

DRAFT Financial Statements of

**COLLEGE OF SPEECH AND
HEARING HEALTH
PROFESSIONALS OF BC**

Year ended March 31, 2016
(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of the College of Speech and Hearing Health Professionals of BC

We have reviewed the statement of financial position of the College of Speech and Hearing Health Professionals of BC (the "College") as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Entity.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

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Chartered Professional Accountants

Burnaby, Canada

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Financial Position

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March 31, 2016, with comparative information for 2015

(Unaudited)

	2016	2015
Assets		
Current assets:		
Cash	\$ 626,052	\$ 636,069
Receivables	38,399	15,668
Short-term investments (note 2)	1,250,000	440,000
Prepaid expenses	13,549	8,844
	<u>1,928,000</u>	<u>1,100,581</u>
Long-term investments (note 2)	-	695,000
Capital assets (note 3)	37,562	19,490
	<u>\$ 1,965,562</u>	<u>\$ 1,815,071</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,144	\$ 19,253
Deferred revenue	739,550	743,650
Deferred leasehold inducement	9,960	-
	<u>765,654</u>	<u>762,903</u>
Net assets	1,199,908	1,052,168
Commitments (note 5)		
	<u>\$ 1,965,562</u>	<u>\$ 1,815,071</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Members _____ Members

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Operations

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Year ended March 31, 2016, with comparative information for 2015

(Unaudited)

	2016	2015
Revenue:		
Registration fees	\$ 849,715	\$ 822,296
Interest	35,040	17,954
	<u>884,755</u>	<u>840,250</u>
Expenses:		
Amortization	13,180	15,637
Finance and administration	105,118	104,458
Governance	63,012	93,469
Hearings	79,025	46,444
Investigations	38,922	58,131
Quality assurance	88,438	99,441
Registration	28,458	20,832
Wages	320,862	255,488
	<u>737,015</u>	<u>693,900</u>
Excess of revenue over expenses	<u>\$ 147,740</u>	<u>\$ 146,350</u>

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Changes in Net Assets

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Year ended March 31, 2016, with comparative information for 2015
(Unaudited)

	2016	2015
Net assets, beginning of year	\$ 1,052,168	\$ 905,818
Excess of revenue over expenses	147,740	146,350
Net assets, end of year	\$ 1,199,908	\$ 1,052,168

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Cash Flows

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Year ended March 31, 2016, with comparative information for 2015

(Unaudited)

	2016	2015
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 147,740	\$ 146,350
Item not involving cash:		
Amortization	13,180	15,637
Amortization of lease inducement	(2,490)	-
	<u>158,430</u>	<u>161,987</u>
Changes in non-cash operating working capital:		
Increase in receivables	(22,731)	(1,388)
Increase in prepaid expenses	(4,705)	(4,720)
Decrease in accounts payable and accrued liabilities	(3,109)	(36,184)
Increase (decrease) in deferred revenue	(4,100)	46,080
	<u>123,785</u>	<u>165,775</u>
Investments:		
Purchase of investments	(115,000)	(150,000)
Purchase of equipment	(31,252)	(5,979)
Leasehold inducement	12,450	-
	<u>(133,802)</u>	<u>(155,979)</u>
Increase (decrease) in cash	(10,017)	9,796
Cash, beginning of year	636,069	626,273
Cash, end of year	<u>\$ 626,052</u>	<u>\$ 636,069</u>

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

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Year ended March 31, 2016

(Unaudited)

Nature of operations:

The College of Speech and Hearing Health Professionals of BC (the "College"), which operates in British Columbia, is a not-for-profit organization founded pursuant to the Health Professionals Act and the Regulations for Speech and Hearing Health Professionals. The College acts as the regulatory body governing Audiologists, Speech-Language Pathologists, and Hearing Instrument Practitioners by setting the ethical and practice standards for the above noted professionals. The College is a non-profit organization as defined under the Income Tax Act and therefore is not subject to income taxes.

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows.

1. Significant accounting policies:

(a) Cash:

Cash includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

(b) Investments:

Investments are carried at amortized cost.

