B.C. ASSOCIATION OF CLINICAL COUNSELLORS

Financial Statements

For the Year Ended December 31, 2019

bakertilly

Baker Tilly Victoria Ltd
Chartered Professional Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of B.C. Association of Clinical Counsellors

Report on the Financial Statements

Opinion

We have audited the financial statements of B.C. Association of Clinical Counsellors (the "Association") that comprise the statement of financial position as at December 31, 2019, 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 and Schedules 1 and 2.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Association as at December 31, 2019, and results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

INDEPENDENT AUDITORS' REPORT (continued)

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, BC

May 30, 2020

B.C. Association of Clinical Counsellors

Statement of Financial Position

As at December 31, 2019

	2019	2018
	$	$
Assets		
Current Assets -		
Cash	**1,191,722**	1,105,553
Accounts receivable	**6,635**	1,115
Prepaid expenses	**30,270**	53,902
Rent security deposit	**6,382**	6,382
	1,235,009	1,166,952
Operating Reserve Investments	**300,429**	279,856
College Fund Reserve Investments	**129,907**	252,394
Capital Reserve Investments	**357,615**	97,661
Capital Assets (note 2)	**81,740**	77,897
Intangible Assets (note 3)	**79,004**	115,573
	2,183,704	1,990,333

B.C. Association of Clinical Counsellors

Statement of Financial Position

As at December 31, 2019

	2019	2018
	$	$
Liabilities		
Current Liabilities -		
Accounts payable	**24,970**	35,975
Accrued liabilties	**68,527**	52,614
Goods and services tax payable	**23,346**	22,847
Employee deductions payable	**805**	626
Deferred revenue (note 4)	**677,725**	633,239
	795,373	745,301
Contingent Liability (note 8)		
Net Assets		
Operating Fund	**439,636**	421,651
Invested in Capital and Intangible Assets	**160,744**	193,470
Operating Reserve	**300,429**	279,856
College Fund Reserve	**129,907**	252,394
Capital Reserve	**357,615**	97,661
	1,388,331	1,245,032
	2,183,704	1,990,333

SIGNED ON BEHALF OF THE BOARD:

DocuSigned by:

Joan M Campbell

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Director

DocuSigned by:

Merry Miller

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Director

B.C. Association of Clinical Counsellors

Statement of Changes in Net Assets
For the Year Ended December 31, 2019

	Operating Fund	Invested in Capital and Intangible Assets	Operating Reserve	College Fund Reserve	Capital Reserve	**2019**	2018
						$	$
Net Assets- Beginning of Year	421,651	193,470	279,856	252,394	97,661	**1,245,032**	1,088,139
Excess of revenues over expenditures	143,299	-	-	-	-	**143,299**	156,893
Investment in capital and intangible assets	(30,138)	30,138	-	-	-	**-**	-
Amortization	62,643	(62,643)	-	-	-	**-**	-
Disposal of capital assets	1,226	(1,226)	-	-	-	**-**	-
Accumulated amortization on disposals	(1,005)	1,005	-	-	-	**-**	-
Interfund transfers	(100,000)			(150,000)	250,000	**-**	-
Investment income	(58,040)	-	20,573	27,513	9,954	**-**	-
Net Assets - End of Year	439,636	160,744	300,429	129,907	357,615	**1,388,331**	1,245,032

B.C. Association of Clinical Counsellors

Statement of Operations

For the Year Ended December 31, 2019

	2019	2018
	$	$
Revenue		
Renewing and reinstating membership dues	**1,594,762**	1,468,731
New members dues	**127,773**	111,957
Application and service fees	**118,447**	100,209
Advertising	**25,968**	24,821
Workshops	**84,845**	56,784
Investment income	**58,040**	(12,686)
Interest	**20,129**	13,609
Sponsorships	**1,500**	1,500
Conferences	**97,679**	-
Insurance premium	**4,427**	-
	2,133,570	1,764,925
Expenditures		
Administration (Schedule 1)	**362,683**	307,529
Regulatory services (Schedule 2)	**203,725**	163,021
Member services (Schedule 2)	**514,562**	348,865
Human resources (Schedule 1)	**909,080**	783,442
	1,990,050	1,602,857
Operating Income	**143,520**	162,068
Other Expense -		
Losses on disposal of assets	**(221)**	(5,175)
Excess of Revenues Over Expenditures	**143,299**	156,893

