

**B.C. Federation of Labour**  
**Occupational Health and Safety Centre**  
**Financial Statements**  
*For the year ended August 31, 2021*

**B.C. Federation of Labour**  
**Occupational Health and Safety Centre**  
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*For the year ended August 31, 2021*

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## Independent Auditor's Report

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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, 2021, 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, 2021, 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 Centre, 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 Management and Those Charged with Governance for the Financial Statements

Management 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 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 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 management 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 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 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 14, 2021

*MNP* LLP

Chartered Professional Accountants

**B.C. Federation of Labour**  
**Occupational Health and Safety Centre**  
**Statement of Financial Position**  
*As at August 31, 2021*

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	169,467	123,776
Accounts receivable	56,709	33,633
Term deposits	206,111	925,316
Prepaid expenses	19,822	12,948
	<b>452,109</b>	1,095,673
<b>Capital assets (Note 3)</b>	<b>735,708</b>	549,133
	<b>1,187,817</b>	1,644,806
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	334,333	427,464
Deferred course registration fees (Note 4)	60,656	89,838
Due to BC FED General Fund (Note 5)	162,296	163,789
	<b>557,285</b>	681,091
<b>Significant event (Note 7)</b>		
<b>Net Assets</b>		
Unrestricted	(105,176)	414,582
Invested in capital assets	735,708	549,133
	<b>630,532</b>	963,715
	<b>1,187,817</b>	1,644,806
<b>Approved on behalf of the Board</b>		
e-Signed by Laird Cronk 2021-10-26 23:40:44:44 GMT	e-Signed by Sussanne Skidmore 2021-10-28 17:07:12:12 GMT	
<b>President</b>	<b>Secretary-Treasurer</b>	

*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, 2021*

	2021	2020
<b>Revenue</b>		
WCB project funds	2,054,478	2,354,478
Course registration fees	684,355	616,083
Interest and other	15,883	92,959
<b>Total revenue</b>	<b>2,754,716</b>	<b>3,063,520</b>
<b>Expenses</b>		
Accounting and legal fees	39,864	82,880
Advertising and sponsorships	25,976	69,775
Amortization	59,652	-
Benefits (Schedule 1)	759,341	634,708
Conferences, registrations and meeting expenses	142,927	88,900
Consultants and contractors (Schedule 1)	115,371	179,177
Furniture and equipment	-	2,392
Miscellaneous	19,080	18,371
Office supplies	32,380	35,956
Property tax and insurance	15,298	9,497
Publication	27,519	131,086
Rent - office	77,040	77,040
Salaries (Schedule 1)	1,558,717	1,511,610
Technology	140,794	84,427
Telecommunications and freight	30,095	34,528
Training - staff	10,486	44,033
Travel	33,359	179,130
<b>Total expenses</b>	<b>3,087,899</b>	<b>3,183,510</b>
<b>Deficiency of revenue over expenses</b>	<b>(333,183)</b>	<b>(119,990)</b>

*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, 2021*

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<i>2021</i>	<i>2020</i>
<b>Net assets, beginning of year</b>	<b>414,582</b>	<b>549,133</b>	<b>963,715</b>	1,083,705
<b>Deficiency of revenue over expenses</b>	<b>(273,531)</b>	<b>(59,652)</b>	<b>(333,183)</b>	(119,990)
<b>Purchase of capital assets</b>	<b>(246,227)</b>	<b>246,227</b>	-	-
<b>Net assets, end of year</b>	<b>(105,176)</b>	<b>735,708</b>	<b>630,532</b>	963,715

*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, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	(333,183)	(119,990)
Amortization	59,652	-
Changes in working capital accounts		
Accounts receivable	(23,076)	(1,523)
Prepaid expenses	(6,874)	8,431
Accounts payable and accruals	(93,132)	216,519
Deferred course registration fees	(29,181)	(49,422)
	<b>(425,794)</b>	54,015
<b>Financing</b>		
Repayments of due to BC FED General Fund	(1,493)	(33,654)
<b>Investing</b>		
Proceeds on maturity of term deposits	719,205	544,684
Purchase of capital assets	(246,227)	(549,133)
	<b>472,978</b>	(4,449)
<b>Increase in cash resources</b>	<b>45,691</b>	15,912
<b>Cash resources, beginning of year</b>	<b>123,776</b>	107,864
<b>Cash resources, end of year</b>	<b>169,467</b>	123,776

*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, 2021*

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**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 Funds, 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 2021 through to August 2023. 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:

	<b>Rate</b>
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.

**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 deficiency of revenue 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 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 revenue 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 deficiency of revenue 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**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2021 Net book value</b>	<b>2020 Net book value</b>
Computer software	795,360	59,652	735,708	549,133
Furniture and equipment	12,444	12,444	-	-
	<b>807,804</b>	<b>72,096</b>	<b>735,708</b>	<b>549,133</b>

The Centre developed a new online course registration database and the costs associated with this development are included in the computer software cost base of \$795,360 (2020 - \$549,133). As the database development was complete and it was put into use as of December 1, 2020, amortization expense of \$59,652 has been recorded in the current year. The computer software costs are amortized over 10 years, commencing in the current fiscal year.

**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. 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 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.

**7. Significant event**

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.

**B.C. Federation of Labour**  
**Occupational Health and Safety Centre**  
**Schedule 1 - Schedule of Salaries and Benefits Expenses**  
*For the year ended August 31, 2021*  
*(Audited)*

	<b>2021</b>	<b>2020</b>
<b>Salaries:</b>		
Directors and management	\$ 423,438	\$ 204,428
Facilitators	768,351	906,813
Administration staff	<u>366,928</u>	<u>400,369</u>
Total Salaries	<u>1,558,717</u>	<u>1,511,610</u>
<b>Benefits:</b>		
Medical benefits	161,160	127,888
Canada Pension Plan and Employment Insurance premiums	171,545	159,543
Retirement plan contributions	188,393	156,870
Wage loss indemnity, AD&D, Life insurance and long term disability	63,076	53,573
Other benefits	<u>175,167</u>	<u>136,834</u>
Total Benefits	<u>759,341</u>	<u>634,708</u>
<b>Contractors:</b>		
ESL Program	4,083	28,565
OH&S Program	43,116	63,862
YW Program	-	86,750
Mental Health Program	2,615	-
Community Education Program	<u>65,557</u>	<u>-</u>
Total Contractors	<u>115,371</u>	<u>179,177</u>
<b>Total salaries and benefit expenses</b>	<b>\$ <u>2,433,429</u></b>	<b>\$ <u>2,325,495</u></b>

See Accompanying Independent Auditors' Report and Notes to Financial Statements