

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

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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

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DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Applied Science Technologists and Technicians of British Columbia, which comprise the statement of financial position as at December 31, 2011 and the statements of operations, changes in net assets and 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 accounting standards 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.

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 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

We draw attention to Note 2 to the financial statements which describes that Applied Science Technologists and Technicians of British Columbia adopted the Canadian accounting standards for not-for-profit organizations on January 1, 2011 with a transition date of January 1, 2010. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2010 and January 1, 2010, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2010 and related disclosures. We were not engaged to report on the restated comparative information and, as such, it has not been audited.

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, 2011, and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Surrey, B.C.
April 20, 2012

"(signed) Sadler Weismiller Group"
Chartered Accountants

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u> (Notes 2 & 13)	As at January 1, <u>2010</u> (Notes 2 & 13)
ASSETS			
CURRENT ASSETS			
Cash	\$ 232,213	\$ 140,705	\$ 55,631
Investments - Notes 3(c), 3(d) & 4	847,683	691,712	557,924
Accounts receivable	30,859	30,604	80,593
Prepaid expenses	<u>35,711</u>	<u>53,155</u>	<u>40,022</u>
	1,146,466	916,176	734,170
INVESTMENTS - Notes 3(c), 3(d) & 4	200,000	200,000	150,000
CAPITAL ASSETS - Notes 3(e) & 6	<u>1,082,414</u>	<u>1,072,353</u>	<u>1,056,222</u>
	<u>\$ 2,428,880</u>	<u>\$ 2,188,529</u>	<u>\$ 1,940,392</u>
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals - Note 15	\$ 126,438	\$ 96,886	\$ 134,375
Sales taxes payable	40,984	49,859	8,226
Deferred grant revenue - Notes 3(a) & 8	45,000	-	20,000
Deferred dues - Note 3(a)	803,966	739,791	532,696
Current portion of note payable - Note 9	<u>-</u>	<u>70,000</u>	<u>-</u>
	1,016,388	956,536	695,297
NOTE PAYABLE - Foundation for Education and Advancement in Technology - Note 9	70,000	-	70,000
ACCRUED EMPLOYEE FUTURE BENEFIT OBLIGATION - Notes 3(f) & 10	<u>81,292</u>	<u>39,849</u>	<u>11,900</u>
	<u>1,167,680</u>	<u>996,385</u>	<u>777,197</u>
NET ASSETS			
Invested in capital assets	1,012,414	1,002,353	986,222
Internally restricted - Note 11	193,240	138,240	138,240
Unrestricted			
Cumulative excess of revenue over expenses	<u>55,546</u>	<u>51,551</u>	<u>38,733</u>
	<u>1,261,200</u>	<u>1,192,144</u>	<u>1,163,195</u>
	<u>\$ 2,428,880</u>	<u>\$ 2,188,529</u>	<u>\$ 1,940,392</u>

APPROVED ON BEHALF OF THE COUNCIL:

"(signed) David Rutherford" Vice President

"(signed) Keith Trulson" Secretary Treasurer

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u> (Notes 2 & 13)
REVENUE - Note 3(a)		
Membership dues	\$ 2,056,187	\$ 1,977,782
Registration fees	235,457	136,422
Governance	53,956	47,666
Professional affairs - Note 8	358,352	124,845
Education and training	6,000	-
Publications	9,026	12,254
Member services	45,373	32,134
Institutes	16,111	13,263
Investment income - Notes 2, 3(c) & 3(d)	19,609	20,544
Other Grants and Miscellaneous	<u>4,260</u>	<u>4,250</u>
	<u>2,804,331</u>	<u>2,369,160</u>
EXPENDITURES		
Administration - general	126,756	128,607
Wages and benefits - Note 10	1,592,932	1,505,550
Office and equipment maintenance - Note 11	116,682	137,018
Amortization - Note 2	47,004	42,464
Interest expense - Note 9	2,800	2,800
Stationary and printing	36,236	42,638
Governance	135,080	126,130
Professional affairs	312,067	123,873
Legislation and practice	33,712	27,784
National association dues and expenses - Note 12	50,227	26,259
Public affairs and recruitment	110,796	91,282
Education and training - Note 15	101,093	12,609
Publications	40,621	40,606
Member services	18,014	14,437
Institutes	<u>11,255</u>	<u>18,154</u>
	<u>2,735,275</u>	<u>2,340,211</u>
EXCESS OF RECEIPTS OVER EXPENDITURES	<u>\$ 69,056</u>	<u>\$ 28,949</u>

