

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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

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**DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Applied Science Technologists and Technicians of British Columbia as at December 31, 2019, 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.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Association's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

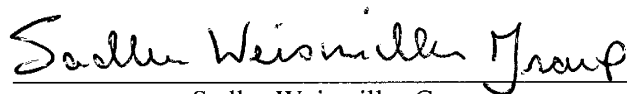
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Surrey, B.C.  
May 15, 2020

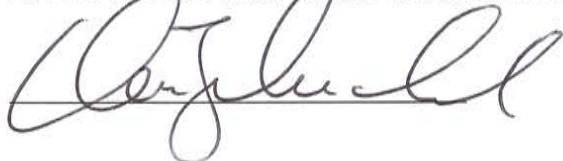
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Sadler Weismiller Group,  
Chartered Professional Accountants

**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - Note 2(f)	\$ 1,005,898	\$ 598,664
Short term investments - Notes 2(c), 2(d) & 6	657,287	1,034,382
Accounts receivable	203,047	14,497
Prepaid expenses - Note 10	100,532	70,333
Restricted cash - accrued employee future benefit obligations - Note 2(j)	<u>68,000</u>	<u>68,000</u>
	2,034,764	1,785,876
LONG TERM INVESTMENTS - Notes 2(c), 2(d) & 9	714,424	304,684
TANGIBLE CAPITAL ASSETS - Notes 2(i) & 5	972,838	1,006,598
INTANGIBLE CAPITAL ASSETS - Notes 2(i) & 5	<u>63,727</u>	<u>37,460</u>
	<u>\$ 3,785,753</u>	<u>\$ 3,134,618</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals - Note 12	\$ 192,744	\$ 104,552
Sales taxes payable	55,816	33,731
Deferred contract and fee revenue - Notes 2(b) & 10	122,825	138,377
Short term portion of accrued employee future and termination benefit obligations - Notes 2(j) & 7	68,000	68,000
Deferred dues - Note 2(b)	<u>1,283,673</u>	<u>1,163,151</u>
	1,723,058	1,507,811
LONG TERM PORTION OF ACCRUED EMPLOYEE FUTURE AND TERMINATION BENEFIT OBLIGATIONS - Notes 2(j) & 7	<u>189,000</u>	<u>257,000</u>
	<u>1,912,058</u>	<u>1,764,811</u>
<b>NET ASSETS</b>		
Invested in capital assets	1,036,565	1,044,058
Internally restricted - Note 11	130,625	130,625
Unrestricted		
Cumulative excess (deficiency) of revenue over expenses	<u>706,505</u>	<u>195,124</u>
	<u>1,873,695</u>	<u>1,369,807</u>
	<u>\$ 3,785,753</u>	<u>\$ 3,134,618</u>

APPROVED ON BEHALF OF THE COUNCIL:




**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
REVENUE - Note 2(b)		
Membership dues	\$ 2,533,750	\$ 2,520,712
Registration fees	167,765	148,709
Governance	64,319	69,519
Professional affairs	822,963	437,641
Publications	14,323	7,196
Member services	84,579	135,394
Investment and other income - Notes 2(c), 2(d) & 14	<u>42,678</u>	<u>30,551</u>
	<b><u>3,730,377</u></b>	<b><u>3,349,722</u></b>
EXPENDITURES - Notes 2(h) & 13		
Administration - general	136,421	163,177
Wages and benefits - Note 7	1,810,867	1,978,161
Office and equipment maintenance	183,696	164,549
Amortization	61,481	59,529
Stationary and printing	27,317	27,662
Governance	145,421	161,419
Professional affairs	640,902	347,687
Legislation and practice	38,129	39,934
National association dues and expenses	64,654	63,252
Community relations and recruitment	52,189	70,181
Education and training	12,781	15,198
Publications	8,761	33,961
Member services	<u>43,870</u>	<u>27,320</u>
	<b><u>3,226,489</u></b>	<b><u>3,152,030</u></b>
EXCESS OF RECEIPTS OVER EXPENDITURES FROM OPERATIONS	503,888	197,692
LOSS FROM IMPAIRMENT OF ASSETS - Note 5	-	(202,681)
EXPENDITURES FROM RESERVES - Notes 11 & 13	<u>-</u>	<u>(6,837)</u>
TOTAL EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<b><u>503,888</u></b>	<b><u>(11,826)</u></b>

