

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

Audited Financial Statements

December 31, 2007

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

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December 31, 2007**

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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, 2007 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, 2007 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 15, 2008

“(signed) O’Neill, Goldstone & Co.”

Certified General Accountants

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

**Statement of Financial Position
as at December 31, 2007**

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 1,024	\$ 95,195
Investments (Notes 2 & 3)	544,414	256,014
Accounts receivable	94,465	35,794
GST receivable	5,610	----
Prepaid expenses	<u>28,723</u>	<u>36,896</u>
	<u>674,236</u>	<u>423,899</u>
Investments: (Notes 2 & 3)	<u>----</u>	<u>244,595</u>
Capital Assets: (Notes 2 & 4)	<u>583,751</u>	<u>594,367</u>
Total Assets:	<u><u>\$1,257,987</u></u>	<u><u>\$1,262,861</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Bank overdraft (Note 5)	\$ 18,732	\$ ----
Accounts payable and accruals	148,389	132,423
GST payable	----	11,145
Deferred revenue (Note 6)	121,005	----
Deferred dues (Note 2)	<u>269,180</u>	<u>432,134</u>
	<u>557,306</u>	<u>575,702</u>
Long-Term Liability: (Note 7)	<u>70,000</u>	<u>70,000</u>
Total Liabilities:	<u>627,306</u>	<u>645,702</u>
Net Assets:		
Invested in capital assets	513,750	524,367
Internally restricted (Note 8)	63,240	51,737
Unrestricted		
Cumulative excess of revenue over expenses	58,525	42,890
Net unrealized gains (losses) on available for sale investments	<u>(4,834)</u>	<u>(1,835)</u>
	<u>630,681</u>	<u>617,159</u>
Total Liabilities and Net Assets:	<u><u>\$1,257,987</u></u>	<u><u>\$1,262,861</u></u>

See accompanying notes to financial statements

APPROVED ON BEHALF OF THE COUNCIL

“(signed) William MacPherson” Secretary Treasurer

“(signed) Darrin Heisler” President

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

**Statement of Operations
for the year ended December 31, 2007**

	<u>2007</u>	<u>2006</u>
Revenue:		
Membership dues	\$1,694,529	\$1,605,214
Registration fees	78,260	93,930
Governance	25,132	27,002
Professional affairs (Note 6)	131,607	48,082
Education and training	73,354	7,484
Publications	8,739	7,889
Member services	36,161	27,239
Institutes	19,894	16,325
Investment income	41,550	27,459
Miscellaneous	<u>10,858</u>	<u>12,190</u>
	<u>2,120,084</u>	<u>1,872,814</u>
Expenses:		
Administration-general	74,921	68,412
Wages and benefits	1,185,487	1,093,421
Office and equipment maintenance	135,144	95,885
Amortization	44,636	44,082
Interest expense	2,800	2,805
Stationery and printing	37,051	29,695
Governance	111,136	83,162
Professional affairs	85,539	95,196
Legislation and practice	24,731	21,298
National association dues and expenses	98,479	95,395
Public affairs and recruitment	139,086	89,842
Education and training	68,653	8,659
Publications	47,262	42,126
Member services	13,763	15,865
Institutes	23,055	33,715
Reserve Expenditures (Note 8)	<u>3,497</u>	<u>11,586</u>
	<u>2,095,240</u>	<u>1,831,144</u>
Excess of Revenue over Expenses:	24,844	41,670
Gain (Loss) on Disposal of Equipment:	<u>(8,323)</u>	<u>----</u>
Increase in Net Assets:	<u>\$ 16,521</u>	<u>\$ 41,670</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, 2007**

	<u>Invested in Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted Excess of Revenue Over Expenses</u>	<u>Unrestricted Net Unrealized Losses on Available for sale Investments</u>	<u>2007 Total</u>	<u>2006 Total</u>
Balance - beginning of year	\$524,367	\$ 51,737	\$ 42,890	\$ (1,835)	\$617,159	\$577,324
Excess of revenue over expenses			24,844		24,844	41,670
Gain (loss) on disposal of equipment	(8,323)				(8,323)	
Proceeds sale of equipment	(5,000)		5,000			
Purchase of capital assets	47,342		(47,342)			
Amortization	(44,636)		44,636			
Reserve for Professional Regulation		(3,497)	3,497			
Reserve for Building Repairs		15,000	(15,000)			
Unrealized gains (losses) on available for sale investments arising during the year				(3,242)	(3,242)	(1,835)
Reclassification adjustment for losses included in excess of revenue over expenses	_____	_____	_____	243	243	_____
Balance - end of year	<u>\$513,750</u>	<u>\$ 63,240</u>	<u>\$ 58,525</u>	<u>\$ (4,834)</u>	<u>\$630,681</u>	<u>\$617,159</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, 2007**

