

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

Audited Financial Statements

December 31, 2009

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

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December 31, 2009**

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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, 2009 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, 2009 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 18, 2010

“(signed) O’Neill, Goldstone & Co.”

Certified General Accountants

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

**Statement of Financial Position
as at December 31, 2009**

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 55,631	\$ 45,065
Investments (Notes 2 & 3)	557,924	306,671
Accounts receivable	80,593	54,338
Prepaid expenses	<u>40,022</u>	<u>54,185</u>
	<u>734,170</u>	<u>460,259</u>
Investments: (Notes 2 & 3)	<u>150,000</u>	<u>461,150</u>
Capital Assets: (Notes 2 & 6)	<u>532,748</u>	<u>556,793</u>
Total Assets:	<u>\$1,416,918</u>	<u>\$1,478,202</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accruals	\$ 146,275	\$ 129,184
GST payable	8,226	9,932
Deferred revenue (Note 8)	20,000	40,000
Deferred dues (Note 2)	<u>532,696</u>	<u>590,820</u>
	<u>707,197</u>	<u>769,936</u>
Long-Term Liability: (Note 9)	<u>70,000</u>	<u>70,000</u>
Total Liabilities:	<u>777,197</u>	<u>839,936</u>
Net Assets:		
Invested in capital assets	462,748	486,793
Internally restricted (Note 10)	138,240	108,240
Unrestricted		
Cumulative excess of revenue over expenses	36,963	38,666
Net unrealized gains (losses) on available for sale investments	<u>1,770</u>	<u>4,567</u>
	<u>639,721</u>	<u>638,266</u>
Total Liabilities and Net Assets:	<u>\$1,416,918</u>	<u>\$1,478,202</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, 2009**

	<u>2009</u>	<u>2008</u>
Revenue:		
Membership dues	\$1,893,667	\$1,793,160
Registration fees	147,501	106,447
Governance	26,934	28,416
Professional affairs (Note 8)	427,738	128,968
Education and training	44,466	62,620
Publications	8,629	6,597
Member services	16,200	33,024
Institutes	16,168	16,626
Investment income	33,358	37,539
Miscellaneous	<u>4,200</u>	<u>3,880</u>
	<u>2,618,861</u>	<u>2,217,277</u>
Expenses:		
Administration-general	116,376	121,948
Wages and benefits	1,502,005	1,204,512
Office and equipment maintenance	133,937	126,400
Amortization	38,250	44,105
Interest expense	2,800	2,800
Stationery and printing	38,052	33,933
Governance	114,574	147,409
Professional affairs	224,270	91,161
Legislation and practice	33,470	35,371
National association dues and expenses	121,110	115,079
Public affairs and recruitment	107,441	130,168
Education and training (Note 13)	104,917	86,073
Publications	39,548	38,337
Member services	18,857	11,390
Institutes	<u>19,002</u>	<u>27,332</u>
	<u>2,614,609</u>	<u>2,216,018</u>
Excess of Revenue over Expenses:	<u>\$ 4,252</u>	<u>\$ 1,259</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, 2009**

	<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>2009 Total</u>	<u>2008 Total</u>
Balance - beginning of year	\$486,793	\$108,240	\$ 38,666	\$ 4,567	\$638,266	\$630,681
Excess of revenue over expenses			4,252		4,252	1,259
Purchase of capital assets	14,205		(14,205)			
Amortization	(38,250)		38,250			
Reserve for Computer Software Upgrade		30,000	(30,000)			
Unrealized gains (losses) on available for sale investments arising during the year	_____	_____	_____	_(2,797)	_(2,797)	_6,326
Balance - end of year	<u>\$462,748</u>	<u>\$138,240</u>	<u>\$ 36,963</u>	<u>\$ 1,770</u>	<u>\$639,721</u>	<u>\$638,266</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, 2009**

