

**TECHNICAL TRAINING GROUP
(STRATFORD & AREA)**

FINANCIAL STATEMENTS

MARCH 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the Members of
Technical Training Group (Stratford & Area)
Stratford, Ontario

Report on the Financial Statements

We have audited the accompanying financial statements of **Technical Training Group (Stratford & Area)**, which comprise the statement of financial position as at **March 31, 2011**, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT - continued

Basis for Qualified Opinion

In common with many not for profit organizations, the organization derives cash revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Technical Training Group (Stratford & Area)** as at **March 31, 2011**, 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.

Other Matter

The financial statements of **Technical Training Group (Stratford & Area)** for the year **March 31, 2010**, were audited by another auditor who expressed an unqualified opinion on those statements on **June 10, 2010**.

Famme + Co.

Professional Corporation
Chartered Accountants
*Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario*

Stratford, Ontario
June 29, 2011

Technical Training Group (Stratford & Area)
Statement of Financial Position
As at March 31, 2011

ASSETS		2011	2010
Current Assets			
Cash	\$ 36,652		\$ 52,782
Investment savings account	28,156		27,843
Accounts receivable	10,072		7,065
HST receivable	11,481		3,976
Prepaid expenses	<u>8,842</u>		<u>2,219</u>
		\$ <u>95,203</u>	\$ <u>93,885</u>
 LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	22,512		23,708
Deferred grant revenue	<u>32,500</u>		<u>30,000</u>
		55,012	<u>53,708</u>
 FUND BALANCES			
Fund Balances			
Core Services	(23,067)		7,656
Welder Apprenticeship	10,381		(4,589)
Basic Skills Training	1,684		3,707
Certification	(204)		(634)
Custom Training	28,581		12,789
Youth Programs	<u>22,816</u>		<u>21,248</u>
Total Fund Balances		<u>40,191</u>	<u>40,177</u>
		\$ <u>95,203</u>	\$ <u>93,885</u>

Approved on Behalf of the Board:

Director

Director

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Statement of Changes in Fund Balances
For the year ended March 31, 2011

	Core Services Fund	Welder Apprenticeship Fund	Basic Skills Training Fund	Certification Fund	Custom Training Fund	Youth Programs Fund	Total 2011	Total 2010
Balance (deficit) - beginning of year	\$ 7,656	\$ (4,589)	\$ 3,707	\$ (634)	\$ 12,789	\$ 21,248	\$ 40,177	\$ 37,568
Excess of revenues over expenditures (expenditures over revenues) for the year	<u>(30,723)</u>	<u>14,970</u>	<u>(2,023)</u>	<u>430</u>	<u>15,792</u>	<u>1,568</u>	<u>14</u>	<u>2,609</u>
Balance (deficit) - end of year	<u>\$ (23,067)</u>	<u>\$ 10,381</u>	<u>\$ 1,684</u>	<u>\$ (204)</u>	<u>\$ 28,581</u>	<u>\$ 22,816</u>	<u>\$ 40,191</u>	<u>\$ 40,177</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)

Statement of Operations

For the year ended March 31, 2011

	Core Services Fund	Welder Apprenticeship Fund	Basic Skills Training Fund	Certification Fund	Custom Training Fund	Youth Programs Fund	Total 2011	Total 2010
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
MTCU grants	-	100,530	-	-	-	-	100,530	107,480
Perth Community Futures grant	3,500	-	-	-	-	-	3,500	23,465
County of Perth grant	-	-	-	-	-	-	-	11,084
Libro grant	-	-	-	-	-	-	-	4,414
Town of St. Marys	2,000	-	-	-	-	-	2,000	-
Program revenue	-	-	-	-	-	4,270	4,270	10,635
Tuition revenue	-	15,630	13,150	1,928	45,084	9,750	85,542	65,935
Books and supplies revenue	-	8,650	-	-	3,006	-	11,656	10,795
Project administration fees	29,762	-	-	-	-	-	29,762	10,845
Interest	454	-	-	-	-	-	454	377
ED funding	<u>34,523</u>	<u>124,810</u>	<u>5,284</u>	<u>1,111</u>	<u>48,090</u>	<u>9,217</u>	<u>50,135</u>	<u>10,319</u>
	<u>70,239</u>	<u>124,810</u>	<u>18,434</u>	<u>3,039</u>	<u>48,090</u>	<u>23,237</u>	<u>287,849</u>	<u>255,349</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Statement of Operations