	<u>2007</u>	<u>2006</u>
Cash Provided by (used for):		
Operating Activities:		
Excess of revenue over expenses	\$ 24,844	\$ 41,670
Items not affecting cash		
Amortization	44,636	44,082
(Increase) decrease unrealized gains (losses) investments	<u>(2,999)</u>	<u>(1,835)</u>
	66,481	83,917
Changes in non-cash working capital items		
Accounts receivable (increase)	(58,671)	(20,711)
GST receivable (increase)	(5,610)	----
Prepaid expenses (increase)	8,173	(13,428)
Accounts payable and accruals (decrease)	15,966	8,426
GST payable (decrease)	(11,145)	2,966
Deferred revenue (decrease)	121,005	(8,734)
Dues received in advance (decrease)	<u>(162,954)</u>	<u>100,866</u>
	<u>(26,755)</u>	<u>153,302</u>
Financing and Investing Activities:		
Lease payments principal	----	(752)
Purchase of capital assets	(47,343)	(27,870)
Proceeds disposal of capital assets	5,000	----
Investments (increase) decrease	<u>(43,805)</u>	<u>(86,777)</u>
	<u>(86,148)</u>	<u>(115,399)</u>
Increase (decrease) in cash:	(112,903)	37,903
Cash - beginning of year	<u>95,195</u>	<u>57,292</u>
Cash - end of year	<u>\$ (17,708)</u>	<u>\$ 95,195</u>
Represented by:		
Cash	\$ 1,024	\$ 95,195
Bank overdraft	<u>(18,732)</u>	<u>----</u>
	<u>\$ (17,708)</u>	<u>\$ 95,195</u>

See accompanying notes to financial statements

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2007**

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) Investments are classified as available for sale and recorded at market value.
- (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.
- (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 purchased after 2006	20%
Computer equipment	20%

Full amortization is taken in the year of acquisition.

- (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.

**APPLIED SCIENCE TECHNOLOGISTS AND
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**Notes to Financial Statements
December 31, 2007**

Note 3 - Investments:

Investments consist of Canadian Government and Corporate Bonds and Discount Notes with interest rates ranging from 3.740% to 5% on an annual basis, with maturity dates ranging from 7 months to one year. Investments maturing within 12 months from year-end are classified as current.

Note 4 - Capital assets are comprised of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2007</u>	<u>2006</u>
Building and improvements	\$348,303	\$135,907	\$212,396	\$221,243
Office furniture and equipment	161,729	112,354	49,375	46,869
Computer equipment	<u>135,992</u>	<u>85,836</u>	<u>50,156</u>	<u>54,431</u>
	646,024	334,097	311,927	322,543
Land	<u>271,824</u>	----	<u>271,824</u>	<u>271,824</u>
	<u>\$917,848</u>	<u>\$334,097</u>	<u>\$583,751</u>	<u>\$594,367</u>

Note 5 - 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 6 - 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 and deferred \$120,000 to offset costs to be expended in 2008.

Note 7 - Long-term Liability:

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

Note 8 - Restrictions on Net Assets:

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

	<u>Balance 2006</u>	<u>Additional Restrictions</u>	<u>Expenditures</u>	<u>Balance 2007</u>
Reserve for Professional Regulation	\$ 16,737	\$ ----	\$ 3,497	\$ 13,240
Reserve for Building Repairs	<u>35,000</u>	<u>15,000</u>	----	<u>50,000</u>
	<u>\$ 51,737</u>	<u>\$ 15,000</u>	<u>\$ 3,497</u>	<u>\$ 63,240</u>

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**Notes to Financial Statements
December 31, 2007**

Note 9 - Comparable figures:

Comparable figures have been changed to conform to current presentation.

Note 10 - Financial Instruments:

The Association's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable, accruals, and note due to FEAT. The fair value of these financial instruments approximates their carrying values unless otherwise noted.

Note 11 - 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, 2007 and 2006 and for the years then ended as follows:

	<u>2007</u>	<u>2006</u>
Financial Position		
Total assets	<u>\$336,663</u>	<u>\$320,321</u>
Liabilities	\$ 2,100	\$ 2,100
Net assets	<u>334,563</u>	<u>318,221</u>
	<u>\$336,663</u>	<u>\$320,321</u>
Results of Operations		
Total revenues	\$ 44,783	\$ 47,702
Total expenses	<u>29,773</u>	<u>19,050</u>
Excess of revenues over expenses	<u>\$ 15,010</u>	<u>\$ 28,652</u>
Cash Flows		
Operations	\$ 11,838	\$ 36,536
Endowment contributions	1,332	22,165
Increase in investments	<u>(17,943)</u>	<u>(62,669)</u>
Increase (decrease) in cash	<u>\$ (4,773)</u>	<u>\$ (3,968)</u>