

**B.C. Federation of Labour
Occupational Health and Safety Centre
Financial Statements**
For the year ended August 31, 2020

**B.C. Federation of Labour
Occupational Health and Safety Centre
Contents**
For the year ended August 31, 2020

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5
Schedule	
Schedule 1 - Schedule of Salaries and Employee Benefits Expenses.....	8

To the Directors of Occupational Health and Safety Centre Fund:

Opinion

We have audited the Occupational Health and Safety Centre Fund (the "Centre") financial statements of the B.C. Federation of Labour (the "BCFED"), which comprise the statement of financial position as at August 31, 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at August 31, 2020, and the results of its operations 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 Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Other Matter

The accompanying financial statements are specific to the financial position and results of operations of the Occupational Health and Safety Centre Fund, an element of the financial statements of the BCFED. The financial statements have been prepared to provide information to the Directors and to the Workers' Compensation Board, and as a result, may not be suitable for another purpose.

Responsibilities of Administration and Those Charged with Governance for the Financial Statements

Administration is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as administration 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, administration is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless administration either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 from 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by administration.
- Conclude on the appropriateness of administration'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 Centre'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 Centre 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.

Port Moody, British Columbia

October 1, 2020

MNP LLP

Chartered Professional Accountants

**B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Financial Position**

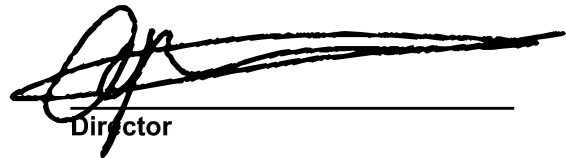
As at August 31, 2020

	2020	2019
Assets		
Current		
Cash	123,776	107,864
Accounts receivable	33,633	32,110
Term deposits	925,316	1,470,000
Prepaid expenses	12,948	21,379
	1,095,673	1,631,353
Capital assets (Note 3)	549,133	-
	1,644,806	1,631,353
Liabilities		
Current		
Accounts payable and accruals	427,464	210,945
Deferred course registration fees (Note 4)	89,838	139,260
Due to BC FED General Fund (Note 5)	163,789	197,443
	681,091	547,648
Significant events (Note 6)		
Net Assets		
Unrestricted	414,582	1,083,705
Invested in capital assets	549,133	-
	963,715	1,083,705
	1,644,806	1,631,353

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Operations
For the year ended August 31, 2020

	2020	2019
<hr/>		
Revenue		
WCB project funds	2,354,478	2,286,808
Course registration fees	616,083	1,029,416
Interest and other	92,959	70,899
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Total revenue	3,063,520	3,387,123
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Expenses		
Accounting and legal fees	82,880	18,388
Advertising and sponsorships	69,775	65,543
Benefits <i>(Schedule 1)</i>	634,708	487,671
Conferences, registrations and meeting expenses	88,900	133,409
Consultants and contractors <i>(Schedule 1)</i>	179,177	337,859
Furniture and equipment	2,392	21,731
Miscellaneous	18,371	24,531
Office supplies	35,956	36,024
Property tax and insurance	9,497	7,389
Publication	131,086	196,881
Rent - office	77,040	74,851
Salaries <i>(Schedule 1)</i>	1,511,610	1,057,008
Technology	84,427	61,639
Telecommunications and freight	34,528	40,062
Training - staff	44,033	7,077
Travel	179,130	278,462
<hr/>		
Total expenses	3,183,510	2,848,525
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Excess (deficiency) of revenue over expenses	(119,990)	538,598
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The accompanying notes are an integral part of these financial statements

**B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Changes in Net Assets**
For the year ended August 31, 2020

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2020	2019
Net assets, beginning of year	1,083,705	-	1,083,705	545,107
Excess (deficiency) of revenue over expenses	(119,990)	-	(119,990)	538,598
Purchase of capital assets	(549,133)	549,133	-	-
Net assets, end of year	414,582	549,133	963,715	1,083,705

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Cash Flows
For the year ended August 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(119,990)	538,598
Changes in working capital accounts		
Accounts receivable	(1,523)	25,140
Prepaid expenses	8,431	(9,017)
Accounts payable and accruals	216,519	26,061
Deferred course registration fees	(49,422)	28,719
	54,015	609,501
Financing		
Repayments of due to BC FED General Fund	(33,654)	(336,387)
Investing		
Purchase of term deposits	-	(637,888)
Proceeds on maturity of term deposits	544,684	-
Investment in capital assets	(549,133)	-
	(4,449)	(637,888)
Increase (decrease) in cash resources	15,912	(364,774)
Cash resources, beginning of year	107,864	472,638
Cash resources, end of year	123,776	107,864

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Notes to the Financial Statements
For the year ended August 31, 2020

1. Nature of the organization

The B.C. Federation of Labour ("the BCFED") was formed to promote the principles and policies of the Canadian Labour Congress and to promote the interests of working people and BCFED's affiliates in British Columbia.

