$	25,000 \$	626,556 \$	533,706
Additional investment in Capital Assets	(1,951)	1,951			
Excess of revenue over expenses for the year	109,401	(1,952)	-	107,449	92,850
Net assets, end of year	\$ 705,023 \$	3,982 \$	25,000 \$	734,005 \$	626,556

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



SKILLS CANADA - BRITISH COLUMBIA CHAPTER

STATEMENT 3

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

	2016	2015
Cash flows from (for) operating activities:		
Excess of revenue over expenses for the year	\$ 107,449	\$ 92,850
Cash is provided by (used in):		
Items not requiring an outlay of funds		
Amortization	1,952	2,322
	109,401	95,172
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	153,734	(171,328)
Decrease (increase) in prepaid expenses	455	(14,271)
Increase in accounts payable and accrued liabilities	17,030	20,978
Increase in government agencies receivable	3,202	5,444
Decrease in deferred contributions	(26,788)	(49,940)
Increase (decrease) in deferred revenue	(200,056)	287,991
	56,978	174,046
Cash flows from (for) investing activities:		
Purchase of capital assets	(1,951)	(549)
	(1,951)	(549)
Increase in cash	55,027	173,497
Cash, beginning of year	776,131	602,634
Cash, end of year	\$ 831,158	\$ 776,131

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



SKILLS CANADA - BRITISH COLUMBIA CHAPTER


STATEMENT 4

STATEMENT OF FINANCIAL POSITION

December 31, 2016

	2016	2015
ASSETS		
Current:		
Cash	\$ 831,158	\$ 776,131
Accounts receivable	29,765	183,499
Government agencies recoverable	-	1,922
Prepaid expenses	17,953	18,408
	878,876	979,960
Tangible capital assets - note 2	3,982	3,983
	\$ 882,858	\$ 983,943
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 39,816	\$ 22,786
Deferred contributions	-	26,788
Deferred revenue - note 3	107,757	307,813
Government agencies payable	1,280	-
	148,853	357,387
Net assets		
Invested in Capital assets	3,982	3,983
Contingency fund - note 6	25,000	25,000
Net assets	705,023	597,573
	734,005	626,556
	\$ 882,858	\$ 983,943

On behalf of the Board

 Director

_____ Director

AUG 15, 2017 Date

_____ Date

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



SKILLS CANADA - BRITISH COLUMBIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2016

PURPOSE OF THE ORGANIZATION

Skills Canada - British Columbia Chapter is a Society incorporated under the laws of the Society Act of British Columbia on September 14, 1994. The Society under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. The purposes of the Society are to research issues related to basic or generic skills for industry; to promote education that supports good trade skills; to build strong linkages between education and industry; and to promote access to resources where such need exists.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Outlined below are those policies considered particularly significant.

Use of Estimates

When preparing financial statements according to ASNPO, the Society makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Management bases their assumptions on a number of factors including historical experience, current events, actions that the Society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. The Society uses estimates when accounting for certain items such as useful lives of capital assets.

Financial instruments

The Society has classified its financial instruments as follows:

The fair value of cash, receivables, accounts payable and accrued liabilities, and grants payable approximate their carrying amounts, due to the short-term nature of these financial instruments. The fair values of investments are reflected in the statement of financial position.

It is the Directors' opinion that the Society is not exposed to significant interest or currency risk arising from these financial instruments or credit risk arising from any balances receivable.

Revenue Recognition

The Society follows the deferral method of accounting for contributions, which include government funding. 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. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

SKILLS CANADA - BRITISH COLUMBIA CHAPTER

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks and short-term notes with maturities of three months or less at acquisition

Contributed Services

Volunteers contribute a significant amount of time per year to assist the Society in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements

Donated materials and services

Donated materials and services are recorded only when a fair value can be reasonably estimated and when the materials and services are normally purchased by the Society and would be paid for if not donated.

Tangible capital assets

Property, plant and equipment are recorded at cost. Amortization is provided for annually based on their estimated life using the following rates and methods:

Computer software	20%	Straight-line
Office and computer equipment	20%	Straight-line

2. TANGIBLE CAPITAL ASSETS

			2016	2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	\$ 575	\$ 368	\$ 207	\$ 321
Office and computer equipment	13,488	9,713	3,775	3,662
	\$ 14,063	\$ 10,081	\$ 3,982	\$ 3,983

3. DEFERRED REVENUE

Deferred revenue represent unspent resources from various sponsors in the amount of \$107,757, for the purpose of providing funds to carry on programs in 2017.

4. SPONSORSHIPS

The Society receives funding from various corporate sponsors for the purpose of carrying on the Society' programs. Any surplus funds remaining at the year end will be used for future programming.



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NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2016

5. PROJECTS

	2016	2015
Projects - Regional Programming	\$ 81,946	\$ 65,927
Projects- BC Skills Competition	238,094	210,357
Projects - National	84,997	45,029
	\$ 405,037	\$ 321,313

6. CONTINGENCY FUND

The purpose of the contingency fund is to accumulated funds and maintain a satisfactory level to use in case of unexpected expenditures.

7. GOING CONCERN

The Society's ability to continue as a going concern is dependent upon continued funding received from Skills/Competence Canada and its ability to procure private sector funding sufficient to meet current and future obligations.

8. 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:

	2016	2015
Contractors	\$ 117,872	\$ 110,700
	\$ 117,872	\$ 110,700

9. COMPARATIVE FIGURES

Certain balances of the prior period have been reclassified to conform with the current year's financial statement presentation.