

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA**

Audited Financial Statements

December 31, 2010

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA**

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December 31, 2010**

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To the Members of Applied Science Technologists and Technicians of British Columbia

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Applied Science Technologists and Technicians of British Columbia, which comprise the statement of financial position as at December 31, 2010, and the statement of operations, statement of changes in net assets and statement of 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, 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 involves 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, the financial statements present fairly, in all material respects, the financial position of Applied Science Technologists and Technicians of British Columbia as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

North Vancouver, BC

O'NEILL, GOLDSTONE & CO.

March 15, 2011

"(signed) O'Neill, Goldstone & Co."
Certified General Accountants

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA**

**Statement of Financial Position
as at December 31, 2010**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 140,705	\$ 55,631
Investments (Notes 2 & 3)	691,712	557,924
Accounts receivable	30,604	80,593
Prepaid expenses	<u>53,155</u>	<u>40,022</u>
	<u>916,176</u>	<u>734,170</u>
Investments: (Notes 2 & 3)	<u>200,000</u>	<u>150,000</u>
Capital Assets: (Notes 2 & 5)	<u>551,357</u>	<u>532,748</u>
Total Assets:	<u><u>\$1,667,533</u></u>	<u><u>\$1,416,918</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accruals	\$ 96,886	\$ 134,375
HST/GST payable	49,859	8,226
Deferred grant revenue (Note 7)	----	20,000
Deferred dues (Note 2)	739,791	532,696
Current portion long-term (Note 8)	<u>70,000</u>	<u>----</u>
	<u>956,536</u>	<u>695,297</u>
Long-Term Liabilities:		
Note payable - Foundation for Education and Advancement in Technology (Note 8)	----	70,000
Accrued employee future benefit obligation (Note 9)	<u>39,849</u>	<u>11,900</u>
	<u>39,849</u>	<u>81,900</u>
Total Liabilities:	<u>996,385</u>	<u>777,197</u>
Net Assets:		
Invested in capital assets	481,357	462,748
Internally restricted (Note 10)	138,240	138,240
Unrestricted		
Cumulative excess of revenue over expenses	52,601	36,963
Net unrealized gains (losses) on available for sale investments	<u>(1,050)</u>	<u>1,770</u>
	<u>671,148</u>	<u>639,721</u>
Total Liabilities and Net Assets:	<u><u>\$1,667,533</u></u>	<u><u>\$1,416,918</u></u>

See accompanying notes to financial statements

APPROVED ON BEHALF OF THE COUNCIL

“(signed) David Rutherford” Secretary Treasurer

“(signed) William MacPherson” Vice President

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA**

**Statement of Operations
for the year ended December 31, 2010**

	<u>2010</u>	<u>2009</u>
Revenue:		
Membership dues	\$1,977,782	\$1,893,667
Registration fees	136,422	147,501
Governance	47,666	26,934
Professional affairs (Note 7)	124,845	427,738
Education and training	----	44,466
Publications	12,254	8,629
Member services	32,134	16,200
Institutes	13,263	16,168
Investment income	23,364	33,358
Miscellaneous	<u>4,250</u>	<u>4,200</u>
	<u>2,371,980</u>	<u>2,618,861</u>
Expenses:		
Administration-general	128,607	116,376
Wages and benefits (Note 9)	1,505,550	1,502,005
Office and equipment maintenance (Note 10)	137,018	133,937
Amortization	39,986	38,250
Interest expense	2,800	2,800
Stationery and printing	42,637	38,052
Governance	126,130	114,574
Professional affairs	123,873	224,270
Legislation and practice	27,784	33,470
National association dues and expenses (Note 11)	26,260	121,110
Public affairs and recruitment	91,282	107,441
Education and training (Note 14)	12,609	104,917
Publications	40,606	39,548
Member services	14,437	18,857
Institutes	<u>18,154</u>	<u>19,002</u>
	<u>2,337,733</u>	<u>2,614,609</u>
Excess of Revenue over Expenses:	<u>\$ 34,247</u>	<u>\$ 4,252</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Statement of Changes in Net Assets
for the year ended December 31, 2010**