The BCFED is a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the BCFED must meet certain requirements within the Act. In the opinion of the management, these requirements have been met.

The financial statements of BCFED are comprised of two Fund's, being the Occupational Health and Safety Centre (the "Centre") and the BCFED General Fund. These financial statements have been prepared to report the financial position and results of operations of the Centre, and do not include account balances and transactions of BCFED's General Fund. Financial statements of BCFED, presenting the financial position and results of operations of both the Centre and General Fund are available upon request.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Centre is funded under an agreement with the Workers' Compensation Board of British Columbia to provide occupational health and safety training from September 2018 through to August 2020. Course registration fees are recognized upon completion of the related conference, course or event if collection is reasonably assured.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Computer software	10 years
Furniture and equipment	3 - 5 years

Financial instruments

The Centre recognizes its financial instruments when the Centre becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Centre may irrevocably elect to subsequently measure any financial instrument at fair value. The Centre has not made such an election during the year.

The Centre subsequently measures financial assets and liabilities measured at amortized cost, with transaction costs and financing fees added to the carrying amount of the Centre's financial instruments.

**B.C. Federation of Labour
Occupational Health and Safety Centre
Notes to the Financial Statements**
For the year ended August 31, 2020

2. Significant accounting policies (Continued from previous page)

Financial asset impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. The Centre groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Centre reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Centre reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Employee future benefits

The Centre's employees participate in a multi employer benefit plan for certain of its employees, the Municipal Pension Plan, for which there is insufficient information to apply defined benefit plan accounting because the actuary does not attribute portions of the surplus to individual employers participating in the plan. Accordingly, the Centre is not able to identify its share of the plan assets and liabilities, and therefore, the Centre uses defined contribution plan accounting for this plan.

3. Capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer software	549,133	-	549,133	-
Furniture and equipment	12,444	12,444	-	-
	561,577	12,444	549,133	-

During the year ended August 31, 2020, the Centre developed a new online course registration database and the costs associated with this development are included in the computer software amount of \$549,133. As the database was not in use as of August 31, 2020, no amortization expense has been recorded. The computer software costs will be amortized over 10 years, commencing when the database is put into use during its year ended August 31, 2021.

4. Deferred course registration fees

Deferred course registration fees represent funds received that relate to courses to be conducted subsequent to year end, and will be recognized as revenue when the related courses are provided and expenditures are incurred.

5. Due to BC FED General Fund

Amounts due to BC FED General Fund are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Significant events

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide, including the Canadian federal, provincial and municipal governments, enacting emergency measures to combat the spread of the virus commencing in March 2020. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to organizations globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize these economic conditions. The duration and impact of the COVID-19 outbreak is currently unknown, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments or the impact, if any, on the financial results of the Centre in future periods.

7. Financial instruments

The Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Centre is exposed to interest rate risk with respect to its investments in term deposits.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre manages liquidity risk by maintaining an adequate amount of liquid assets with various maturities in order to ensure that it can meet all of its financial obligations as they come due.

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 Centre's main credit risk relates to its accounts receivable. The Centre manages its credit risk by performing regular investigation into delinquent accounts and provides allowances for potentially uncollectible accounts receivable. The Centre has not made any provisions for doubtful accounts at year-end after reviewing each outstanding account and determining the collectability based on its knowledge of the participating accounts' situation.

B.C. Federation of Labour
Occupational Health and Safety Centre
Schedule 1 - Schedule of Salaries and Benefits Expenses
For the year ended August 31, 2020
(Audited)

	<i>2020</i>	<i>2019</i>
Salaries:		
Executive Director	\$ 108,900	\$ 68,852
Director	95,528	99,825
Facilitators	906,813	543,860
Administration staff	<u>400,369</u>	<u>344,471</u>
Total Salaries	<u>1,511,610</u>	<u>1,057,008</u>
Benefits:		
Medical benefits	127,888	116,273
Canada Pension Plan and Employment Insurance premiums	159,543	93,590
Retirement plan contributions	156,870	119,619
Wage loss indemnity, AD&D, Life insurance and long term disability	53,573	41,196
Other benefits	<u>136,834</u>	<u>116,993</u>
Total Benefits	<u>634,708</u>	<u>487,671</u>
Contractors:		
ESL Program	28,565	42,340
OH&S Program	63,862	202,564
YW Program	<u>86,750</u>	<u>92,955</u>
Total Contractors	<u>179,177</u>	<u>337,859</u>
Total salaries and benefit expenses	\$ <u>2,325,495</u>	\$ <u>1,882,538</u>

See Accompanying Independent Auditors' Report and Notes to Financial Statements