B.C. Association of Clinical Counsellors

Statement of Cash Flows

For the Year Ended December 31, 2019

	2019	2018
	$	$
Cash Provided from (Used for):		
Operating Activities		
Excess of Revenues Over Expenditures	**143,299**	156,893
Items not affecting cash:		
Amortization of capital assets	**26,074**	23,660
Amortization of intangible assets	**36,569**	30,259
Loss on write-down of capital and intangible assets	**221**	5,175
Changes in non-cash working capital:		
Accounts receivable	**(5,520)**	831
Prepaid expenses	**23,632**	45,100
Accounts payable	**(11,005)**	27,398
Accrued liabilties	**15,913**	8,531
Goods and services tax payable	**499**	(8,457)
Employee deductions payable	**179**	15
Deferred revenue	**44,486**	(147,685)
	274,347	141,720
Investing Activities		
Decrease (increase) in investments	**(58,040)**	12,686
Transfer to restricted funds	**(100,000)**	(100,000)
Purchase of capital assets	**(30,138)**	(11,726)
Purchase of intangible assets	**-**	(113,704)
	(188,178)	(212,744)
Net Increase (Decrease) in Cash	**86,169**	(71,024)
Cash - Beginning of Year	**1,105,553**	1,176,577
Cash - End of Year	**1,191,722**	1,105,553

B.C. Association of Clinical Counsellors

Notes to Financial Statements

For the Year Ended December 31, 2019

Purpose of the Organization

The B.C. Association of Clinical Counsellors was incorporated under the Society Act of British Columbia on May 19, 1988. On July 21, 2017, the Association transitioned to the new British Columbia Societies Act. The Association is exempt from income taxes under subsection 149(1) of the Income Tax Act.

The purpose of the Association is to develop and advocate for the profession of counselling, promoting the self-interest of the profession and the membership; to regulate the professional practice of the registered members, protecting public interest through entry criteria, peer review and complaint investigation; to maintain an operational infrastructure to support the fundamental purposes.

1 Significant Accounting Policies

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

Capital Assets

Capital Assets are carried at cost less accumulated amortization. Amortization is charged against income using the straight-line method in amounts sufficient to amortize the cost of capital assets over their estimated useful lives as follows:

Computer equipment	3 years
Furniture and fixtures	5 years

Capital assets acquired during the year but not yet in productive use are not amortized until they are placed into use. A half year of amortization is taken in the year of acquisition.

Leasehold improvements are carried at cost less accumulated amortization. Amortization is charged against income using the straight-line method over the remaining term of the lease plus one renewal.

1 Significant Accounting Policies (continued)

Intangible Assets

Intangible assets consist of the Association's Website, Logo and Database that are carried at cost less accumulated amortization. Amortization is charged against income using the straight-line method in amounts sufficient to amortize intangible assets over their estimated useful life as follows:

Logo	4 years
Database	4 years
Website	4 years

Financial Instruments

Measurement of financial instruments
The Association initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments including those that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in excess revenue over expenditures.

Measurement of financial instruments
Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable, and rent security deposit.

Financial assets measured at fair value include the operating reserve investments, the college fund reserve investments, and the capital reserve investments.

Financial liabilities measured at amortized cost and on a straight-line basis include accounts payable, accrued liabilities and deferred revenue.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

1 Significant Accounting Policies (continued)

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received except for non-capital contributions restricted for specific purposes which are recorded as deferred contributions and recognized as revenue in the fiscal year related expenses are incurred.

Revenues including application and services fees, advertising, interest, new member dues, renewing and reinstating member dues, sponsorships, and workshops are recognized in the fiscal year in which the transaction or events occurred that gave rise to the revenues. Investment income is recognized when earned.

All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Net Assets

The Operating Fund represents the net assets available for the day-to-day operations of the Association.

The Invested in Capital and Intangible Assets represents the assets, liabilities, revenues and expenses related to the Association's capital and intangible assets.

The purpose of the Operating Reserve is to hold resources to cover unexpected financial occurrences.

The purpose of the College Fund Reserve is to provide implementation funds for the regulatory college, once the college has been mandated by the BC government.

The purpose of the Capital Reserve is to hold resources to make significant capital purchases.

Contributed Services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The Association records donated materials in those cases where there is a measurable fair value. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

B.C. Association of Clinical Counsellors

Notes to Financial Statements

For the Year Ended December 31, 2019

1 Significant Accounting Policies (continued)

Measurement Uncertainty

The preparation of the financial statements in conformity 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Certain amounts recognized on the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the organization's best information and judgment. The actual results could differ from these estimates.

The amounts recorded for amortization of capital and intangible assets depend on estimates of economic lives and future cash flow. Such amounts are not expected to change materially in the near term.

2 Capital Assets

2019

	Opening $	Additions (net of disposals) $	Accumulated amortization **$**	**2019 Net** **$**
Computer equipment	42,036	3,897	30,779	**15,154**
Furniture and fixtures	49,555	5,014	39,726	**14,843**
Leasehold improvements	55,801	20,001	24,059	**51,743**
	147,392	28,912	94,564	**81,740**

2018

	Opening $	Additions (net of disposals) $	Accumulated amortization **$**	2018 Net $
Computer equipment	40,565	1,470	21,679	20,356
Furniture and fixtures	49,351	204	31,497	18,058
Leasehold improvements	55,801	-	16,318	39,483
	145,717	1,674	69,494	77,897

3 Intangible Assets

B.C. Association of Clinical Counsellors

Notes to Financial Statements
For the Year Ended December 31, 2019

	2019 $	2018 $
Database	**108,103**	108,103
Website	**45,378**	45,378
Logo	**4,200**	4,200
	157,681	157,681
Accumulated amortization	**(78,677)**	(42,108)
	79,004	115,573

4 Deferred Revenue

Deferred revenue represents amounts received prior to December 31st, which relate specifically to operations subsequent to the year-end.