**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<i>Invested in Capital Assets</i>	<i>Internally Restricted (Note 11)</i>	<i>Unrestricted Excess (Deficiency) of Receipts Over Expenditures</i>	<i>2019 Total</i>	<i>2018 Total</i>
Net Assets, beginning of the year	\$ 1,044,058	\$ 130,625	\$ 195,124	\$ 1,369,807	\$ 1,381,633
Excess (deficiency) of receipts over expenditures - Note 11	-	-	503,888	503,888	(11,826)
Purchase of capital assets	53,988	-	(53,988)	-	-
Amortization	<u>(61,481)</u>	<u>-</u>	<u>61,481</u>	<u>-</u>	<u>-</u>
Balance, end of the year	<u>\$ 1,036,565</u>	<u>\$ 130,625</u>	<u>\$ 706,505</u>	<u>\$ 1,873,695</u>	<u>\$ 1,369,807</u>

**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of receipts over expenditures	\$ 503,888	\$ (11,826)
Items not affecting cash		
Amortization	61,481	59,529
Loss on disposal of asset	-	202,681
Change in working capital items other than cash		
Accounts receivable decrease (increase)	(188,550)	125,441
Accrued employee future and termination benefit obligations decrease	(68,000)	(79,500)
Prepaid expenses increase	(30,199)	(3,005)
Accounts payable and accruals increase (decrease)	88,192	(44,597)
Wages and benefits payable increase (decrease)	-	(12,026)
GST payable increase	22,085	12,453
Deferred contract revenue increase (decrease)	(15,552)	32,821
Dues received in advance increase	<u>120,522</u>	<u>10,531</u>
	<u>493,867</u>	<u>292,502</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(53,988)	(41,234)
Net decrease in short term investments	377,095	172,783
Net increase in long term investments	<u>(409,740)</u>	<u>(204,016)</u>
	<u>(86,633)</u>	<u>(72,467)</u>
<b>INCREASE IN CASH FOR THE YEAR</b>	407,234	220,035
<b>CASH, BEGINNING OF YEAR</b>	<u>666,664</u>	<u>446,629</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,073,898</u>	<u>\$ 666,664</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 1,005,898	\$ 598,664
Restricted Cash	<u>68,000</u>	<u>68,000</u>
	<u>\$ 1,073,898</u>	<u>\$ 666,664</u>
<b>NET CASH RECEIVED FROM:</b>		
Interest	<u>\$ 42,678</u>	<u>\$ 30,551</u>



**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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. It also regulates standards of training and practice of and for its members and protects 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. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(b) 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 fiscal year basis. (In the prior year, some dues were 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) 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 consists of interest. 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) 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.

**APPLIED SCIENCE TECHNOLOGISTS AND  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

2. **SIGNIFICANT ACCOUNTING POLICIES - Continued**

(f) Cash

Cash is comprised of petty cash on hand and deposits held in the bank.

(g) Financial Instruments

Measurement of financial instruments

The Association measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in guaranteed investment certificates and mutual fund savings accounts which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income. The carrying amounts of the financial assets and liabilities approximate the amortized cost unless otherwise noted.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accruals and the accrued employee future and termination benefit obligations.

Financial assets measured at fair value include guaranteed investment certificates and mutual fund savings accounts.

Impairment

Financial instruments measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Association's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

(h) Allocation of Expenses:

The Association allocates expenses on the statement of operations by activity. The cost of the activities includes costs that can be directly attributed: administration, interest and amortization, wages and benefits, maintenance and stationary and printing costs.

The basis of allocation is made based on the proportional revenue of the operation activity, except for wages & benefits, which are allocated based on management's estimates of efforts exerted (Note 13).

**APPLIED SCIENCE TECHNOLOGISTS AND  
TECHNICIANS OF BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

2. **SIGNIFICANT ACCOUNTING POLICIES - Continued**

(i) Capital Assets

*Tangible assets:*

Tangible assets are recorded at cost. Amortization is calculated on a straight line basis over the assets' estimated useful lives as follows:

Land	not amortized
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.

*Intangible assets:*

Intangible assets are recorded at cost. Amortization is calculated on a straight line basis over the assets' estimated useful lives as follows:

Websites	5 years
Database	20 years

Full amortization is taken in the year of acquisition.

