

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

Audited Financial Statements

December 31, 2008

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

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December 31, 2008**

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

AUDITORS' REPORT

We have audited the statement of financial position of Applied Science Technologists and Technicians of British Columbia as at December 31, 2008 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2008 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

North Vancouver, BC

O'NEILL, GOLDSTONE & CO.

February 13, 2009

“(signed) O’Neill, Goldstone & Co.”

Certified General Accountants

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

**Statement of Financial Position
as at December 31, 2008**

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 45,065	\$ 1,024
Investments (Notes 2 & 3)	306,671	548,254
Accounts receivable	54,338	90,625
GST receivable	----	5,610
Prepaid expenses	<u>54,185</u>	<u>28,723</u>
	<u>460,259</u>	<u>674,236</u>
Investments: (Notes 2 & 3)	<u>461,150</u>	<u>----</u>
Capital Assets: (Notes 2 & 5)	<u>556,793</u>	<u>583,751</u>
Total Assets:	<u><u>\$1,478,202</u></u>	<u><u>\$1,257,987</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Bank overdraft (Note 6)	\$ ----	\$ 18,732
Accounts payable and accruals	129,184	148,389
GST payable	9,932	----
Deferred revenue (Note 7)	40,000	121,005
Deferred dues (Note 2)	<u>590,820</u>	<u>269,180</u>
	<u>769,936</u>	<u>557,306</u>
Long-Term Liability: (Note 8)	<u>70,000</u>	<u>70,000</u>
Total Liabilities:	<u>839,936</u>	<u>627,306</u>
Net Assets:		
Invested in capital assets	486,793	513,750
Internally restricted (Note 9)	108,240	63,240
Unrestricted		
Cumulative excess of revenue over expenses	38,666	55,450
Net unrealized gains (losses) on available for sale investments	<u>4,567</u>	<u>(1,759)</u>
	<u>638,266</u>	<u>630,681</u>
Total Liabilities and Net Assets:	<u><u>\$1,478,202</u></u>	<u><u>\$1,257,987</u></u>

See accompanying notes to financial statements

APPROVED ON BEHALF OF THE COUNCIL

“(signed) Darrin Heisler” President

“(signed) William MacPherson” Secretary Treasurer

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

**Statement of Operations
for the year ended December 31, 2008**

	<u>2008</u>	<u>2007</u>
Revenue:		
Membership dues	\$1,793,160	\$1,694,529
Registration fees	106,447	78,260
Governance	28,416	25,132
Professional affairs (Note 7)	116,968	131,607
Education and training	74,620	73,354
Publications	6,597	8,739
Member services	33,024	36,161
Institutes	16,626	19,894
Investment income (Note 4)	37,539	39,105
Miscellaneous	<u>3,880</u>	<u>10,858</u>
	<u>2,217,277</u>	<u>2,117,639</u>
Expenses:		
Administration-general	121,948	86,381
Wages and benefits	1,204,512	1,185,487
Office and equipment maintenance	126,400	135,144
Amortization	43,400	44,636
Interest expense	2,800	2,800
Stationery and printing	33,933	37,051
Governance	147,409	111,136
Professional affairs	82,300	74,859
Legislation and practice	35,371	24,731
National association dues and expenses	115,079	98,479
Public affairs and recruitment	101,585	139,086
Education and training (Note 12)	123,517	68,653
Publications	38,337	47,262
Member services	11,390	13,163
Institutes	27,332	22,875
Reserve Expenditures (Note 9)	<u>----</u>	<u>3,497</u>
	<u>2,215,313</u>	<u>2,095,240</u>
Excess of Revenue over Expenses:	1,964	22,399
Gain (Loss) on Disposal of Equipment:	<u>(705)</u>	<u>(8,323)</u>
Increase in Net Assets:	<u>\$ 1,259</u>	<u>\$ 14,076</u>