**APPLIED SCIENCE TECHNOLOGISTS AND
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<i>Invested in Capital Assets</i>	<i>Internally Restricted (Note 11)</i>	<i>Unrestricted Excess of Revenue Over Expenses</i>	<i>2011 Total</i>	<i>2010 Total (Notes 2 & 13)</i>
Net Assets, beginning of the year - Note 2	\$ 1,002,353	\$ 138,240	\$ 51,551	\$ 1,192,144	\$ 1,163,195
Excess of receipts over expenditures - Note 11		55,000	14,056	69,056	28,949
Purchase of capital assets - Note 11	57,065		(57,065)		
Amortization	<u>(47,004)</u>	<u> </u>	<u>47,004</u>	<u> </u>	<u> </u>
Balance, end of the year	<u>\$ 1,012,414</u>	<u>\$ 193,240</u>	<u>\$ 55,546</u>	<u>\$ 1,261,200</u>	<u>\$ 1,192,144</u>

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u> (Notes 2 & 13)
OPERATING ACTIVITIES		
Excess of receipts over expenditures	\$ 69,056	\$ 28,949
Items not affecting cash		
Amortization	47,004	42,464
Accrued employee future benefit obligation	41,443	27,949
Unrealized losses (gains) on marketable securities	(783)	2,820
Increase (decrease) in working capital items other than cash		
Accounts receivable decrease (increase)	(254)	49,989
Prepaid expenses decrease (increase)	17,444	(13,133)
Accounts payable and accruals increase (decrease)	29,552	(37,489)
HST/GST payable increase (decrease)	(8,875)	41,633
Deferred grant revenue increase (decrease)	45,000	(20,000)
Dues received in advance increase (decrease)	<u>64,175</u>	<u>207,095</u>
	<u>303,762</u>	<u>330,277</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(57,065)	(58,595)
Purchase of investments	(155,189)	(1,061,638)
Proceeds on disposal of investments	<u>-</u>	<u>875,030</u>
	<u>(212,254)</u>	<u>(245,203)</u>
INCREASE IN CASH FOR THE YEAR	91,508	85,074
CASH, BEGINNING OF YEAR	<u>140,705</u>	<u>55,631</u>
CASH, END OF YEAR	<u>\$ 232,213</u>	<u>\$ 140,705</u>
NET CASH RECEIVED FOR:		
Interest	<u>\$ 16,026</u>	<u>\$ 20,564</u>

**APPLIED SCIENCE TECHNOLOGISTS AND
TECHNICIANS OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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 objectives and purposes, and shall not be divided among its members.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2011, the Association has elected to adopt the Canadian accounting standards for not-for-profit organizations. These are the Association's first financial statements prepared in accordance with the accounting standards for not-for-profit organizations which have been applied retrospectively.

Management reviewed the exemptions provided on transition to the Canadian accounting standards for not-for-profit organizations and has elected to designate all investments to be subsequently measured at fair value, which is consistent with the accounting policy in place at the time of transition. Management has also elected to re-value the land and building owned by the Association at fair market value as at the date of transition. The fair market value as at January 1, 2010 is now the deemed cost of the property.

