

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

**Audited Financial Statements**

**December 31, 2005**

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

**Index to Financial Statements  
December 31, 2005**

Auditors' Report

Statement of Financial Position

Statement I

Statement of Changes in Net Assets

Statement II

Statement of Operations

Statement III

Statement of Cash Flows

Statement IV

Notes to Financial Statements

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, 2005 and the statements of changes in net assets, operations 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, 2005 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 24, 2006

“(signed) O’Neill, Goldstone & Co.”

Certified General Accountants

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

**Statement of Financial Position  
as at December 31, 2005**

	<u><b>2005</b></u>	<u><b>2004</b></u>
<u><b>ASSETS</b></u>		
<b>Current Assets:</b>		
Cash and short-term deposits	\$ 471,124	\$ 661,726
Accounts receivable	15,083	14,917
Prepaid expenses	<u>23,468</u>	<u>28,014</u>
	<u>509,675</u>	<u>704,657</u>
<b>Property and Equipment:</b> (Notes 2 & 3)	<u>610,579</u>	<u>613,694</u>
<b>Total Assets:</b>	<u><u>\$1,120,254</u></u>	<u><u>\$1,318,351</u></u>
<u><b>LIABILITIES AND NET ASSETS</b></u>		
<b>Current Liabilities:</b>		
Accounts payable and accruals	\$ 123,997	\$ 180,046
GST payable	8,179	3,109
Deferred revenue - Government grants (Note 5)	7,484	117,484
Deferred revenue - Other	1,250	----
Deferred dues (Note 2)	331,268	223,860
Current portion of capital lease	752	4,412
Current portion long-term debt	<u>----</u>	<u>51,067</u>
	<u>472,930</u>	<u>579,978</u>
<b>Capital Leases:</b> (Notes 3 & 6)	<u>----</u>	<u>601</u>
<b>Long-Term Liabilities:</b> (Note 7)	<u>70,000</u>	<u>190,695</u>
	<u>542,930</u>	<u>771,274</u>
<b>Net Assets:</b>		
Invested in property & equipment	539,827	366,919
Internally restricted (Note 9)	48,323	44,752
Unrestricted	<u>(10,826)</u>	<u>135,406</u>
	<u>577,324</u>	<u>547,077</u>
<b>Total Liabilities and Net Assets:</b>	<u><u>\$1,120,254</u></u>	<u><u>\$1,318,351</u></u>

See accompanying notes to financial statements

**APPROVED ON BEHALF OF THE COUNCIL**

\_\_\_\_\_  
“(signed) Keith Switzer” President

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“(signed) William R. Howe” Secretary Treasurer

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

**Statement of Changes in Net Assets  
for the year ended December 31, 2005**

	<b>Invested in Property &amp; Equipment</b>	<b>Internally Restricted</b>	<b>Un- restricted</b>	<b>2005 Total</b>	<b>2004 Total</b>
<b>Balance - beginning of year</b>	\$366,919	\$ 44,752	\$135,406	\$547,077	\$399,176
<b>Excess of revenue over expenses</b>			31,745	31,745	149,394
Gain (loss) on disposal of equipment	(1,498)			(1,498)	(1,493)
Sale of equipment	(3,947)		3,947		
Investment in equipment	42,611		(42,611)		
Principal repayment of mortgage	171,762		(171,762)		
Principal repayment of capital lease	4,261		(4,261)		
Amortization	(40,281)		40,281		
Reserve for Fire Protection Certification (Note 9)		(6,429)	6,429		
Reserve for Professional Regulation (Note 9)		----	----		
Reserve for Building Repairs (Note 9)	_____	10,000	(10,000)	_____	_____
<b>Balance - end of year</b>	<u>\$539,827</u>	<u>\$ 48,323</u>	<u>\$(10,826)</u>	<u>\$577,324</u>	<u>\$547,077</u>

See accompanying notes to financial statements

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

**Statement of Operations  
for the year ended December 31, 2005**

	<u>2005</u>	<u>2004</u>
<b>Revenue:</b>		
Membership dues	\$1,474,630	\$1,383,856
Registration fees	127,479	66,429
Governance	19,452	20,612
Professional affairs (Note 5)	152,652	121,855
Education and training	56,890	----
Publications	8,202	7,895
Member services	23,362	7,850
Career management	550	8,060
Institutes	18,394	15,540
Secretarial services	4,065	4,120
Interest income	20,400	15,387
Miscellaneous	----	14,000
	<u>1,906,076</u>	<u>1,665,604</u>
<b>Expenses:</b>		
Administration-general	76,459	59,749
Wages and benefits	1,051,410	884,835
Office and equipment maintenance	90,010	79,492
Amortization	40,281	42,901
Interest expense	12,197	15,628
Stationery and printing	35,997	26,862
Governance	73,488	62,030
Professional affairs	143,538	111,062
Legislation and practice	23,419	19,547
National association dues and expenses	103,185	81,563
Public affairs and recruitment	52,147	33,902
Education and training	81,766	10,000
Publications	32,440	23,456
Member services	10,087	5,299
Career Management	3,117	4,703
Institutes	33,361	31,933
Reserve Expenditures (Note 9)	11,429	23,248
	<u>1,874,331</u>	<u>1,516,210</u>
<b>Excess of Revenue over Expenses:</b>	31,745	149,394
<b>Gain (Loss) on Disposal of Equipment:</b>	<u>(1,498)</u>	<u>(1,493)</u>
<b>Increase in Net Assets:</b>	<u>\$ 30,247</u>	<u>\$ 147,901</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, 2005**

