

**Crown Corporation Employers'
Association**
Financial Statements
For the year ended March 31, 2018

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Financial Statements
For the year ended March 31, 2018

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Management's Responsibility

To the Board of Directors of the Crown Corporation Employers' Association:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgmental is required.

In discharging the responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

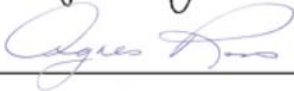
The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing the relevant matters with management and external auditors.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Directors to audit the financial statements and report directly to the Directors; their report follows. The external auditors have full and free access to, and meet periodically and separately with, the Board and management to discuss their audit findings.

Approved by the Board:



Director



Director

Independent Auditor's Report

To the Board of Directors of the Crown Corporation Employers' Association,

We have audited the accompanying financial statements of the Crown Corporation Employers' Association, which comprise the Statement of Financial Position as at March 31, 2018 and the Statements of Operations, Changes in Net Financial Assets, 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 public sector accounting standards, 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.

Auditor's 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 auditor's 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 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Crown Corporation Employers' Association for the year ended March 31, 2018 and results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 of the financial statements, which states that Crown Corporations Employers' Association incurred losses from operations and negative cash flows from operating activities. This, along with other matters described in Note 2, raises substantial doubt about the ability of the Crown Corporations Employers' Association to continue as a going concern.



Other Matters

The comparative figures presented in these financial statements for the year ended March 31, 2017 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion in their report dated May 11, 2017.

BDO Canada LLP

Chartered Professional Accountants

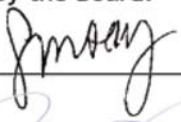
Vancouver, British Columbia

May 23, 2018

**Crown Corporation Employers' Association
Statement of Financial Position**

March 31	2018	2017
Financial Assets		
Cash and cash equivalents	\$ 52,106	\$ 62,314
	<u>52,106</u>	<u>62,314</u>
Liabilities		
Accounts payable and accrued liabilities	<u>3,000</u>	<u>3,800</u>
	<u>3,000</u>	<u>3,800</u>
Net Financial Assets	<u>49,106</u>	<u>58,514</u>
Accumulated Surplus	<u>\$ 49,106</u>	<u>\$ 58,514</u>

Approved by the Board:



Director



Director

**Crown Corporation Employers' Association
Statement of Operations**

For the year ended March 31	2018	2017
Expenses		
Professional fees	\$ 6,121	\$ 5,432
Annual general meeting	3,215	8,001
Bank fees	72	72
	<hr/>	
	9,408	13,505
	<hr/>	
Deficiency of revenue over expenses	(9,408)	(13,505)
Accumulated surplus, beginning of year	58,514	72,019
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Accumulated surplus, end of year	\$ 49,106	\$ 58,514

The accompanying notes are an integral part of these financial statements.

**Crown Corporation Employers' Association
Statement of Changes in Net Financial Assets**

For the year ended March 31	2018	2017
Deficiency of revenue over expenses	\$ (9,408)	\$ (13,505)
Change in net financial assets for the year	(9,408)	(13,505)
Net financial assets, beginning of year	58,514	72,019
Net financial assets, end of year	\$ 49,106	\$ 58,514

**Crown Corporation Employers' Association
Statement of Cash Flows**

For the year ended March 31	2018	2017
Operating transactions		
Deficiency of revenue over expenses	\$ (9,408)	\$ (13,505)
Change in non-cash operating items		
Accounts payable and accrued liabilities	(800)	600
	<u>(10,208)</u>	<u>(12,905)</u>
Net decrease in cash for the year	(10,208)	(12,905)
Cash, beginning of year	62,314	75,219
Cash, end of year	\$ 52,106	\$ 62,314

The accompanying notes are an integral part of these financial statements.

Crown Corporation Employers' Association Notes to Financial Statements

March 31, 2018

1. Nature of Business

The Crown Corporations Employer's Association (the "Association"), a non-profit, non-taxable entity, was incorporated on 11 February 1994 under the Society Act of British Columbia and is in the process of transitioning to the new Societies Act (British Columbia). The Association's purpose is to improve the efficient, effective and fair delivery of human resource services throughout all member organization's to assist the Public Sector Employer's Council (the "Council") in carrying out any objective and strategic direction established by the Council.

2. Going Concern

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes that the Association will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that cast a significant doubt upon the soundness of this assumption. Funding from the Association's members has ceased. For the Association to continue to operate as a going concern it must obtain and maintain additional sources of funding.

If the going concern assumption were not appropriate for these financial statements the adjustments would be necessary to the carrying value of the assets and liabilities, the reported expenses and the statement of financial position classifications used as such adjustments could be material.

Management has assessed that the Association has sufficient funds to continue operating for at least the next fiscal period and is expected to continue operating afterwards.

3. Significant Accounting Policies

(a) Basis of Accounting

The Association prepares its financial statements in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board.

(b) Revenue Recognition

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the period in which the conditions of the funding have been met.

Crown Corporation Employers' Association
Notes to Financial Statements

March 31, 2018

3. Significant Accounting Policies (Continued)

(c) Financial Instruments

The Association's financial instruments consist of cash and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(d) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the completeness of accruals and accounts payable. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

4. Financial Instrument Risk

The Association, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of these risks at March 31, 2018. There have been no changes to these risks from prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligation. The Association is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is that the risk the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly through the receipt of funds and the discharging of its accounts payable and accrued liabilities. As at March 31, 2018 the Association had cash and cash equivalents of \$52,106 (2017 - \$62,374) to settle current monetary liabilities of \$3,000 (2017 -\$3,800). Therefore, the Association is not exposed to significant liquidity risk.

Crown Corporation Employers' Association
Notes to Financial Statements

March 31, 2018

5. Remuneration of Directors, Employees and Contractors

On November 28, 2016 the Society Act (BC) was repealed and replaced with the Societies Act (BC) ("New Act"). The New Act required that all Societies transition to the New Act before November 28, 2018. As outlined in Note 1, is in the process of transitioning to the new Societies Act (British Columbia). The New Act requires the Association to disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors.

During the year ended March 31, 2018, the amounts paid to the Directors of the Association for acting in their noted capacity was \$Nil (2017 - \$Nil). There were no employees/contractors who received annual remuneration equal to or greater than \$75,000.