SKILLS CANADA - BRITISH COLUMBIA CHAPTER

FINANCIAL STATEMENTS

31 AUGUST 2025

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SKILLS CANADA - BRITISH COLUMBIA CHAPTER
Financial Statements
For the year ended 31 August 2025

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INDEPENDENT AUDITORS' REPORT

To the Members,
Skills Canada - British Columbia Chapter

Opinion

We have audited the financial statements of Skills Canada - British Columbia Chapter (the "Society"), which comprise the statement of financial position as at 31 August 2025, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 August 2025, 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 ("ASNPO").

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Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 ASNPO, 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 the Society'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 the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

INDEPENDENT AUDITORS' REPORT - Continued

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher 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 the Society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on 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 the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society 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.

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INDEPENDENT AUDITORS' REPORT - Continued

We 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles of the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

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SKILLS CANADA - BRITISH COLUMBIA CHAPTER
Statement of Financial Position
31 August 2025

	2025	2024
Assets		
Current		
Cash	**$ 478,076**	$ 506,082
Accounts receivable	**48,105**	21,120
Prepaid expenses	**18,816**	16,994
GST receivable	**10,628**	10,151
	555,625	554,347
Tangible capital assets (Note 3)	**16,949**	21,186
	$ 572,574	$ 575,533
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 45,069**	$ 55,486
Deferred contributions (Note 2(f)) (Note 4)	**4,000**	170,000
	49,069	225,486
Commitments (Note 5)		
Net Assets		
Unrestricted	**481,556**	303,861
Invested in tangible capital assets	**16,949**	21,186
Internally restricted - Contingency fund (Note 7)	**25,000**	25,000
	523,505	350,047
	$ 572,574	$ 575,533

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APPROVED BY THE BOARD:

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements

SKILLS CANADA - BRITISH COLUMBIA CHAPTER
Statement of Changes in Net Assets
For the year ended 31 August 2025

	Unrestricted	Invested in tangible capital assets	Internally restricted - contingency fund	**Total 2025**	Total 2024
Balance - beginning of year	$ 303,861	$ 21,186	$ 25,000	**$ 350,047**	$ 349,163
Excess (deficiency) of revenues over expenditures for the year	177,695	(4,237)	-	**173,458**	884
Balance - end of year	**$ 481,556**	**$ 16,949**	**$ 25,000**	**$ 523,505**	$ 350,047

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The accompanying notes are an integral part of these financial statements

SKILLS CANADA - BRITISH COLUMBIA CHAPTER
Statement of Operations
For the year ended 31 August 2025

	2025	2024
Revenues		
Skills/Compétences Canada Funding	**$ 504,815**	$ 362,855
Sponsorships	**338,962**	263,582
BC Government	**225,000**	315,000
Registration fees	**87,510**	74,300
Interest income	**8,781**	14,276
	1,165,068	1,030,013
Expenditures		
Competitions	**493,305**	578,837
Wages and benefits	**361,549**	283,192
Professional fees	**62,107**	64,486
Travel	**16,670**	18,775
Programs	**12,749**	29,046
IT expenses	**10,849**	20,329
Office	**9,742**	10,508
Insurance	**8,434**	7,096
Advertising and promotion	**7,057**	7,683
Bank charges and interest	**2,270**	2,842
Memberships	**1,963**	318
Telephone and utilities	**678**	528
Amortization	**4,237**	5,297
	991,610	1,028,937
Excess of revenues over expenditures from operations	**173,458**	1,076
Other expense		
Loss on disposal of tangible capital assets	**-**	192
Excess of revenues over expenditures for the year	**$ 173,458**	$ 884

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The accompanying notes are an integral part of these financial statements

SKILLS CANADA - BRITISH COLUMBIA CHAPTER
Statement of Cash Flows
For the year ended 31 August 2025

	2025	2024
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenditures for the year	**$ 173,458**	$ 884
Items not involving cash		
Amortization	**4,237**	5,297
Loss on disposal of tangible capital assets	**-**	192
	177,695	6,373
Changes in non-cash working capital balances		
Accounts receivable	**(26,985)**	42,708
Prepaid expenses	**(1,822)**	(7,758)
GST receivable	**(477)**	1,945
Accounts payable and accrued liabilities	**(10,417)**	11,204
Deferred contributions	**(166,000)**	(166,800)
	(28,006)	(112,328)
Financing activity		
Repayment of Canada Emergency Business Account loan	**-**	(30,000)
Net decrease in cash	**(28,006)**	(142,328)
Cash - beginning of year	**506,082**	648,410
Cash - end of year	**$ 478,076**	$ 506,082

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The accompanying notes are an integral part of these financial statements

1. Incorporation/Operations

Skills Canada - British Columbia Chapter ("SCBC") was incorporated under the Societies Act (British Columbia) on 14 September 1994. SCBC works with industry, educators, government and labour to promote rewarding and in-demand skilled trade & technology careers to BC's youth.