The adjustments made resulting from adopting the Canadian accounting standards for not-for-profit organizations as of the date of transition had the following effects on the January 1, 2010 balances:

As At January 1, 2010	Previously Reported	Transition Adjustment	Restated
Statement of Financial Position:			
Capital Assets	\$ 532,748	\$ 523,474	\$ 1,056,222
Net assets invested in capital assets	(462,748)	(523,474)	(986,222)
Cumulative excess of revenue over expenses	(36,963)	(1,770)	(38,733)
Net unrealized gain on investments	(1,770)	1,770	-

As a result of the transition to Canadian accounting standards for not-for-profit organizations and the elections made, the 2010 balances were also restated as follows:

	Previously Reported	Transition Adjustment	Restated
Statement of Financial Position:			
Capital Assets	\$ 551,357	\$ 520,996	\$ 1,072,353
Net assets invested in capital assets	481,357	520,996	1,002,353
Cumulative excess of revenue over expenses	52,601	(1,050)	51,551
Net unrealized losses on investments	(1,050)	1,050	-

**APPLIED SCIENCE TECHNOLOGISTS AND
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

2. **ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS** - Continued

	Previously Reported	Transition Adjustment	Restated
Statement of Operations:			
Investment income	\$ 23,364	\$ (2,820)	\$ 20,544
Amortization	39,986	2,478	42,464

3. **SIGNIFICANT ACCOUNTING POLICIES**

(a) Revenue Recognition

The Association accounts for revenue using the deferral method of accounting for contributions. Restricted contributions, if any, are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue 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.

(b) Financial Instruments

The Association applies Canadian Institute of Chartered Accountants Handbook Section 3856, Financial Instruments to the valuation of its financial instruments.

(c) Investments

Investments are initially recognized and subsequently measured at fair value, determined using market information. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in operations.

(d) Investment Income

Investment income includes interest income as well as realized and unrealized gains and losses. 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.

Investment income is comprised of the following:	<u>2011</u>	<u>2010</u>
Interest from investments	\$ 18,826	\$ 23,364
Unrealized gain (loss) on investments	<u>783</u>	<u>(2,820)</u>
	<u>\$ 19,609</u>	<u>\$ 20,544</u>

**APPLIED SCIENCE TECHNOLOGISTS AND
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

3. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

(e) 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.

(f) Employee Future Benefit Plans

The Association maintains a group registered retirement savings plan for all employees. The Association's 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.

(g) 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.

(h) Measure of Uncertainty

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 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 building and 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.

**APPLIED SCIENCE TECHNOLOGISTS AND
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

4. **INVESTMENTS**

Investments consist of financial institution guaranteed securities, corporate bonds and discount notes. Effective interest rates range from 1.2% to 2.75% (2010: 1.2% to 2.5%) on an annual basis. Maturity dates range from 2 months to 24 months for investments other than mutual fund savings accounts. Investments maturing within 12 months from year-end are classified as current.

5. **FINANCIAL INSTRUMENTS**

The Association's financial instruments consist of cash, accounts receivable, investments, accounts payable, accruals and note payable. Cash, accounts receivable, accounts payable, accruals and note payable are carried at cost which approximates their fair values. Investments 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.

6. **CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net Book Value	
			<u>2011</u>	<u>2010</u>
Building and improvements	\$ 493,880	\$ 28,101	\$ 465,779	\$ 479,830
Office furniture and equipment	137,781	117,252	20,529	27,374
Computer equipment and software	170,001	110,895	59,106	28,149
Land	<u>537,000</u>	<u>-</u>	<u>537,000</u>	<u>537,000</u>
	<u>\$ 1,338,662</u>	<u>\$ 256,248</u>	<u>\$ 1,082,414</u>	<u>\$ 1,072,353</u>

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 0.75%. 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 the property located at 10767 - 148th Street, Surrey, B.C.

