

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

FINANCIAL STATEMENTS

MARCH 31, 2016

# Famme & Co.

Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the The Board of Directors of  
Technical Training Group (Stratford & Area)  
Stratford, Ontario

We have audited the accompanying financial statements of **Technical Training Group (Stratford & Area)**, which comprise the statement of financial position as at **March 31, 2016** 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 and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and cash flows.

### 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, 2016** 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 20, 2016

**Technical Training Group (Stratford & Area)**  
**Statement of Financial Position**  
As at March 31, 2016

<b>ASSETS</b>		<b>2016</b>	<b>2015</b>
<b>Current Assets</b>			
Cash	\$ 105,729		\$ 23,789
Investment savings account	16,465		26,323
Accounts receivable	24,129		33,325
HST receivable	11,030		16,775
Prepaid expenses	<u>5,106</u>		<u>4,090</u>
		<b>\$ <u>162,459</u></b>	<b>\$ <u>104,302</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	39,511		40,763
Deferred revenue	<u>74,381</u>		<u>14,423</u>
		<b>113,892</b>	<b><u>55,186</u></b>
<b>SURPLUS</b>			
<b>Unrestricted Surplus</b>		<u>48,567</u>	<u>49,116</u>
		<b>\$ <u>162,459</u></b>	<b>\$ <u>104,302</u></b>

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, 2016

	2016	2015
<b>Balance - beginning of year</b>	\$ 49,116	\$ 49,961
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>(549)</u>	<u>(845)</u>
<b>Balance - end of year</b>	<u>\$ 48,567</u>	<u>\$ 49,116</u>

(See Accompanying Notes to the Financial Statements)

## Technical Training Group (Stratford & Area)

### Statement of Operations

For the year ended March 31, 2016

	2016	2015
<b>Revenue</b>		
Welding apprenticeship (Schedule 1)	\$ 127,968	\$ 142,568
Pre-apprenticeship training	79,390	58,500
Apprenticeship enhancement funding	25,040	49,770
Program	10,050	1,450
Tuition	189,404	85,457
Books and supplies	65	-
ED funding	12,500	9,000
JCP Funding	3,416	14,455
Libro grant	6,207	-
Interest	352	345
Miscellaneous	<u>2,687</u>	<u>6,515</u>
	\$ 457,079	<u>368,060</u>
<b>Expenditures</b>		
Welding apprenticeship (Schedule 1)	143,362	147,543
Administrative	40,509	27,986
Marketing Manager	25,537	-
Advertising	8,007	7,386
Bookkeeping fees	7,440	6,213
Capital purchases	35,727	55,636
Co-ordinator fees	4,476	4,150
Professional fees	4,110	3,652
Curriculum development	11,116	-
Instructor fees	100,418	54,909
Insurance	3,232	2,017
Meetings	692	435
Office	8,492	6,401
Facility	12,594	11,592
Supplies, materials, tools	44,707	30,941
Travel	1,881	1,596
Web design	1,470	7,406
Project support	2,182	-
Interest	391	92
Bad debt	<u>1,285</u>	<u>950</u>
	<u>457,628</u>	<u>368,905</u>
<b>Excess of revenue over expenditures (expenditures over revenue) for the year</b>	\$ <u>(549)</u>	\$ <u>(845)</u>

(See Accompanying Notes to the Financial Statements)

## Technical Training Group (Stratford & Area)

### Statement of Cash Flows

For the year ended March 31, 2016

	2016	2015
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (549)	\$ (845)
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	9,196	(15,031)
Decrease (increase) in HST receivable	5,745	(1,906)
Decrease (increase) in prepaid expenses	(1,016)	(957)
Increase (decrease) in deferred grants	59,958	(11,790)
Increase (decrease) in accounts payable and accrued liabilities	<u>(1,252)</u>	<u>2,658</u>
<b>Increase (decrease) in cash and cash equivalents</b>	\$ 72,082	(27,871)
<b>Cash and cash equivalents - beginning of year</b>	<u>50,112</u>	<u>77,983</u>
<b>Cash and cash equivalents - end of year</b>	\$ <u>122,194</u>	\$ <u>50,112</u>
<b>Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash	105,729	23,789
Investment savings account	<u>16,465</u>	<u>26,323</u>
	\$ <u>122,194</u>	\$ <u>50,112</u>

(See Accompanying Notes to the Financial Statements)

**Technical Training Group (Stratford & Area)**  
**Notes to the Financial Statements**  
For the year ended March 31, 2016

**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, 2016, the organization purchased and charged to expense items of a capital nature totalling \$ 35,727 (2015 - \$ 55,636).

(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, 2016

	2016	2015
<b>Revenue</b>		
MTCU grants	\$ 98,098	\$ 111,880
Tuition	14,600	18,438
Books and supplies	14,970	12,250
Miscellaneous income	<u>300</u>	<u>-</u>
	\$ 127,968	<u>142,568</u>
<b>Expenditures</b>		
Administrative	12,369	14,461
Advertising	2,546	3,106
Marketing Manager	8,612	-
Bookkeeping fees	3,624	4,133
Co-ordinator fees	12,135	12,632
Professional fees	1,804	2,429
Curriculum development	12,044	-
Instructor fees	39,417	45,054
Insurance	1,542	1,342
Meetings	261	342
Office	12,920	12,591
Facility	18,850	26,982
Supplies, materials, tools	16,559	23,131
Travel	679	1,132
Web design	<u>-</u>	<u>208</u>
	<u>143,362</u>	<u>147,543</u>
<b>Excess of revenue over expenditures (expenditures over revenue) for the year</b>	<b>\$ <u>(15,394)</u></b>	<b>\$ <u>(4,975)</u></b>