



Ontario Petroleum Contractors Association

Financial Report

**ONTARIO PETROLEUM
CONTRACTORS' ASSOCIATION**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 31, 2015

Brian J. Ward CPA

345 Kingston Road, Suite 206

Pickering, Ontario L1V 1A1

brian@bjwcpa.ca

Phone: (647) 955-4507

Fax: (905) 831-2773

INDEPENDENT AUDITOR'S REPORT

**To the Members of:
Ontario Petroleum Contractors' Association**

I have audited the accompanying financial statements of Ontario Petroleum Contractors' Association, which comprise the statement of financial position as at January 31, 2015, and the statements of operations, changes in net 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 accounting standards for non-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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Petroleum Contractors' Association as at January 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.



Chartered Professional Accountant, Chartered Accountant
Licensed Public Accountant

Pickering, Ontario

October 6, 2015

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION

STATEMENT OF EARNINGS

FOR THE YEAR ENDED JANUARY 31, 2015

	<u>2015</u>	<u>2014</u>
Revenue		
Sales revenue	\$ 516,449	\$ 567,169
Other income	17,832	12,519
	<u>534,281</u>	<u>579,688</u>
Expenses		
Training and development	67,386	71,779
Salary and benefits	163,552	151,431
General meeting	48,393	46,051
Accounting and legal	26,325	53,855
Advertising and promotion	23,092	6,575
Office and general	60,213	66,706
Amortization	8,880	8,713
Insurance	5,914	5,289
Interest and bank charges	1,288	286
Rent	24,305	20,707
Repairs and maintenance	4,746	6,132
Telephone and utilities	23,419	25,700
Travel	13,087	2,429
Bad debts	3,451	-
	<u>474,051</u>	<u>465,653</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 60,230</u>	<u>\$ 114,035</u>

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2015

	<u>2015</u>	<u>2014</u>
Net assets, beginning of year	\$ 839,297	\$ 725,262
Excess of revenue over expenses	<u>60,230</u>	<u>114,035</u>
Net assets, end of year	<u><u>\$ 899,527</u></u>	<u><u>\$ 839,297</u></u>

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JANUARY 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
Current		
Cash	\$ 712,736	\$ 713,085
Accounts receivable	71,854	106,873
Prepaid expenses	<u>96,959</u>	<u>13,950</u>
	881,549	833,908
Capital assets (Note 3)	53,731	56,523
	<u>\$ 935,280</u>	<u>\$ 890,431</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 25,339	\$ 46,496
Withholding taxes payable	9,463	3,937
Deferred revenue (Note 4)	<u>951</u>	<u>701</u>
	<u>35,753</u>	<u>51,134</u>
NET ASSETS		
Accumulated surplus	<u>899,527</u>	<u>839,297</u>
	<u>\$ 935,280</u>	<u>\$ 890,431</u>

Approved by the Board of Directors

_____ Director

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2015

	<u>2015</u>	<u>2014</u>
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 60,230	\$ 114,035
Charges to income not involving cash:		
Amortization	8,880	8,713
	<u>69,110</u>	<u>122,748</u>
Net change in non-cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	35,019	(43,322)
Decrease (increase) in prepaid expenses	(83,009)	(9,551)
Increase (decrease) in accounts payable	(21,158)	34,613
Increase (decrease) in withholding tax payable	5,526	(28,346)
Increase in deferred revenue	250	701
Investing activities:		
Purchase of fixed assets	<u>(6,087)</u>	<u>(2,822)</u>
Increase (decrease) in cash, during the year	(349)	74,021
Cash, beginning of year	<u>713,085</u>	<u>639,064</u>
Cash, end of year	<u><u>\$ 712,736</u></u>	<u><u>\$ 713,085</u></u>

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2015

1. Nature of the Organization

The Ontario Petroleum Contractor's Association (OPCA) was established in 1994 as a Not-for-Profit organization by a group working in various sectors of the petroleum industry. The OPCA proceeded in establishing the framework for the training and licencing of petroleum contractors.

The mission of the Ontario Petroleum Contractors' Association is to establish, promote and maintain the highest standards of quality, safety, and environmental protection for all types of installations and modifications of petroleum systems.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

Capital assets

Amortization charges are calculated at the following rates per annum:

Furniture and equipment	20% declining balance
Leasehold improvements	10 years straight-line

a) Revenue recognition

The organization follows the deferral method of accounting for revenues. Training revenues are recognized as revenue in the year in which the related expenses are incurred. Other revenues are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

b) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The effect on changes in estimates are recognized in the period when the change occurs.

c) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable.

The financial liabilities subsequently measured at amortized cost include accounts payable and accrued charges.

ONTARIO PETROLEUM CONTRACTORS' ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2015

3. Capital assets

Capital assets are stated as follows:

	Cost	Accumulated Amortization	2015 Net	2014 Net
Leasehold improvements	\$ 50,642	\$ 20,518	\$ 30,124	\$ 33,934
Office furniture	38,800	15,193	23,607	22,589
	<u>\$ 89,442</u>	<u>\$ 35,711</u>	<u>\$ 53,731</u>	<u>\$ 56,523</u>

The amortization expense for the year is \$8,880 (2014 - \$8,713).

4. Deferred revenue

Deferred revenue represents funds received or receivable for training courses that have not been delivered as at January 31, 2015. These amounts will be recognized as revenue in the subsequent year when the training is delivered.

5. Financial instruments

Ontario Petroleum Contractors' Association is exposed to various risks through its financial instruments. The following analysis presents the organization's exposure to significant risk at the reporting date, i.e. January 31, 2015. There has been no significant change in risk since January 31, 2014.

Credit risk

The organization is exposed to credit risk with respect to the accounts receivable. The accounts receivable were received soon after the fiscal year-end.