SCBC is registered as a charitable organization under the Income Tax Act, Canada, and is exempt from income tax.

2. Summary of significant accounting policies

The Society follows Canadian accounting standards for not-for-profit organizations in preparing its financial statements. The significant policies are detailed as follows:

(a) Cash and cash equivalents

SCBC's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

(b) Financial instruments

(i) Measurement of financial instruments

SCBC initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

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2. Summary of significant accounting policies - Continued

(b) Financial instruments - Continued

(iii) Transaction costs

SCBC recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(c) Revenue recognition

SCBC follows the deferral method of accounting for contributions (including sponsorships). Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Registration fees are recorded when earned and collection is reasonably assured.

(d) Tangible capital assets

Tangible capital assets are accounted for at cost and amortized over their estimated useful life using the declining balance method as follows:

Furniture and fixtures	20%
Computer equipment	30%

When a tangible capital asset no longer contributes to the services provided by SCBC, its carrying amount is written down to its residual value.

(e) Donated material and services

Volunteers contribute a significant amount of time every year to assist SCBC in carrying out its programs and services, the value of this assistance is not recognized in these financial statements.

During the year SCBC received and recognized in-kind donations of $11,712 (2024 - $27,257) which have been included in sponsorships revenue on the statement of operations.

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2. Summary of significant accounting policies - Continued

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Accounts subject to estimates include accrued liabilities, recognition of deferred revenue and amortization on tangible capital assets. Management believes that estimates utilized in preparing the financial statements are prudent and reasonable; however, actual results could differ from those estimates.

3. Tangible capital assets

	Cost	Accumulated Amortization	2025 Net	2024 Net
Furniture and fixtures	**$ 36,485**	**$ 22,258**	**$ 14,227**	$ 17,784
Computer equipment	**4,253**	**1,531**	**2,722**	3,402
	$ 40,738	**$ 23,789**	**$ 16,949**	$ 21,186

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4. Deferred contributions

Contributions designated for specific future programs have been deferred to the subsequent fiscal year(s). These funds will be recognized as revenue as the related expenditures are incurred (Note 2(f)). The balance consists of the following:

	2025	2024
Sponsorships	**$ 4,000**	$ -
BC Government Grants	**-**	170,000
	$ 4,000	$ 170,000

Deferred BC Government Grants pertain to funding received from the Ministry of Post-Secondary Education and Future Skills for eligible expenses from the period of 1 April 2023 to 30 March 2025. This funding has been deferred on a straight line basis over a period of 3 years. The amount recognized each year was based on management's estimate of the number of competitions funding would be used for as well as the related competition expenses and other funding that was expected to be received each period.

5. Commitments

SCBC has committed to making the following future payments for event rental during the 2026 fiscal year:

2026	$ 53,784

6. Economic dependence

SCBC generates the majority of its revenues from contributions from Skills/Compétences Canada and from funding from other government agencies.

7. Contingency fund

The contingency fund is restricted by the board of directors to be used at their discretion.

8. Financial instruments

SCBC is exposed to various risks through its financial instruments. The following analysis provides a measure of SCBC's risk exposure and concentrations at the statement of financial position date, 31 August 2025.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. SCBC is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. SCBC manages liquidity risk by maintaining adequate cash. There has been no change in risk exposure from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. SCBC's main credit risks relate to its cash and accounts receivable. SCBC's cash is maintained with a large federally regulated financial institution in Canada. SCBC provides credit to its clients in the normal course of operations. There has been no change in risk exposure from the prior year.

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8. Financial instruments - Continued

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. SCBC is exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SCBC is exposed to interest rate risk on its fixed interest rate financial instruments.

9. Management and director remuneration

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earning more than $75,000 during the fiscal year. For the fiscal year ended 31 August 2025, included in wages and benefits are two (2024 - two) employees with remuneration over $75,000. The total paid to these individuals was $218,569 (2024 - $193,036). No remuneration was paid to members of the Board of Directors for the 2025 or 2024 fiscal years.

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