	<u>2005</u>	<u>2004</u>
<b>Cash Provided by (used for):</b>		
<b>Operating Activities:</b>		
Excess of revenue over expenses	\$ 31,745	\$149,394
Items not affecting cash		
Amortization	<u>40,281</u>	<u>42,901</u>
	72,026	192,295
Changes in non-cash working capital items		
Accounts receivable (increase)	(166)	(3,209)
Prepaid expenses (increase)	4,546	(6,677)
Accounts payable and accruals (decrease)	(56,049)	87,540
GST payable (decrease)	5,070	(4,012)
Deferred revenue - Government grants (decrease)	(110,000)	110,000
Deferred revenue - Other (decrease)	1,250	(1,380)
Dues received in advance (decrease)	<u>107,408</u>	<u>33,314</u>
	<u>24,085</u>	<u>407,871</u>
<b>Financing and Investing Activities:</b>		
Payment first mortgage principal	(171,762)	(38,637)
Lease payments principal	(4,261)	(4,105)
Purchase of equipment	(42,611)	(72,743)
Proceeds disposal of equipment	<u>3,947</u>	<u>468</u>
	<u>(214,687)</u>	<u>(115,017)</u>
<b>Increase (decrease) in cash:</b>	(190,602)	292,854
<b>Cash - beginning of year</b>	<u>661,726</u>	<u>368,872</u>
<b>Cash - end of year</b>	<u>\$471,124</u>	<u>\$661,726</u>

See accompanying notes to financial statements

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

**Notes to Financial Statements  
December 31, 2005**

**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. ASTT 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.
- (c) Property and equipment 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%
Computer equipment	20%

Full amortization is taken in the year of acquisition.

- (d) 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.

**Note 3 - Property and equipment are comprised of the following:**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2005</u>	<u>2004</u>
Building and improvements	\$348,303	\$118,213	\$230,090	\$238,935
Office furniture and equipment	153,480	102,392	51,088	39,827
Computer equipment	<u>188,872</u>	<u>131,295</u>	<u>57,577</u>	<u>63,108</u>
	690,655	351,900	338,755	341,870
Land	<u>271,824</u>	----	<u>271,824</u>	<u>271,824</u>
	<u>\$962,479</u>	<u>\$351,900</u>	<u>\$610,579</u>	<u>\$613,694</u>

Equipment includes assets under capital lease of \$16,215 and related amortization of \$6,486 (2004 - \$16,215 and \$4,865).



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

**Notes to Financial Statements  
December 31, 2005**

**Note 4 - 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 5 - Government Grants:**

In 2004 the Association received a grant of \$190,000 from the Province of British Columbia to carry out the development of the onsite waste water practitioner registration process and fulfill their regulatory role under the new sewage system regulation. Management included \$110,000 in revenue to offset costs expended in 2005 and \$80,000 to offset costs expended in 2004.

**Note 6 - Capital Lease:**

Lease payments required under the capital lease for equipment are as follows:

	<u>2005</u>	<u>2004</u>
2005	\$ ----	\$ 4,412
2006	<u>757</u>	<u>735</u>
Total payments	757	5,147
Less: Amount representing interest at 4.21%.	<u>5</u>	<u>134</u>
	<u>\$ 752</u>	<u>\$ 5,013</u>

**Note 7 - Long-term Liabilities:**

	<u>2005</u>	<u>2004</u>
First Mortgage - Land and Building was payable \$1,130, per week including interest at prime plus 1%, and was secured by the \$500,000 demand collateral first mortgage against property at 10767 - 148th Street, Surrey, BC	\$ ----	\$171,762
Note payable - FEAT, unsecured, interest at 4% (2005 - 8%), payable annually on February 1, principal due December 31, 2011.	<u>70,000</u>	<u>70,000</u>
	70,000	241,762
Less: Principal due within one year	<u>----</u>	<u>51,067</u>
	<u>\$ 70,000</u>	<u>\$190,695</u>

**Note 8 - Financial Instruments:**

The Association's financial instruments consist of cash, short-term deposits, accounts receivable, accounts payable, accruals, capital lease, and note due to FEAT. The fair value of these financial instruments approximates their carrying values unless otherwise noted.

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

**Notes to Financial Statements  
December 31, 2005**

**Note 9 - Restrictions on Net Assets:**

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

	<u>Balance 2004</u>	<u>Additional Restrictions</u>	<u>Expenditures</u>	<u>Balance 2005</u>
Reserve for Fire Protection Certification	\$ 6,429	\$ ----	\$ 6,429	\$ ----
Reserve for Professional Regulation	28,323	5,000	5,000	28,323
Reserve for Building Repairs	<u>10,000</u>	<u>10,000</u>	<u>----</u>	<u>20,000</u>
	<u>\$ 44,752</u>	<u>\$ 15,000</u>	<u>\$ 11,429</u>	<u>\$ 48,323</u>

ASTTBC donation of \$5,000 to the FEAT Women in Technology Fund paid from reserve for Professional Regulation.

**Note 10 - 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. 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, 2005 and 2004 and for the years then ended as follows:

	<u>2005</u>	<u>2004</u>
<b>Financial Position</b>		
Total assets	<u>\$269,904</u>	<u>\$238,970</u>
Liabilities	2,000	1,923
Net assets	<u>267,904</u>	<u>237,047</u>
	<u>\$269,904</u>	<u>\$238,970</u>
<b>Results of Operations</b>		
Total revenues	\$ 39,154	\$ 33,933
Total expenses	<u>15,638</u>	<u>27,352</u>
Excess of revenues over expenditures	<u>\$ 23,516</u>	<u>\$ 6,581</u>
<b>Cash Flows</b>		
Operations	\$ 26,924	\$ 11,486
Endowment contributions	7,341	21,602
Increase in investments	<u>(41,280)</u>	<u>(35,782)</u>
Increase (decrease) in cash	<u>\$ (7,015)</u>	<u>\$ (2,694)</u>