	2019 $	2018 $
Membership renewal dues	**676,583**	599,658
Advertising	**1,142**	173
Other workshops	**-**	33,408
	677,725	633,239

B.C. Association of Clinical Counsellors

Notes to Financial Statements

For the Year Ended December 31, 2019

5 Lease Commitments

The Association has entered into an operating lease for its premises. Future minimum lease payments are as follows:

	$
2020	82,358
2021	88,492
2022	89,588
2023	91,121
2024	91,121
2025	53,154

The Association has entered into an operating lease for office equipment. Future minimum lease payments are as follows:

	$
2020	3,384
2021	3,384
2022	3,384

6 Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, rent security deposit, operating reserve investments, college fund reserve investments, capital reserve investments, accounts payable, accrued liabilities, and deferred revenue.

Risks and Concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure as at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk in respect of its accounts payable and accrued liabilities. The Association's exposure to this risk is limited due to a cash balance in excess of liabilities.

6 Financial Instruments (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its accounts receivable. The Association routinely assesses the collectability of its receivables and, as a consequence, believes that its contributions receivable credit risk exposure is limited.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization's assets and liabilities are denominated wholly in Canadian dollars. As a result, the organization is not subject to currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating rate financial instruments. Fixed-interest instruments subject the Association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Association to related cash flow risk. Unless otherwise noted it is management’s opinion that, under normal circumstances, the Association is not exposed to significant interest rate risk arising from these financial instruments.

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments in fixed income securities and equities for which the values fluctuate with the quoted market price and interest rates.

7 Comparative Financial Statements

The comparative financial statements have been restated to conform with current year financial statement presentation.

8 Contingent Liability

B.C. Association of Clinical Counsellors

Notes to Financial Statements

For the Year Ended December 31, 2019

The Association, in its voluntary self-regulatory role, is investigating one complaint against a member that may require legal fees and court costs to complete. The amount of these costs is unknown at this time.

9 Subsequent Events

Since December 31, 2019, the COVID-19 outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus which include implementation of travel bans, quarantine periods, and social distancing. These measures have caused material disruption to organizations globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Management is actively monitoring the impact on the Association of the above and an estimate on the financial position, and operations of the Association cannot be made at this time.

B.C. Association of Clinical Counsellors

Schedule 1

For the Year Ended December 31, 2019

	2019	2018
	$	$

Administration Expenses

	2019	2018
Rent	**69,254**	72,338
Professional services	**59,228**	53,704
Committees	**57,633**	35,585
Bank charges	**59,523**	41,090
Information technology	**31,311**	26,093
Office and sundry	**26,295**	23,106
Amortization of capital assets	**26,074**	23,660
Amortization of intangible assets	**12,018**	12,838
Postage and courier	**884**	3,648
Insurance	**6,826**	5,032
Repairs and maintenance	**2,936**	3,819
Utilities	**9,883**	5,970
Sponsorships	**240**	240
Travel	**578**	406
	362,683	307,529

Human Resources

	2019	2018
Wages and benefits	**827,721**	714,251
Sick bank expense	**15,913**	5,531
Professional services	**47,816**	53,170
Professional development and memberships	**17,630**	10,490
	909,080	783,442

B.C. Association of Clinical Counsellors

Schedule 2

For the Year Ended December 31, 2019

	2019	2018
	$	$
Member Services		
Publications - Insights	**105,111**	102,758
Conference	**112,432**	350
Advertising and marketing	**38,869**	23,414
Committees	**51,190**	78,147
Member database licencing and support	**37,878**	31,749
Professional services	**6,187**	11,810
Member recognition and support	**6,514**	7,116
Amortization of intangible assets	**20,497**	14,636
Sponsorships	**10,000**	3,000
Programs and standard development	**4,813**	2,731
Regional workshops and meetings	**103,700**	67,381
Continuing competency	**6,715**	-
Professional development member services	**10,656**	5,773
	514,562	348,865
Regulatory Services		
FACT BC membership	**70,607**	61,146
Professional services	**11,957**	27,465
Committees	**28,540**	23,181
Professional development regulatory	**13,667**	18,583
Inquiry investigations	**14,183**	10,481
Conduct review	**60,717**	19,380
Amortization of intangible assets	**4,054**	2,785
	203,725	163,021