See accompanying notes to financial statements

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

**Statement of Changes in Net Assets
for the year ended December 31, 2008**

	<u>Invested in Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted Excess of Revenue Over Expenses</u>	<u>Unrestricted Net Unrealized Gains (Losses) on Available for sale Investments</u>	<u>2008 Total</u>	<u>2007 Total</u>
Balance - beginning of year	\$513,750	\$ 63,240	\$ 55,450	\$ (1,759)	\$630,681	\$617,159
Excess of revenue over expenses			1,964		1,964	22,399
Gain (loss) on disposal of equipment	(705)				(705)	(8,323)
Proceeds sale of equipment	(200)		200			
Purchase of capital assets	17,348		(17,348)			
Amortization	(43,400)		43,400			
Reserve for Professional Regulation		20,000	(20,000)			
Reserve for Computer Software Upgrade		25,000	(25,000)			
Unrealized gains (losses) on available for sale investments arising during the year				6,326	6,326	(797)
Reclassification adjustment for losses included in excess of revenue over expenses	_____	_____	_____	_____	_____	_____ 243
Balance - end of year	<u>\$486,793</u>	<u>\$108,240</u>	<u>\$ 38,666</u>	<u>\$ 4,567</u>	<u>\$638,266</u>	<u>\$630,681</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Statement of Cash Flows
for the year ended December 31, 2008**

	<u>2008</u>	<u>2007</u>
Cash Provided by (used for):		
Operating Activities:		
Excess of revenue over expenses	\$ 1,964	\$ 22,399
Items not affecting cash		
Amortization	<u>43,400</u>	<u>44,636</u>
	45,364	67,035
Changes in non-cash working capital items		
Accounts receivable (increase)	36,287	(54,831)
GST receivable (increase)	5,610	(5,610)
Prepaid expenses (increase)	(25,462)	8,173
Accounts payable and accruals (decrease)	(19,204)	15,966
GST payable (decrease)	9,932	(11,145)
Deferred revenue (decrease)	(81,005)	121,005
Dues received in advance (decrease)	<u>321,640</u>	<u>(162,954)</u>
	<u>293,162</u>	<u>(22,361)</u>
Financing and Investing Activities:		
Purchase of capital assets	(17,348)	(47,343)
Proceeds disposal of capital assets	200	5,000
Purchase of investments	(1,163,098)	(1,242,689)
Proceeds on disposal of investments	<u>949,857</u>	<u>1,194,490</u>
	<u>(230,389)</u>	<u>(90,542)</u>
Increase (decrease) in cash:	62,773	(112,903)
Cash - beginning of year	<u>(17,708)</u>	<u>95,195</u>
Cash - end of year	<u>\$ 45,065</u>	<u>\$ (17,708)</u>
Represented by:		
Cash	\$ 45,065	\$ 1,024
Bank overdraft	<u>----</u>	<u>(18,732)</u>
	<u>\$ 45,065</u>	<u>\$ (17,708)</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2008**

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:

- (a) 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.
- (b) 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.
- (c) The Association's financial instruments consist of cash, investments, accounts receivable, accounts payable and accruals and note due to FEAT. The Association has classified cash as held-for trading, investments as available for sale, accounts receivable as receivables, and all financial liabilities as other financial liabilities. Cash, accounts receivable, accounts payable and accrued liabilities and note payable are carried at cost which approximates their fair values. Investments available for sale are recorded at fair value as it is not management's primary objective to hold investments to maturity. It is management's opinion that the Association is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.
- (d) 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.
- (e) Capital assets are recorded at cost. Amortization is on a straight line basis over the assets' estimated useful lives at the following rates:

Building and improvements	2.5%
Office furniture and equipment	10%
Photocopier equipment	20%
Computer equipment	20%

Full amortization is taken in the year of acquisition.

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2008**

Note 2 - Significant accounting policies (continued):

- (f) 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.

- (g) 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 and the allocation of expenses to the appropriate functional category.

- (h) Accounting Changes:
The CICA issued new accounting standard, Handbook Section 1535 Capital Disclosures, which establishes standards for disclosure of an entity's objectives, policies and processes for managing capital, what it considers capital and whether it has complied with any capital requirements. The standard is effective for reporting periods beginning on or after October 1, 2007. The Association applied the new accounting standard at the beginning of its current fiscal year. Its implementation did not have any impact on the results of operations or financial position.