(j) Employee Future Benefit Plans and Termination Benefits

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. This retirement obligation is for cash remuneration only and does not offer any post-retirement benefits such as health benefits. The defined benefit obligation provides a pension based on the length of service and annual earnings of the employee. This benefit is being paid out over a five year period starting April 2018.

The accrued future benefit obligation is determined using the present value (based on a 2.03% discount rate, 2.23% in 2018) of the contracted benefit amortized over the remaining service period to full eligibility. The accrued obligation is measured at December 31 of each year.

Termination benefit costs and obligations are recognized when the employee accepts the termination agreement and the termination benefits can be reasonably estimated.

The Association restricts a portion of its cash balance to be held to pay the current portion of these obligations upon the retirement/termination of the employee.

**APPLIED SCIENCE TECHNOLOGISTS AND  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

2. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

(k) Use of Estimates

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 capital assets for calculating amortization, the determination of the deferred portion of government grants, determination of the discount factor used to calculate the future employee benefit obligation and the allocation of expenses to the appropriate functional category.

3. **FINANCIAL INSTRUMENTS**

Risks and concentrations

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Association's risk exposure as at December 31, 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued employee future and termination benefit obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its accounts receivable. The Association's credit risk is minimal as the accounts receivable consist mainly of government funds receivable.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association's main market risk relates to its long term investments. The Association has reduced this risk by keeping the total amount invested in guaranteed investment certificates and mutual fund savings accounts.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Association to a fair value risk since fair value fluctuates inversely to changes in market interest rates. The Association is exposed to fixed interest rate risk on its investments in interest bearing accounts, guaranteed investment certificates, and mutual fund savings accounts. Floating rate instruments, such as the Association's line of credit, subject the Association to related cash flow risk.

**APPLIED SCIENCE TECHNOLOGISTS AND  
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4. **LINE OF CREDIT**

The Association has arranged a line of credit at the HSBC to cover any cash shortages. Interest is charged at the bank's prime plus 0.75%. The maximum amount authorized is \$75,000 (2018: \$75,000). 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. As at December 31, 2019 the balance due on the line of credit was \$Nil (2018: \$Nil).

5. **CAPITAL ASSETS**

Tangible assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2019</u>	<u>2018</u>
Building and improvements	\$ 544,521	\$ 148,623	\$ 395,898	\$ 411,214
Office furniture and equipment	73,852	52,793	21,059	25,759
Computer equipment and software	93,723	74,842	18,881	32,625
Land	<u>537,000</u>	<u>-</u>	<u>537,000</u>	<u>537,000</u>
	<u>\$ 1,249,096</u>	<u>\$ 276,258</u>	<u>\$ 972,838</u>	<u>\$ 1,006,598</u>

Intangible assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2019</u>	<u>2018</u>
Websites	\$ 92,147	\$ 55,920	\$ 36,227	\$ 19,460
Database	<u>27,500</u>	<u>-</u>	<u>27,500</u>	<u>18,000</u>
	<u>\$ 119,647</u>	<u>\$ 55,920</u>	<u>\$ 63,727</u>	<u>\$ 37,460</u>

Database costs are those incurred for the ongoing development of the new membership database. No amortization was taken on the database in fiscal 2019 (\$NIL in 2018) as it was not in use during the year. In 2018, it was concluded that the database previously under development was not compatible with the organization's needs and was therefore written off. This impairment resulted in a \$202,681 loss from impairment of assets.

6. **SHORT TERM INVESTMENTS**

Short term investments consist of financial institution guaranteed investment certificates and mutual fund savings accounts. Effective interest rates range from 2.10% to 2.78% (2018: 1.90% to 2.15%) on an annual basis. Maturity dates range from 5 months to 8 months for guaranteed investment certificates.

