

Financial statements of

**CANADIAN SUPPLY CHAIN SECTOR COUNCIL**

March 31, 2008

***Tinkham & Associates LLP***  
CHARTERED ACCOUNTANTS

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**AUDITORS' REPORT**

To the Members of  
**CANADIAN SUPPLY CHAIN SECTOR COUNCIL**

We have audited the balance sheet of the Canadian Supply Chain Sector Council as at March 31, 2008 and the statement of operations for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Supply Chain Sector Council as at March 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

TORONTO, Ontario

May 23, 2008

***Tinkham & Associates LLP***  
CHARTERED ACCOUNTANTS

**Licensed Public Accountants**

# CANADIAN SUPPLY CHAIN SECTOR COUNCIL

## Balance Sheet

As at March 31	2008	2007
<b>Assets</b>		
Current		
Cash	\$ -	\$ 86,154
Due from Human Resources and Skills Development Canada (note 1)	-	30,160
GST receivable	14,976	9,765
Prepaid expenses	8,143	12,110
	23,119	138,189
Capital assets (note 3)	29,358	37,450
	\$ 52,477	\$ 175,639

### Liabilities and Retained Earnings

Current		
Bank indebtedness	\$ 9,919	\$ -
Accounts payable	2,846	114,502
Deferred HRSDC contribution	8,143	23,756
	20,908	138,258
Deferred HRSDC capital contribution	29,358	37,450
Net assets (deficit)	2,211	(69)
	\$ 52,477	\$ 175,639

Commitments (note 4)  
Contingent liabilities (note 5)

See accompanying notes to financial statements.

On behalf of the Board  
 Director X  
 Director

# CANADIAN SUPPLY CHAIN SECTOR COUNCIL

## Statement of Operations

Year ended March 31	2008	2007
Revenue		
HRSDC contribution	\$ 467,007	\$ 406,369
Other contributions	\$ 3,872	\$ -
Interest	92	12
Amortization of deferred capital contributions	10,842	5,284
	<b>481,813</b>	<b>411,665</b>
Expense		
Accounting and data support	29,510	31,663
Amortization	10,842	5,284
Bank charges	1,208	910
Communication	71,710	29,179
Facilitation	1,000	15,400
GST expense	7,925	7,909
Hospitality	8,185	5,623
Meeting room rental	2,481	2,960
Office	9,283	11,307
Occupancy	26,759	13,078
Printing	4,796	5,843
Project consultants	37,920	61,880
Project coordinator	28,250	43,815
Professional fees	7,715	6,133
Salaries and wages	153,555	111,005
Translation	9,968	9,972
Travel	64,575	44,806
Training and development	3,851	4,967
	<b>479,533</b>	<b>411,734</b>
Excess (deficiency) of revenue over expenses for the year	2,280	(69)
Net assets (deficit), beginning of year	(69)	-
Net assets (deficit), end of year	\$ 2,211	\$ (69)

See accompanying notes to financial statements.

# CANADIAN SUPPLY CHAIN SECTOR COUNCIL

## Notes to Financial Statements

March 31, 2008

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### 1 Organization

The Canadian Logistics Skills Council (CLSC), by Supplementary Letters Patent dated January 30, 2006, changed its name to the Canadian Supply Chain Sector Council (CSCSC) and will continue in operations to aim at creating vision and leadership in improving the Canadian labour force and in assisting firms in meeting changing competitive demands. Human Resources and Social Development Canada (HRSDC) has committed to provide funding to the CSCSC up to \$894,586 of which \$470,991 relates to the 2007/08 funding.

### 2 Accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of the Canadian Supply Chain Sector Council financial statements in conformance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenue and expense during the reporting periods. Actual results could differ from such estimates.

#### (a) Revenue recognition

The Council follows the deferral method of accounting for contributions which include government grants. Designated contributions received and restricted for the purchase of capital assets, are deferred and amortized into income at the same rate as the associated capital asset is amortized.

The Council is funded primarily by the Government of Canada in accordance with budget arrangements established by the Human Resources and Social Development Canada. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period it is deferred and recognized in that subsequent period.

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

#### (b) Capital assets

Purchased capital assets are recorded at cost. Capital assets are amortized on a straight-line basis using the following annual rates:

Furniture and equipment	5 years
Computer equipment and software	3 years

# CANADIAN SUPPLY CHAIN SECTOR COUNCIL

## Notes to Financial Statements

March 31, 2008

### 3 Capital assets

	2008		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 30,331	\$ (8,549)	\$ 21,782
Computer equipment and software	15,153	(7,577)	7,576
	<u>\$ 45,484</u>	<u>\$ (16,126)</u>	<u>29,358</u>

  

	2007		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	27,581	(2,758)	24,823
Computer equipment and software	15,153	(2,526)	12,627
	<u>42,734</u>	<u>5,284</u>	<u>37,450</u>

### 4 Commitments

The Council has entered into lease commitments for its premises expiring July 31, 2011 and for operating equipment. The following schedule outlines the minimum annual lease payments required:

2009	14,884
2010	15,423
2011	5,288
Total	<u>\$ 35,595</u>

### 5 Contingent liabilities

The Council receives funding from Human Resources and Social Development Canada. The amount of the funding is subject to final review and approval by HRSDC. As at the date of these financial statements, funding to March 31, 2008 has not been subject to this review process. Any adjustments required as a result of this HRSDC review will be accounted for in the year of settlement.

### 6 Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Council's designation of such instruments. Settlement date accounting is used.

<u>Financial instrument</u>	<u>Classification</u>
Cash	Held for trading
Receivables	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

# CANADIAN SUPPLY CHAIN SECTOR COUNCIL

## Notes to Financial Statements

March 31, 2008

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### 7 Changes in accounting policies

#### *Financial instruments*

Effective April 1, 2007 the Council adopted the following recommendations of the CICA Handbook:

Section 3855, Financial Instruments - Recognition and Measurement

Section 3865, Hedges

Section 3861, Financial Instruments - Disclosure and Presentation

Section 3251, Equity

The Council has made the following classifications:

- Cash is classified as held for trading and is measured at fair value.
- Receivables are classified as loans and receivables and are recorded at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities are classified as other liabilities and measured at amortized cost using the effective interest method.

#### *Impact upon adoption of Sections 1530, 3251, 3855, 3861 and 3865*

These new standards were applied retroactively as of April 1, 2007 without restatement of prior year figures.

There were no transition adjustments required arising from the remeasuring of financial instruments

### 8 Statement of cash flow

A statement of cash flow has not been presented as it will not provide any additional useful information.