	<u>Invested in Capital Assets</u>	<u>Note 10 Internally Restricted</u>	<u>Unrestricted Excess of Revenue Over Expenses</u>	<u>Unrestricted Net Unrealized Gains (Losses) on Available for sale Investments</u>	<u>2010 Total</u>	<u>2009 Total</u>
Balance - beginning of year	\$462,748	\$138,240	\$ 36,963	\$ 1,770	\$639,721	\$638,266
Excess of revenue over expenses			34,247		34,247	4,252
Purchase of capital assets (Note 10)	58,595		(58,595)			
Amortization	(39,986)		39,986			
Reserve for Computer Software Upgrade		50,000	(50,000)			
Reserve for Building Repairs Expenses		(50,000)	50,000			
Change in unrealized gains (losses) on available for sale investments	_____	_____	_____	(2,820)	(2,820)	(2,797)
Balance - end of year	<u>\$481,357</u>	<u>\$138,240</u>	<u>\$ 52,601</u>	<u>\$ (1,050)</u>	<u>\$671,148</u>	<u>\$639,721</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA**

**Statement of Cash Flows
for the year ended December 31, 2010**

	<u>2010</u>	<u>2009</u>
Cash Provided by (used for):		
Operating Activities:		
Excess of revenue over expenses	\$ 34,247	\$ 4,252
Items not affecting cash		
Amortization	39,986	38,250
Accrued employee future benefit obligation	<u>27,949</u>	<u>11,900</u>
	102,182	54,402
Changes in non-cash working capital items		
Accounts receivable (increase)	49,989	(26,255)
Prepaid expenses (increase)	(13,133)	14,163
Accounts payable and accruals (decrease)	(37,489)	5,191
HST/GST payable (decrease)	41,633	(1,706)
Deferred grant revenue (decrease)	(20,000)	(20,000)
Dues received in advance (decrease)	<u>207,095</u>	<u>(58,124)</u>
	<u>330,277</u>	<u>(32,329)</u>
Financing and Investing Activities:		
Purchase of capital assets	(58,595)	(14,205)
Purchase of investments	(1,061,638)	(657,724)
Proceeds on disposal of investments	<u>875,030</u>	<u>714,824</u>
	<u>(245,203)</u>	<u>42,895</u>
Increase (decrease) in cash:	85,074	10,566
Cash - beginning of year	<u>55,631</u>	<u>45,065</u>
Cash - end of year	<u>\$ 140,705</u>	<u>\$ 55,631</u>
Interest expense	<u>\$ 2,800</u>	<u>\$ 2,800</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2010**

Note 1 - Purpose of the Organization:

ASTTBC is a professional organization established to maintain, improve and increase the knowledge, ability and competence of technologists and technicians; to regulate standards of training and practice of and for its members, and to protect the interests of the public. ASTTBC was incorporated under the Applied Science Technologists and Technicians Act RSBC 1979 c. 16.1 in 1985 and is a not-for-profit organization under Section 149 of the Income Tax Act.

According to the *Association's Act of Incorporation*, any surplus derived from carrying on the affairs and business of the Association shall be devoted and applied solely in promoting and carrying out its objects and purposes, and shall not be divided among its members.

Note 2 - Significant accounting policies:

Revenue Recognition

The Association accounts for revenue using the deferral method. Restricted contributions, if any, are recognized in the year in which the related expenditures are incurred. Unrestricted contributions are recognized when received or receivable.

Members dues are billed on a yearly basis. Some dues are billed on a fiscal year basis and others for a period from June 1 to May 31. Dues received in advance and for a period after December 31 have been deferred and will be recognized as income in the following year.

All other revenues are recognized when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments:

The Association continues to apply Canadian Institute of Chartered Accountants Handbook Section 3861, Financial Instruments - Disclosure and Presentation instead of Section 3862 Financial Instruments - Disclosures and Section 3863, Presentation.