**APPLIED SCIENCE TECHNOLOGISTS AND  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**7. EMPLOYEE FUTURE AND TERMINATION BENEFIT COSTS**

	<u>2019</u>	<u>2018</u>
Included in wages & benefits - contributions to group RRSP's	\$ <u>140,362</u>	\$ <u>163,519</u>
Accrued Employee Future and Termination Benefit Obligations:		
Beginning balance	\$ 325,000	\$ 404,500
Less payments made	<u>(68,000)</u>	<u>(79,500)</u>
	257,000	325,000
Less current portion	<u>(68,000)</u>	<u>(68,000)</u>
Long term portion	\$ <u>189,000</u>	\$ <u>257,000</u>

The anticipated payments of these obligations are as follows:

	<u>2019</u>	<u>2018</u>
2019	\$ -	\$ 68,000
2020	68,000	68,000
2021	68,000	68,000
2022	68,000	68,000
2023	<u>53,000</u>	<u>53,000</u>
Total accrued employee future and termination benefit obligations	\$ <u>257,000</u>	\$ <u>325,000</u>

**8. 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.

**9. LONG TERM INVESTMENTS**

Long term investments consist of guaranteed investment certificates which mature in 15 to 27 months (2018 = 18 months) and have effective interest rates ranging from 2.50% to 2.65% (2018: 2.65% to 2.78%).

**APPLIED SCIENCE TECHNOLOGISTS AND  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**10. GOVERNMENT CONTRACTS, GRANTS & OTHER SPECIAL PROJECTS**

In 2019, the Association entered into a contract with the Federal Government through the Minister of Employment, Workforce Development and Labour to facilitate the integration of skilled technicians and technologists newcomers and Canadian military personnel and veterans into Canada's technology professions, and ultimately into the Canadian labour market. The maximum approved funding is \$745,833. At December 31, 2019, \$105,567 has been received. Of the amount received, \$4,406 has not yet been expended on this program and is included in deferred revenue.

The Association received contract funds of \$50,000 from the Province of BC, Ministry of Health in 2014 to support a study on comparison of inter-jurisdictional certification programs and standards. At December 31, 2019, there remains \$3,113 (2018: \$3,113) of funds not yet expended on this program and is included in deferred revenue.

In 2016, ASTTBC entered into an agreement with the BC Housing Management Commission to develop a training program in Construction Fire Safety planning. The approved funding for the project is \$40,000 of which \$20,000 was received in 2016. As of December 31, 2019, \$20,000 (2018: \$20,000) of the funds received are unused and is included in deferred revenue.

In 2017, the BC Housing Management Commission provided \$90,000 in funds towards the development of a training program to address accessibility and sustainability needs in the residential construction industry. At December 31, 2019, \$82,443 (2018: \$82,443) of funds not yet expended on this program was included in deferred revenue and costs related to the unbilled amounts totalling \$53,121 (2018: \$45,951) have been included in prepaid expenses.

In 2018, the Association received a contract worth \$494,977, which was amended in 2019 to reduce the contract to \$452,333, from Province of BC, Ministry of Social Development and Social Innovation to develop an occupational framework to quantify the risk and mitigation strategies and accommodation requirements of persons with disabilities. Of this, \$192,138 (2018: \$95,355) was received in the year, with an additional \$39,673 invoiced but not yet received and is included in accounts receivable at December 31, 2019. At December 31, 2018, \$32,821 of funds received and not yet expended on this program were included in deferred revenue.

In 2019, the Association entered into a shared cost arrangement with the Province of BC Ministry of Advanced Education, Skills and Training to provide program information and materials to implement recruitment, retention and professional development to increase the proportion of women in the industry. The maximum contribution by the Province to the project is \$993,070. The Association invoiced a total of \$288,645 in 2019, with \$108,435 included in accounts receivable at December 31, 2019. Of this amount, \$12,863 was not yet expended and was included in deferred revenue.

Funds were received during the year from several non-government entities, including \$26,200 to support the development, training and marketing of an integration program for newcomers, \$24,001 to market and support integration of diverse population groups including youth and \$52,381 to support foreign credential recognition.

**APPLIED SCIENCE TECHNOLOGISTS AND  
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DECEMBER 31, 2019**

10. **GOVERNMENT CONTRACTS, GRANTS & OTHER SPECIAL PROJECTS - Continued**

The following summarizes new contract funds received, expended and the balance deferred to future years:

