

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

FINANCIAL STATEMENTS

MARCH 31, 2015

Famme & Co.

Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

KEITH A. NEEB, BMath, CPA, CA
BERNARD M. LINSEMAN, BMath, CPA, CA
JEFFREY R. SKUBOWIUS, BA, CPA, CA
FRANKLIN H. FAMME, BBA, CMgr, CPA, CA
BRADLEY J. W. McNEIL, BA, MAcc, CPA, CA
STEPHEN VAN DEN HENGEL, BAcc, CPA, CA
PETER D. BRICKMAN, BA, CPA, CA
STEPHEN J. WARD, BA, MAcc, CPA, CA
LYNN EIDT, BBA, CPA, CA
MICHAEL P. B. JAREMCHENKO, BA, CFP, CPA, CA
PHILLIP W. HART, BMath, MAcc, CPA, CA

125 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H1
STRATFORD 519-271-7581
FAX 519-271-2737
LONDON 519-432-1663
FAX 519-432-7662
ST. MARYS 519-284-1030
FAX 519-284-4393
E-MAIL: office@fammeandco.on.ca
WEBSITE: www.fammeandco.on.ca

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, 2015** and the statements of operations, surplus and 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 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.

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 control 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 control. 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 qualified 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. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, cash flows from operations, assets and surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter 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, 2015** 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.

Famme + Co.

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

Stratford, Ontario
June 24, 2015

Technical Training Group (Stratford & Area)

Statement of Financial Position

As at March 31, 2015

ASSETS

	2015	2014
Current Assets		
Cash	\$ 23,789	\$ 53,911
Investment savings account	26,323	24,072
Accounts receivable	33,325	18,294
HST receivable	16,775	14,869
Prepaid expenses	<u>4,090</u>	<u>3,133</u>
	<u>\$ 104,302</u>	<u>\$ 114,279</u>

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	40,763	38,105
Deferred revenue	<u>14,423</u>	<u>26,213</u>
	55,186	<u>64,318</u>


SURPLUS

Unrestricted Surplus	<u>49,116</u>	<u>49,961</u>
	<u>\$ 104,302</u>	<u>\$ 114,279</u>

Approved on Behalf of the Board:



Director



Director

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Statement of Surplus
For the year ended March 31, 2015

	2015	2014
Balance - beginning of year	\$ 49,961	\$ 50,179
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>(845)</u>	<u>(218)</u>
Balance - end of year	<u>\$ 49,116</u>	<u>\$ 49,961</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)

Statement of Operations

For the year ended March 31, 2015

	2015	2014
Revenue		
Welding apprenticeship (Schedule 1)	\$ 142,568	\$ 149,076
Pre-apprenticeship training	58,500	56,856
Apprenticeship enhancement funding	49,770	46,657
Program	1,450	2,050
Tuition	85,457	50,562
Books and supplies	-	800
ED funding	9,000	5,000
JCP Funding	14,455	-
Interest	345	425
Miscellaneous	<u>6,515</u>	<u>7,600</u>
	\$ 368,060	<u>319,026</u>
Expenditures		
Welding apprenticeship (Schedule 1)	147,543	143,759
Administrative	27,986	24,113
Advertising	7,386	3,910
Bookkeeping fees	6,213	5,714
Capital purchases	55,636	52,024
Co-ordinator fees	4,150	2,999
Professional fees	3,652	3,750
Instructor fees	54,909	39,188
Insurance	2,017	1,769
Meetings	435	386
Office	6,401	2,209
Facility	11,592	9,840
Supplies, materials, tools	30,941	24,328
Travel	1,596	3,441
Web design	7,406	974
Project support	-	500
Interest	92	90
Bad debt	<u>950</u>	<u>250</u>
	<u>368,905</u>	<u>319,244</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ <u>(845)</u>	\$ <u>(218)</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)

Statement of Cash Flows

For the year ended March 31, 2015

	2015	2014
Cash Provided By (Used In):		
Operating Activities		
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (845)	\$ (218)
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	(15,031)	(6,838)
Decrease (increase) in HST receivable	(1,906)	212
Decrease (increase) in prepaid expenses	(957)	2,455
Increase (decrease) in deferred grants	(11,790)	(12,782)
Increase (decrease) in accounts payable and accrued liabilities	<u>2,658</u>	<u>4,061</u>
(Decrease) in cash and cash equivalents	\$ (27,871)	(13,110)
Cash and cash equivalents - beginning of year	<u>77,983</u>	<u>91,093</u>
Cash and cash equivalents - end of year	\$ <u>50,112</u>	\$ <u>77,983</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	23,789	53,911
Investment savings account	<u>26,323</u>	<u>24,072</u>
	\$ <u>50,112</u>	\$ <u>77,983</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Notes to the Financial Statements
For the year ended March 31, 2015

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. 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, 2015, the organization purchased and charged to expense items of a capital nature totalling \$ 55,636 (2014 - \$ 52,024).

(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.

(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, revenue and expenditures. 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.

(Schedule 1)

Technical Training Group (Stratford & Area)
Schedule of Operations for Welding Apprenticeship Programs
For the year ended March 31, 2015

	2015	2014
Revenue		
MTCU grants	\$ 111,880	\$ 118,548
Tuition	18,438	17,000
Books and supplies	<u>12,250</u>	<u>13,528</u>
	\$ 142,568	<u>149,076</u>
Expenditures		
Administrative	14,461	12,688
Advertising	3,106	1,958
Bookkeeping fees	4,133	3,454
Co-ordinator fees	12,632	11,249
Professional fees	2,429	3,073
Instructor fees	45,054	48,070
Insurance	1,342	1,450
Meetings	342	504
Office	12,591	6,892
Facility	26,982	26,997
Supplies, materials, tools	23,131	26,469
Travel	1,132	955
Web design	<u>208</u>	<u>-</u>
	<u>147,543</u>	<u>143,759</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ <u>(4,975)</u>	\$ <u>5,317</u>