

**B.C. Federation of Labour
Occupational Health and Safety Centre
Financial Statements**
For the period ended March 31, 2023

**B.C. Federation of Labour
Occupational Health and Safety Centre
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For the period ended March 31, 2023

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Independent Auditors' Report

To the Executive Council of the Occupational Health and Safety Centre Fund of the B.C. Federation of Labour:

Opinion

We have audited the Occupational Health and Safety Centre Fund of the B.C. Federation of Labour (the "Centre") financial statements of the B.C. Federation of Labour (the "BCFED"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the period then ended, and notes to the financial statements and schedules, 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 March 31, 2023, and the results of its operations and its cash flows for the period 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 ("WorkSafe BC"), 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.

MNP LLP

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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

September 21, 2023

MNP LLP

Chartered Professional Accountants

MNP

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Financial Position
As at March 31, 2023

	<i>March 31</i>	<i>August 31</i>
	2023	2022
Assets		
Current		
Cash	89,311	153,105
Accounts receivable	167,658	72,533
Term deposits	1,861,866	1,910,003
Prepaid expenses	23,624	19,344
	2,142,459	2,154,985
Capital assets (Note 3)	609,776	656,172
	2,752,235	2,811,157
Liabilities		
Current		
Accounts payable and accruals	356,272	421,593
Deferred contributions (Note 4)	1,040,063	1,257,681
Due to BCFED General Fund (Note 5)	389,413	165,430
	1,785,748	1,844,704
Net Assets		
Unrestricted	356,711	310,281
Invested in capital assets	609,776	656,172
	966,487	966,453
	2,752,235	2,811,157

Approved on behalf of the Board

e-Signed by Sussanne Skidmore
2023-10-23 09:29:58:58 PDT

President

e-Signed by Hermender Kailley
2023-09-26 11:52:45:45 PDT

Secretary - Treasurer

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 period ended March 31, 2023

	7 Months Ended March 31 2023	12 Months Ended August 31 2022
Revenue		
WCB project funds	1,373,756	2,554,478
Course registration fees	601,755	763,731
Interest and other	91,488	48,721
Total revenue	2,066,999	3,366,930
Expenses		
Accounting and legal fees	11,043	46,377
Advertising and sponsorships	4,349	4,027
Amortization	46,396	79,536
Benefits <i>(Schedule 1)</i>	510,945	695,713
Conferences, registrations and meeting expenses	11,956	33,806
Consultants and contractors <i>(Schedule 1)</i>	45,304	67,789
Bank Charges and others	12,013	15,348
Office supplies	14,559	31,766
Property tax and insurance	12,508	19,870
Publication	86,557	61,668
Rent - office	59,276	72,917
Salaries <i>(Schedule 1)</i>	997,294	1,598,381
Technology	130,329	215,834
Telecommunications and freight	19,426	32,305
Training - staff	11,765	1,480
Travel	93,245	54,192
Total expenses	2,066,965	3,031,009
Excess of revenue over expenses	34	335,921

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 period ended March 31, 2023

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2023	<i>2022</i>
Net assets, beginning of period	310,281	656,172	966,453	630,532
Excess (deficiency) of revenue over expenses	46,430	(46,396)	34	335,921
Net assets, end of period	356,711	609,776	966,487	966,453

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 period ended March 31, 2023

	<i>7 Months Ended March 31 2023</i>	<i>12 Months Ended August 31 2022</i>
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	34	335,921
Amortization	46,396	79,536
<hr/>		
Changes in working capital accounts		
Accounts receivable	(95,125)	(15,824)
Prepaid expenses	(4,280)	478
Accounts payable and accruals	(65,319)	87,260
Deferred contributions	(217,620)	1,197,025
<hr/>		
	(335,914)	1,684,396
<hr/>		
Financing		
Advances of due to BCFED General Fund	223,983	3,134
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Investing		
Purchase of term deposits	-	(1,703,892)
Proceeds on maturity of term deposits	48,137	-
<hr/>		
	48,137	(1,703,892)
<hr/>		
Decrease in cash resources	(63,794)	(16,362)
Cash resources, beginning of year	153,105	169,467
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Cash resources, end of year	89,311	153,105

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 period ended March 31, 2023

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 three Funds, being the Occupational Health and Safety Centre (the "Centre"), the BCFED General Fund ("General Fund"), and B.C. Centre for Women in the Trades ("BCCWITT"). 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 or BCCWITT. Financial statements of BCFED, presenting the financial position and results of operations of the Centre, General Fund, and BCCWITT are available upon request.

During the current period, the Executive Council approved a resolution to change the fiscal year-end of BCFED from August 31 to March 31. As such, these financial statements report on the 7 month period ended March 31, 2023 with comparatives reporting the 12 month period ended August 31, 2022.

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:

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

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 excess of revenue over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

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.

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 period.

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.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

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

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Centre initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on initial recognition. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

The Centre subsequently measures related party financial instruments using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

**B.C. Federation of Labour
Occupational Health and Safety Centre
Notes to the Financial Statements**
For the period ended March 31, 2023

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 period. 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 period excess 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 excess of revenue over expenses in the period the reversal occurs.

3. Capital assets

		Accumulated	March 31	August 31
	Cost	amortization	2023	2022
			Net book	Net book
			value	value
Computer software	795,360	185,584	609,776	656,172
Furniture and equipment	12,444	12,444	-	-
	807,804	198,028	609,776	656,172

4. Deferred contributions

Deferred contributions consist of course registration fees of \$30,084 (2022 - \$80,605) received that relate to courses to be conducted subsequent to year-end, and WorkSafe BC funding of \$961,032 (2022 - \$1,177,076) and DIVERSEcity Community Resources Society funding of \$48,947 (2022 - \$Nil) received that relates to the period from April 1, 2023.

5. Due to BCFED General Fund

Amounts due to BCFED 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.

B.C. Federation of Labour
Occupational Health and Safety Centre
Schedule 1 - Schedule of Salaries, Benefits, and Contractor Expenses
For the period ended March 31, 2023
(Audited)

	<i>7 Months Ended March 31 2023</i>	<i>12 Months Ended August 31 2022</i>
Salaries:		
Directors and management	\$ 264,769	\$ 432,993
Facilitators	467,444	756,085
Administration staff	<u>265,081</u>	<u>409,303</u>
Total Salaries	<u>997,294</u>	<u>1,598,381</u>
Benefits:		
Medical benefits	69,510	111,781
Canada Pension Plan and Employment Insurance premiums	155,551	176,903
Retirement plan contributions	95,463	151,540
Wage loss indemnity, AD&D, Life insurance and long-term disability	44,639	64,669
Other benefits	<u>145,782</u>	<u>190,820</u>
Total Benefits	<u>510,945</u>	<u>695,713</u>
Contractors:		
EAL Program	-	-
OH&S Program	27,809	19,958
Mental Health Program	3,795	2,514
Community Education Program	<u>13,700</u>	<u>45,317</u>
Total Contractors	<u>45,304</u>	<u>67,789</u>
Total salaries, benefits, and contractor expenses	<u>\$ 1,553,543</u>	<u>\$ 2,361,883</u>

See Accompanying Independent Auditors' Report and Notes to Financial Statements