

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

FINANCIAL STATEMENTS

MARCH 31, 2014

Famme & Co.

Professional Corporation

CHARTERED ACCOUNTANTS

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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, 2014** 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, 2014** 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 Accountants

Authorized to practise public accounting by

The Institute of Chartered Accountants of Ontario

Stratford, Ontario

June 25, 2014

Technical Training Group (Stratford & Area)
Statement of Financial Position
As at March 31, 2014

ASSETS

	2014	2013
Current Assets		
Cash	\$ 53,911	\$ 67,285
Investment savings account	24,072	23,808
Accounts receivable	18,294	11,456
HST receivable	14,869	15,081
Prepaid expenses	<u>3,133</u>	<u>5,588</u>
	\$ <u>114,279</u>	\$ <u>123,218</u>

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	38,105	34,044
Deferred revenue	<u>26,213</u>	<u>38,995</u>
	64,318	<u>73,039</u>

SURPLUS

Unrestricted Surplus	<u>49,961</u>	<u>50,179</u>
	\$ <u>114,279</u>	\$ <u>123,218</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, 2014

	2014	2013
Balance - beginning of year	\$ 50,179	\$ 50,058
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>(218)</u>	<u>121</u>
Balance - end of year	<u>\$ 49,961</u>	<u>\$ 50,179</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)

Statement of Operations

For the year ended March 31, 2014

	2014	2013
Revenue		
Welding apprenticeship (Schedule 1)	\$ 149,076	\$ 140,873
Pre-apprenticeship training	56,856	40,487
Apprenticeship enhancement funding	46,657	38,146
Program	2,050	7,800
Tuition	50,562	51,458
Books and supplies	800	5,540
ED funding	5,000	-
Interest	425	468
Miscellaneous	<u>7,600</u>	<u>8,375</u>
	\$ 319,026	<u>293,147</u>
Expenditures		
Welding apprenticeship (Schedule 1)	143,759	136,841
Administrative	24,113	24,894
Advertising	3,910	1,116
Bookkeeping fees	5,714	3,967
Capital purchases	52,024	38,146
Co-ordinator fees	2,999	-
Professional fees	3,750	2,909
Instructor fees	39,188	46,133
Insurance	1,769	1,633
Meetings	386	1,257
Office	2,209	2,838
Facility	9,840	6,160
Supplies, materials, tools	24,328	21,866
Travel	3,441	1,423
Web design	974	993
Project support	500	500
Interest	90	110
Bad debt	<u>250</u>	<u>2,240</u>
	<u>319,244</u>	<u>293,026</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ <u>(218)</u>	\$ <u>121</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash Provided By (Used In):		
Operating Activities		
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (218)	\$ 121
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	(6,838)	16,788
Decrease (increase) in HST receivable	212	2,997
Decrease (increase) in prepaid expenses	2,455	(2,640)
Increase (decrease) in deferred grants	(12,782)	10,252
Increase (decrease) in accounts payable and accrued liabilities	<u>4,061</u>	<u>437</u>
Increase (decrease) in cash and cash equivalents	\$ (13,110)	27,955
Cash and cash equivalents - beginning of year	<u>91,093</u>	<u>63,138</u>
Cash and cash equivalents - end of year	<u>\$ 77,983</u>	<u>\$ 91,093</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	53,911	67,285
Investment savings account	<u>24,072</u>	<u>23,808</u>
	<u>\$ 77,983</u>	<u>\$ 91,093</u>

(See Accompanying Notes to the Financial Statements)

Technical Training Group (Stratford & Area)
Notes to the Financial Statements
For the year ended March 31, 2014

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, 2014, the organization purchased and charged to expense items of a capital nature totalling \$ 52,024 (2013 - \$ 38,146).

(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, 2014

	2014	2013
Revenue		
MTCU grants	\$ 118,548	\$ 110,473
Tuition	17,000	18,500
Books and supplies	<u>13,528</u>	<u>11,900</u>
	\$ 149,076	<u>140,873</u>
Expenditures		
Administrative	12,688	14,792
Advertising	1,958	1,804
Bookkeeping fees	3,454	2,818
Co-ordinator fees	11,249	10,421
Professional fees	3,073	2,548
Instructor fees	48,070	39,301
Insurance	1,450	1,500
Meetings	504	109
Office	6,892	8,395
Facility	26,997	25,011
Supplies, materials, tools	26,469	28,301
Travel	955	1,838
Interest	<u>-</u>	<u>3</u>
	<u>143,759</u>	<u>136,841</u>
Excess of revenue over expenditures for the year	\$ <u>5,317</u>	\$ <u>4,032</u>