	<u>2009</u>	<u>2008</u>
Cash Provided by (used for):		
Operating Activities:		
Excess of revenue over expenses	\$ 4,252	\$ 1,259
Items not affecting cash		
Amortization	<u>38,250</u>	<u>44,105</u>
	42,502	45,364
Changes in non-cash working capital items		
Accounts receivable (increase)	(26,255)	36,287
GST receivable (increase)	----	5,610
Prepaid expenses (increase)	14,163	(25,462)
Accounts payable and accruals (decrease)	17,091	(19,204)
GST payable (decrease)	(1,706)	9,932
Deferred revenue (decrease)	(20,000)	(81,005)
Dues received in advance (decrease)	<u>(58,124)</u>	<u>321,640</u>
	<u>(32,329)</u>	<u>293,162</u>
Financing and Investing Activities:		
Purchase of capital assets	(14,205)	(17,348)
Proceeds disposal of capital assets	----	200
Purchase of investments	(657,724)	(1,163,098)
Proceeds on disposal of investments	<u>714,824</u>	<u>949,857</u>
	<u>42,895</u>	<u>(230,389)</u>
Increase (decrease) in cash:	10,566	62,773
Cash - beginning of year	<u>45,065</u>	<u>(17,708)</u>
Cash - end of year	<u>\$ 55,631</u>	<u>\$ 45,065</u>
Interest expense	<u>\$ 2,800</u>	<u>\$ 2,800</u>

See accompanying notes to financial statements

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

**Notes to Financial Statements
December 31, 2009**

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 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.
- (d) 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.
- (e) 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.
- (f) 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.

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**Notes to Financial Statements
December 31, 2009**

Note 2 - Significant accounting policies (continued):

- (g) 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.
- (h) 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.
- (i) Future Accounting changes:
The Accounting Standards Board (AcSB) has announced that all Canadian reporting entities, subject to certain exemptions (which include not-for-profit organizations), will adopt international financial reporting standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The AcSB is currently considering alternatives for those organizations that are not required to adopt IFRS - specifically private enterprises and not-for-profit organizations. The Association will evaluate the implications of the various options as information becomes available.

Note 3 - Investments:

Investments consist of financial institution guaranteed securities, and Corporate Bonds and Discount Notes with effective interest rates ranging from 2.506% to 4% on an annual basis, with maturity dates ranging from 1.4 months to 15.5 months. 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.

Note 5 - Employee Future Benefits:

In March 2010 the Association agreed to provide a retiring allowance upon the retirement of its executive director. To provide for the payment of the allowance, the Association is accruing an annual amount starting in 2009.

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2009**

Note 6 - Capital assets are comprised of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2009</u>	<u>2008</u>
Building and improvements	\$348,303	\$153,601	\$194,702	\$203,549
Office furniture and equipment	138,590	105,905	32,685	41,703
Computer equipment and software	<u>141,639</u>	<u>108,102</u>	<u>33,537</u>	<u>39,717</u>
	628,532	367,608	260,924	284,969
Land	<u>271,824</u>	----	<u>271,824</u>	<u>271,824</u>
	<u>\$900,356</u>	<u>\$367,608</u>	<u>\$532,748</u>	<u>\$556,793</u>

Note 7 - 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 8 - 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 has deferred \$20,000 to offset costs to be expended in 2010.

Note 9 - Long-term Liability:

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

Note 10 - Restrictions on Net Assets:

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

	<u>Balance 2008</u>	<u>Additional Restrictions</u>	<u>Expenditures</u>	<u>Balance 2009</u>
Reserve for Professional Regulation	\$ 33,240	\$ ----	\$ ----	\$ 33,240
Reserve for Building Repairs	50,000	----	----	50,000
Reserve for Computer Software Upgrade	<u>25,000</u>	<u>30,000</u>	----	<u>55,000</u>
	<u>\$108,240</u>	<u>\$ 30,000</u>	<u>\$ ----</u>	<u>\$138,240</u>

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**Notes to Financial Statements
December 31, 2009**

Note 11 - Comparative figures:

Comparative figures have been reclassified to conform to current presentation.

Note 12 - 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 13 - 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, 2009 and 2008 and for the years then ended is as follows:

	<u>2009</u>	<u>2008</u>
Financial Position		
Total assets	<u>\$461,100</u>	<u>\$390,342</u>
Liabilities	\$ 2,000	\$ 2,000
Net assets	<u>459,100</u>	<u>388,342</u>
	<u>\$461,100</u>	<u>\$390,342</u>
Results of Operations		
Total revenues	\$ 43,832	\$ 51,840
Total expenses	<u>31,663</u>	<u>32,386</u>
Excess of revenues over expenses	<u>\$ 12,169</u>	<u>\$ 19,454</u>
Cash Flows		
Operations	\$(32,859)	\$ 21,498
Endowment contributions (see below)	58,589	34,325
Increase in investments	<u>(38,010)</u>	<u>(41,325)</u>
Increase (decrease) in cash	<u>\$(12,280)</u>	<u>\$ 14,498</u>

2009 Endowment contributions include a \$30,000 contribution from ASTTBC included in ASTTBC's education and training expenses (2008 - \$25,000).