The CICA issued new accounting standards, Handbook Section 3862 Financial Instruments - Disclosures and Section 3863 Financial Instruments - Presentation, which replace Handbook Section 3861 Financial Instruments - Disclosure and Presentation. The new standards revise and enhance disclosure requirements to provided additional information on the nature and extent of risks arising from financial instruments to which an entity is exposed and how it manages those risks. The Association has deferred application of this standard until 2009.

Note 3 - Investments:

Investments consist of financial institution guaranteed securities, Canadian Government and Corporate Bonds and Discount Notes with effective interest rates ranging from 2.395% to 4% on an annual basis, with maturity dates ranging from 3 months to 23.5 months. Investments maturing within 12 months from year-end are classified as current.

Note 4 - Correction of an Error:

As a result of an error in the application of the effective interest rates on investments in 2007 and 2006 the prior year's investment income, excess of revenue over expenses and increase in net assets have each been reduced by \$2,445. The unrestricted cumulative excess of revenue over expenses has been reduced by \$3,075 (\$2,445 for 2007 and \$630 for 2006) and the net unrealized losses on available for sale investments have been reduced by \$3,075 (\$2,445 for 2007 and \$630 for 2006).

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2008**

Note 5 - Capital assets are comprised of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2008</u>	<u>2007</u>
Building and improvements	\$348,303	\$144,754	\$203,549	\$212,396
Office furniture and equipment	138,590	96,887	41,703	49,375
Computer equipment	<u>135,085</u>	<u>95,368</u>	<u>39,717</u>	<u>50,156</u>
	621,978	337,009	284,969	311,927
Land	<u>271,824</u>	----	<u>271,824</u>	<u>271,824</u>
	<u>\$893,802</u>	<u>\$337,009</u>	<u>\$556,793</u>	<u>\$583,751</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:

In 2007 the Association received grants totalling \$200,000 from the Province of British Columbia to support the ongoing development and implementation of the sewage system regulation. Management included \$80,000 in revenue to offset costs expended in 2007, \$80,000 to offset costs expended in 2008, and deferred \$40,000 to offset costs to be expended in 2009.

Note 8 - Long-term Liability:

Note payable - FEAT, unsecured, interest at 4%, payable annually on February 1, principal due December 31, 2011.

Note 9 - Restrictions on Net Assets:

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

	<u>Balance 2007</u>	<u>Additional Restrictions</u>	<u>Expenditures</u>	<u>Balance 2008</u>
Reserve for Professional Regulation	\$ 13,240	\$ 20,000	\$ ----	\$ 33,240
Reserve for Building Repairs	50,000	----	----	50,000
Reserve for Computer Software Upgrade	----	<u>25,000</u>	----	<u>25,000</u>
	<u>\$ 63,240</u>	<u>\$ 45,000</u>	<u>\$ ----</u>	<u>\$108,240</u>

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2008**

Note 10 - Comparable figures:

Comparable figures have been reclassified to conform to current presentation.

Note 11 - 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.

Note 12 - 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, 2008 and 2007 and for the years then ended as follows:

	<u>2008</u>	<u>2007</u>
Financial Position		
Total assets	<u>\$390,342</u>	<u>\$336,663</u>
Liabilities	\$ 2,000	\$ 2,100
Net assets	<u>388,342</u>	<u>334,563</u>
	<u>\$390,342</u>	<u>\$336,663</u>
Results of Operations		
Total revenues	\$ 51,840	\$ 44,783
Total expenses	<u>32,386</u>	<u>29,773</u>
Excess of revenues over expenses	<u>\$ 19,454</u>	<u>\$ 15,010</u>
Cash Flows		
Operations	\$ 21,498	\$ 11,838
Endowment contributions (see below)	34,325	1,332
Increase in investments	<u>(41,325)</u>	<u>(17,943)</u>
Increase (decrease) in cash	<u>\$ 14,498</u>	<u>\$ (4,773)</u>

2008 Endowment contributions include a \$25,000 contribution from ASTTBC included in ASTTBC's education and training expenses.