8. **GOVERNMENT GRANTS**

In 2007 and 2009, the Association received grants totalling \$400,000 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 all but \$20,000 in revenue prior to 2010 to offset costs expended in 2007, 2008 and 2009. The remaining \$20,000 was included in 2010 revenue to offset costs in 2010. In 2011, the Association received a grant of \$75,000, of which \$30,000 was included in revenue to offset costs expended in 2011. The Association, also in 2011, received a grant of \$146,187 from Human Resources and Skills Development Canada (HRSDC) to provide a standardized e-business-based on-line resource for the technology profession that allows all stakeholders to complete their application for certification and other activities on-line in both English and French. The amount was fully expended in the year.

**APPLIED SCIENCE TECHNOLOGISTS AND
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

9. **NOTE PAYABLE**

The note payable to the Foundation for Education and Advancement in Technology is unsecured, bears interest at 4%, payable annually on February 1, with the principal due December 31, 2014. The Association has the option to repay the note prior to December 31, 2014.

10. **EMPLOYEE FUTURE BENEFIT COSTS**

	<u>2011</u>	<u>2010</u>
Expensed contributions to group registered retirement savings plan	\$ <u>112,233</u>	\$ <u>94,956</u>
Accrued Employee Future Benefit Obligation:		
Beginning balance	\$ 39,849	\$ 11,900
Past service costs retiring allowance obligation	34,097	22,197
Current service costs retiring allowance obligation	4,219	4,219
Interest	<u>3,127</u>	<u>1,533</u>
Total Accrued Employee Future Benefit Obligation	\$ <u>81,292</u>	\$ <u>39,849</u>

Unamortized past service costs at December 31, 2011 is \$34,094 (2010: \$68,194).

11. **RESTRICTIONS ON NET ASSETS**

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

	<u>Balance</u> <u>2010</u>	<u>Additional</u> <u>Restrictions</u>	<u>Expenditures</u>	<u>Balance</u> <u>2011</u>
Reserve for Professional Regulation	\$ 33,240	\$ -	\$ -	\$ 33,240
Reserve for First Nations Careers Council	-	5,000	-	5,000
Reserve for Computer Software Upgrade	<u>105,000</u>	<u>50,000</u>	<u>-</u>	<u>155,000</u>
	\$ <u>138,240</u>	\$ <u>55,000</u>	\$ <u>-</u>	\$ <u>193,240</u>

For 2011, the Council recommended a new reserve for First Nations Careers Council (FNCC) to recognize the outlay for future programming initiatives related to carrying out activities consistent with the FNCC purpose.

12. **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 from CCTT. No provision has been made in these financial statements in respect of the 2010 dues. The matter is unresolved.

**APPLIED SCIENCE TECHNOLOGISTS AND
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

13. **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the presentation used in the 2011 year. The comparative prior year figures have been reported on by another firm.

14. **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.

15. **CONTROLLED ENTITY - Foundation For Education And Advancement In Technology (FEAT)**

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 are available to the members. As at December 31, 2011, there is a balance owing from ASTTBC of \$8,613 (2010: \$5,611) for donations not yet transferred. A financial summary of the Foundation as at December 31, 2011 and 2010 and for the years then ended is as follows:

	<u>2011</u>	<u>2010</u>
Financial Position		
Total assets	\$ <u>516,150</u>	\$ <u>477,683</u>
Liabilities	\$ 2,500	\$ 2,500
Net assets - restricted for endowment	348,579	320,155
Net assets - unrestricted	<u>165,071</u>	<u>155,028</u>
	<u>\$ 516,150</u>	<u>\$ 477,683</u>
Results of Operations		
Total revenues	\$ 39,158	\$ 39,704
Total expenses	<u>29,115</u>	<u>33,249</u>
Excess of revenues over expenses	<u>\$ 10,043</u>	<u>\$ 6,455</u>
Cash Flows		
Operations	\$ 7,168	\$ 55,131
Endowment contributions	28,424	9,628
Purchase of investments	<u>(6,155)</u>	<u>(11,323)</u>
Increase in cash	<u>\$ 29,437</u>	<u>\$ 53,436</u>

2011 Endowment contributions include a \$9,000 contribution from ASTTBC included in ASTTBC's education and training expenses (\$ nil in 2010).