Investments:

Investments are classified as available for sale and recorded at fair value as it is not management's primary objective to hold investments to maturity.

Investment Income:

Investment income includes interest income and realized gains and losses. Unrealized gains and losses on available for sale investments are included directly in net assets until the asset is removed from the statement of financial position. Revenue is recognized on an accrual basis. Interest on fixed income instruments is recognized over the term of these investments using the effective interest method.

Capital Assets:

Capital assets are recorded at cost. Amortization is on a straight line basis over the assets' estimated useful lives as follows:

Building and improvements	40 years
New roof 2010	15 years
Office furniture and equipment	10 years
Photocopier equipment	5 years
Computer equipment and software	5 years

Full amortization is taken in the year of acquisition.

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**Notes to Financial Statements
December 31, 2010**

Note 2 - Significant accounting policies (continued):

Employee Future Benefit Plans:

The Association maintains a group registered retirement savings plan for all employees. Association contributions to the plan are expensed in the year to which they relate.

In March 2010 the Association agreed to provide a retiring allowance to an employee. The accrued future benefit obligation is determined using the present value (based on a 4% discount rate) of the contracted benefit amortized over the remaining service period to full eligibility. The accrued obligation is measured at December 31. Past service costs are amortized on a straight line basis after allowance for 2009 accrual in anticipation of the future obligation.

Donated Services:

The Association and its members benefit from donated services in the form of volunteer time for various committees. Donated services are not recognized in these financial statements.

Measure of Uncertainty:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas requiring management estimates and assumptions include the estimate of useful lives of equipment for calculating amortization, the determination of the deferred portion of government grants, determination of future employee benefit obligation and the allocation of expenses to the appropriate functional category.

Future Accounting changes:

The Accounting Standards Board (AcSB) has announced that all Canadian not-for-profit organizations will adopt either International Financial Reporting Standards (IFRS) or Canadian Accounting Standards for Not-for-Profit Organizations for years beginning on or after January 1, 2012. The Association is evaluating the two options.

Note 3 - Investments:

Investments consist of financial institution guaranteed securities, and corporate bonds and discount notes. Effective interest rates range from 1.2% to 2.5% on an annual basis. Maturity dates range from 2 months to 14 months for investments other than mutual fund savings accounts. Investments maturing within 12 months from year-end are classified as current.

Note 4 - Financial Instruments:

The Association's financial instruments consist of cash, investments, accounts receivable, accounts payable and accruals and note payable. Cash, accounts receivable, accounts payable and accruals and note payable are carried at cost which approximates their fair values. Investments available for sale are recorded at fair value as quoted by HSBC Securities at the reporting date.

It is management's opinion that the Association is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

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**Notes to Financial Statements
December 31, 2010**

Note 5 - Capital assets are comprised of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2010</u>	<u>2009</u>
Building and improvements	\$389,183	\$165,173	\$224,010	\$194,702
Office furniture and equipment	135,422	108,048	27,374	32,685
Computer equipment and software	<u>145,951</u>	<u>117,802</u>	<u>28,149</u>	<u>33,537</u>
	670,556	391,023	279,533	260,924
Land	<u>271,824</u>	----	<u>271,824</u>	<u>271,824</u>
	<u>\$942,380</u>	<u>\$391,023</u>	<u>\$551,357</u>	<u>\$532,748</u>

Note 6 - Line of Credit:

The association has arranged a line of credit at the HSBC to cover any cash shortages. Interest is charged at prime plus ½%. The maximum amount authorized is \$100,000. The line of credit is secured by an assignment of credit balance over deposit accounts and a \$500,000 demand collateral first mortgage against property at 10767 - 148th Street, Surrey, BC.

Note 7 - Government Grants On-Site Wastewater:

In 2009 the Association received a grant of \$200,000 and in 2007 grants totalling \$200,000 from the Province of British Columbia to support the ongoing development and implementation of the Sewage System Regulation and associated frameworks, including enhanced practitioner oversight and consumer protection. Management included \$80,000 in revenue to offset costs expended in 2007, \$80,000 to offset costs expended in 2008, \$220,000 to offset costs expended in 2009 and \$20,000 to offset costs in 2010.