For the year ended March 31, 2011

	Core Services Fund	Welder Apprenticeship Fund	Basic Skills Training Fund	Certification Fund	Custom Training Fund	Youth Programs Fund	Total 2011	Total 2010
Balance carried forward	\$ 70,239	\$ 124,810	\$ 18,434	\$ 3,039	\$ 48,090	\$ 23,237	\$ 287,849	\$ 255,349
Expenditures								
Administrative	34,815	11,507	3,230	228	5,097	2,570	57,447	25,307
Advertising	1,661	443	1,661	-	-	1,911	5,676	10,647
Bookkeeping fees	7,112	-	-	-	-	-	7,112	7,179
Capital purchases	589	-	-	-	-	-	589	3,231
Co-ordinator fees	3,330	9,380	-	287	128	2,870	15,995	21,300
Professional fees	3,750	-	-	-	-	-	3,750	922
Curriculum development	-	-	-	-	-	-	-	1,563
Instructor fees	-	37,797	10,880	2,094	20,074	6,640	77,485	64,642
Insurance	4,687	-	-	-	-	-	4,687	3,873
Meetings	1,017	208	-	-	26	-	1,251	2,687
Office	4,446	4,443	-	-	3,551	-	12,440	5,223
Facility	-	22,011	2,970	-	-	2,500	27,481	30,978
Supplies, materials, tools	64	22,899	1,716	-	3,422	4,676	32,777	65,840
Travel	1,479	1,142	-	-	-	502	3,123	3,680
Web design	1,203	-	-	-	-	-	1,203	5,649
Project support	34,000	-	-	-	-	-	34,000	-
Interest	69	10	-	-	-	-	79	19
Miscellaneous	1,840	-	-	-	-	-	1,840	-
Bad debts	900	-	-	-	-	-	900	-
	<u>100,962</u>	<u>109,840</u>	<u>20,457</u>	<u>2,609</u>	<u>32,298</u>	<u>21,669</u>	<u>287,835</u>	<u>252,740</u>
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ (30,723)	\$ 14,970	\$ (2,023)	\$ 430	\$ 15,792	\$ 1,568	\$ 14	\$ 2,609

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)

Statement of Cash Flows

For the year ended March 31, 2011

	2011	2010
Cash Provided By (Used In):		
Operating Activities		
Excess revenue over expenditures for the year	\$ 14	\$ 2,609
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	(3,007)	(4,815)
Decrease (increase) in HST receivable	(7,505)	-
Decrease (increase) in prepaid expenses	(6,623)	(609)
Increase (decrease) in deferred fees	-	(1,350)
Increase (decrease) in deferred grants	2,500	24,586
Increase (decrease) in accounts payable and accrued liabilities	<u>(1,196)</u>	<u>(14,711)</u>
Increase (decrease) in cash and cash equivalents	\$ (15,817)	5,710
Cash and cash equivalents - beginning of year	<u>80,625</u>	<u>74,915</u>
Cash and cash equivalents - end of year	<u>\$ 64,808</u>	<u>\$ 80,625</u>
Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents comprise the following balance sheet amounts:		
Cash in bank	36,652	52,782
Investment savings account	<u>28,156</u>	<u>27,843</u>
	<u>\$ 64,808</u>	<u>\$ 80,625</u>

Interest and bank charges paid during the year amounted to \$ 79 (2010 - \$ 19).

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Notes to the Financial Statements
For the year ended March 31, 2011

1. Purpose

The Technical Training Group was incorporated by letters patent under the Ontario Corporations Act on April 5, 2007 as a not-for-profit organization. The purpose of the organization is to facilitate the delivery of local market-driven training to Stratford and area businesses.

2. Fund Accounting

The Technical Training Group uses fund accounting in these financial statements. The purpose of each individual Fund is as follows:

- (a) Core Services Fund: This fund accounts for the organization's administration and other activities not funded from other sources.
- (b) Internally Restricted Funds: The Welder Apprenticeship, Basic Skills Training, Certification and Custom Training Program funds account for funding and expenditures relating to various programs offered by the organization in partnership with Stratford Northwestern and St. Michael Catholic Secondary Schools.
- (c) Youth Programs Fund: This fund accounts for funding and expenditures relating to various Youth Programs including the FunTECH program, a self funded "hands on" exploration program, provided with the purpose of broadening the horizons of youth and the Skilled Training Education Partnership (STEP) summer camps.

3. Summary of Significant Accounting Policies

These financial statements have been prepared from information available within the guidelines of Canadian accounting standards for not-for-profit organizations summarized below.

(a) Capital Expenditures

Under Canadian accounting standards for not-for-profit organizations, purchases of a capital nature are recorded as property, plant and equipment and amortized over the useful lives of the assets. However, an acceptable alternative for non-profit and charitable organizations with revenues under \$ 500,000, is to show the purchases of property, plant and equipment as expenses in the year in which they are incurred. The organization follows this alternative method of accounting for purchases of a capital nature.

In the year ended March 31, 2011, the organization purchased and charged to expense items of a capital nature totalling \$ 589 (2010 - \$ 3,231).

(b) Revenue Recognition

The deferral method of accounting is used for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Technical Training Group (Stratford & Area)
Notes to the Financial Statements
For the year ended March 31, 2011

3. Summary of Significant Accounting Policies (continued)

(c) Use of Estimates

Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenses. Due to measurement uncertainty, results could differ from those estimates.

(d) Financial Instruments

Financial instruments are items which are cash, rights to receive cash or obligations to pay cash at a future date. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these instruments approximate their carrying value.

4. Comparative Figures

Certain of the 2010 figures on the statement of financial position and the statement of operations have been reclassified to conform to the 2011 financial statement presentation.

Comparative figures were reported on by another auditor.