(c) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on a declining balance basis at the following annual rates:

Asset	Rate
Computer hardware	30%
Computer software	55%
Office equipment	20%
Leasehold improvements	5 years

(d) Deferred lease inducement:

Lease inducements provided to the Entity by landlords are deferred and amortized against rent expense on a straight line basis over the term of the lease.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

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Year ended March 31, 2016

(Unaudited)

1. Significant accounting policies (continued):

(e) Revenue recognition:

Revenue related to registration fees is recognized over the period to which they relate.

Fees related to certifications are recognized when the services are rendered. Fees related to examination and criminal record checks are recognized on a net basis, as these services are provided by other parties.

Payments received related to any advance billings are deferred in current liabilities until the services are rendered.

(f) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results may differ from those estimates.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

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Year ended March 31, 2016

(Unaudited)

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Interest receivable, investments and accounts payable and accrued liabilities are carried at amortized cost, which approximates fair value.

2. Investment:

The market value of the term deposits is equal to their aggregate cost of \$1,250,000 (2015 - \$1,135,000).

	2016	2015
Term deposit with interest rate ranging from 1.50% to 3.30%, and matured on April 5, 2016	\$ 695,000	\$ 695,000
Term deposit with interest rate of 1.05% per annum, and matured on April 15, 2016	555,000	-
Term deposit with interest rate of 1.30% per annum, and matured on April 9, 2015	-	440,000
	1,250,000	1,135,000
Less amounts maturing in the current year	1,250,000	440,000
	\$ -	\$ 695,000

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

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Year ended March 31, 2016

(Unaudited)

3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 10,813	\$ 7,782	\$ 3,031	\$ 980
Computer software	64,584	54,544	10,040	14,488
Office equipment	13,828	7,508	6,320	4,022
Leasehold improvements	20,190	2,019	18,171	-
	\$ 109,415	\$ 71,853	\$ 37,562	\$ 19,490

4. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements and ensuring that it invests a portion of its term deposits that can be readily converted into cash. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2015.

(b) Interest rate risk:

The College is exposed to interest rate and cash flow risk on investments and to fair value risk on fixed-rate investments. There has been no change to the risk exposures from 2015.

5. Commitments:

The College has an operating lease commitment related to its current premises. The minimum annual lease payments scheduled for the next years and thereafter are as follows:

2017	\$ 34,860
2018	34,860
2019	34,860
2020	34,860
2021	20,335

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

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Year ended March 31, 2016

(Unaudited)

6. Contingent liabilities:

One lawsuit is currently pending against the College, the outcome of which and the potential amount, if any, is not currently determinable. Accordingly, no provision has been recorded in the financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Schedule 1

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Year ended March 31, 2016

(Unaudited)

2016	Governance	Finance and Admin	Registration	Investigation	Hearings	Quality assurance	Total
Legal	\$ 10,539	\$ 614	\$ 10,857	\$ 24,048	\$ 66,828	\$ 786	\$ 113,672
Per Diem	25,200	2,050	3,005	8,993	3,800	7,075	50,123
Meetings	11,463	160	13,024	3,308	7,377	842	36,174
Travel	10,442	-	-	1,448	1,020	-	12,910
Rent	-	39,070	-	-	-	-	39,070
Other	5,368	63,224	1,572	1,125	-	79,735	151,024
	\$ 63,012	\$ 105,118	\$ 28,458	\$ 38,922	\$ 79,025	\$ 88,438	\$ 402,973

2015	Governance	Finance and Admin	Registration	Investigation	Hearings	Quality assurance	Total
Legal	\$ 22,280	\$ 6,767	\$ 1,431	\$ 17,793	\$ 46,172	\$ -	\$ 94,443
Per Diem	34,597	2,700	3,900	27,830	200	8,375	77,602
Meetings	18,612	120	5,473	6,525	72	977	31,779
Travel	14,779	-	-	5,983	-	144	20,906
Rent	-	25,026	-	-	-	-	25,026
Other	3,201	69,845	10,028	-	-	89,945	173,019
	\$ 93,469	\$ 104,458	\$ 20,832	\$ 58,131	\$ 46,444	\$ 99,441	\$ 422,775