Note 8 - Note Payable:

Note payable to Foundation for Education and Advancement in Technology, unsecured, interest at 4%, payable annually on February 1, principal due December 31, 2011.

Note 9 - Employee Future benefit costs:

	<u>2010</u>	<u>2009</u>
Contributions to group registered retirement savings plan	\$ 94,956	\$ 84,257
Past service costs retiring allowance obligation	22,197	11,900
Current service costs retiring allowance obligation	4,219	----
Interest	<u>1,533</u>	<u>----</u>
	<u>\$122,905</u>	<u>\$ 96,157</u>

Unamortized past service costs at December 31, 2010 \$68,194.

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2010**

Note 10 - Restrictions on Net Assets:

The Association has internally restricted funds to be used for the following purposes:

	<u>Balance 2009</u>	<u>Additional Restrictions</u>	<u>Expenditures</u>	<u>Balance 2010</u>
Reserve for Professional Regulation	\$ 33,240	\$ ----	\$ ----	\$ 33,240
Reserve for Building Repairs	50,000	----	50,000	----
Reserve for Computer Software Upgrade	<u>55,000</u>	<u>50,000</u>	<u>----</u>	<u>105,000</u>
	<u>\$138,240</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$138,240</u>

Expenditures for building repairs during 2010 consisted of a new roof for \$40,880 which has been capitalized and \$15,304 for new flooring which is included in expenses.

Note 11 - Contingency:

The Association together with the technologist and technician associations in Alberta, Saskatchewan and Ontario withdrew membership in the Canadian Council of Technicians and Technologists (CCTT) in favour of a new affiliation of four provincial associations. CCTT has demanded payment of \$12,299 representing dues for one and one half months in 2010. In the opinion of management the dues are not outstanding on the basis that the association did not receive services due from CCTT. No provision has been made in these financial statements in respect of the 2010 dues (CCTT dues included in 2009 expenses \$98,394). The matter is unresolved.

Note 12 - Comparative Figures:

Comparative figures have been reclassified to show accrued future benefit obligation as long-term.

Note 13 - Capital Management:

The Association defines capital as debt and net assets. The Association's primary objectives in managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide services and benefits to its members. The Association is not subject to any externally imposed capital requirements.

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2010**

Note 14 - Controlled Entity - Foundation for Education and Advancement in Technology:

The Foundation is a registered Canadian charitable organization under the Income Tax Act. The ASTTBC council appoints the trustees of FEAT and provides FEAT with administrative and support services without charge. The Foundation was established for the advancement of technology, technical education and professional development for residents of British Columbia through bursaries, scholarships and other approved projects. The Foundation has not been consolidated in the Association's financial statements as the Association believes separate note disclosure of the Foundation provides a more meaningful presentation of the Association's activities. Financial statements for the Foundation are available to the members. A financial summary of the Foundation as at December 31, 2010 and 2009 and for the years then ended is as follows:

	<u>2010</u>	<u>2009</u>
Financial Position		
Total assets	<u>\$477,683</u>	<u>\$461,100</u>
Liabilities	\$ 2,500	\$ 2,000
Net assets - restricted for endowment	320,155	310,527
Net assets - unrestricted	<u>155,028</u>	<u>148,573</u>
	<u>\$477,683</u>	<u>\$461,100</u>
Results of Operations		
Total revenues	\$ 39,704	\$ 43,832
Total expenses	<u>33,249</u>	<u>31,663</u>
Excess of revenues over expenses	<u>\$ 6,455</u>	<u>\$ 12,169</u>
Cash Flows		
Operations	\$ 55,131	\$(32,859)
Endowment contributions	9,628	58,589
Increase in investments	<u>(11,323)</u>	<u>(38,010)</u>
Increase (decrease) in cash	<u>\$ 53,436</u>	<u>\$(12,280)</u>

2009 Endowment contributions include a \$30,000 contribution from ASTTBC included in ASTTBC's education and training expenses.