	Prior Balance Deferred	Current Funds Received	Current Funds Expended	Current Balance Deferred
BC Social Development - PWD	\$ 32,821	\$ 192,138	\$ 224,959	\$ -
Foreign Credential Recognition	-	105,567	101,161	4,406
MOH Standardization Project	3,113	-	-	3,113
BC Public Housing - FPT	20,000	-	-	20,000
BC Public Housing - SAFERhome	82,443	-	-	82,443
MOU - PICS	-	52,381	52,381	-
BC Ministry of AEST	-	288,645	275,782	12,863
MOU - PICS IPW	-	26,200	26,200	-
MOU - PICS Youth Tech	-	24,001	24,001	-
	<u>\$ 138,377</u>	<u>\$ 688,932</u>	<u>\$ 704,484</u>	<u>\$ 122,825</u>

11. **RESTRICTIONS ON NET ASSETS**

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

	Balance 2018	Additional Restrictions	Expenditures	Capital Purchases	Balance 2019
Reserve for Professional Regulation	\$ 1,689	\$ -	\$ -	\$ -	\$ 1,689
Reserve for First Nations Careers Council	5,000	-	-	-	5,000
Reserve for Onsite Wastewater	17,878	-	-	-	17,878
Reserve for Fire Protection	47,817	-	-	-	47,817
Reserve for Marketing	7,240	-	-	-	7,240
Reserve for Property Inspection	25,000	-	-	-	25,000
Reserve for Public Policy	10,000	-	-	-	10,000
Reserve for Building Repairs	<u>16,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,001</u>
	<u>\$130,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$130,625</u>

The funds required to execute these projects will come out of current cash flows and short term investments as needed.



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12. **CONTROLLED ENTITY - ASTTBC Foundation**

The Foundation is a registered Canadian charitable organization under the Income Tax Act. The ASTTBC Council appoints the trustees of ASTTBC Foundation and provides ASTTBC Foundation 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 is available to the members.

Included in accounts payable, as at December 31, 2019, is a balance owing to ASTTBC Foundation of \$7,015 (2018: \$6,538) for donations not yet transferred. During the year, the Association made a donation in the amount of \$11,000 (2018: \$10,000) to ASTTBC Foundation.

A financial summary of the Foundation as at December 31, 2019 and 2018 and for the years then ended are as follows:

	<u>2019</u>	<u>2018</u>
<b>Financial Position</b>		
Total assets	\$ <u>848,246</u>	\$ <u>834,613</u>
Liabilities	\$ 3,169	\$ 2,986
Net assets - restricted for endowment	596,828	586,093
Net assets - unrestricted	<u>248,249</u>	<u>245,534</u>
	<u>\$ 848,246</u>	<u>\$ 834,613</u>
<b>Results of Operations</b>		
Total revenues	\$ 36,427	\$ 51,830
Total expenses	<u>33,712</u>	<u>40,005</u>
Excess of revenues over expenses	<u>\$ 2,715</u>	<u>\$ 11,825</u>
<b>Cash Flows</b>		
Operations	\$ 2,341	\$ 20,889
Endowment contributions	10,735	52,335
Proceeds (purchase) of investments	<u>(51,120)</u>	<u>(58,787)</u>
Increase (decrease) in cash	<u>\$ (38,044)</u>	<u>\$ 14,437</u>

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13. **ALLOCATION OF EXPENSES**

Expenses are allocated on the basis of revenue per activity and management estimates. Program and general support costs have been allocated among business activities as follows:

	Direct Costs	Admin, Interest, Amortization	Wages & Benefits	Maintenance	Stationary & Printing	Total
Membership Dues	\$ 64,654	\$ 135,974	\$ 271,630	\$ 126,215	\$ 18,769	\$ 617,242
Registration Fees	90,318	9,003	271,630	8,357	1,243	380,551
Governance	145,421	3,452	362,173	3,204	476	514,726
Professional Affairs	640,902	44,165	452,717	40,994	6,096	1,184,874
Education & Training	12,781	-	181,087	-	-	193,868
Publications	8,761	769	90,543	713	106	100,892
Member Services	<u>43,870</u>	<u>4,539</u>	<u>181,087</u>	<u>4,213</u>	<u>627</u>	<u>234,336</u>
	<u>\$ 1,006,707</u>	<u>\$ 197,902</u>	<u>\$ 1,810,867</u>	<u>\$ 183,696</u>	<u>\$ 27,317</u>	<u>\$ 3,226,489</u>

14. **INVESTMENT AND OTHER INCOME**

Investment and other income consists of the following:

	<u>2019</u>	<u>2018</u>
Interest	\$ <u>42,678</u>	\$ <u>30,551</u>