

**College of Speech and Hearing
Health Professionals of BC**

Financial Statements

March 31, 2010
(Unaudited)

College of Speech and Hearing Health Professionals of BC

March 31, 2010

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Review Engagement Report

To the Board of Directors
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 as at March 31, 2010 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 college.

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 generally accepted accounting principles.


Chartered Accountants

Port Coquitlam, B.C.
June 16, 2010

College of Speech and Hearing Health Professionals of BC

Statement of Financial Position

As At March 31, 2010

(Unaudited)

| | Note | 2010 |
|--|------|-------------------|
| Assets | | |
| Current Assets | | |
| Cash | 3. | \$ 683,073 |
| Prepaid expense | 4. | <u>1,759</u> |
| | | 684,832 |
| Property and equipment | 5. | <u>16,251</u> |
| | | <u>\$ 701,083</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | | \$ 16,504 |
| Revenue received in advance | 6. | 708,855 |
| Current portion of long term debt | 7. | <u>61,975</u> |
| | | 787,334 |
| Long term debt | 7. | <u>379,525</u> |
| | | 1,166,859 |
| Net assets | | |
| Accumulated deficiency of revenues over expenses | | <u>(465,776)</u> |
| | | <u>\$ 701,083</u> |

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

College of Speech and Hearing Health Professionals of BC

Statement of Operations

For the Year Ended March 31, 2010

(Unaudited)

| | 2010 |
|--|---------------------|
| Revenue | |
| Registrants | \$ - |
| Operating expenses | |
| Amortization | 984 |
| Bank charges | 10,408 |
| Computer-related expenses | 5,862 |
| Conference | 553 |
| Cost recoverable expenses | 25,060 |
| Insurance | 4,181 |
| Interest on long term debt | 13,206 |
| Local travel | 16,287 |
| Meetings | 14,447 |
| Office expenses and rent | 15,156 |
| Per diems | 93,751 |
| Professional fees | 114,667 |
| Wages | 121,321 |
| | <u>435,883</u> |
| Excess (deficiency) of revenues over expenses | <u>(435,883)</u> |
| Non operating income and expenses | |
| Interest income | 107 |
| Write-off of software development | (30,000) |
| | <u>(29,893)</u> |
| Net excess (deficiency) of revenues over expenses | <u>\$ (465,776)</u> |

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

College of Speech and Hearing Health Professionals of BC

Statement of Changes in Net Assets

For the Year Ended March 31, 2010

(Unaudited)

| | 2010 |
|--|----------------------------|
| Net assets, beginning of the year | \$ - |
| Excess (deficiency) of revenues over expenses for the year | <u>(465,776)</u> |
| Accumulated deficiency of revenues over expenses, end of the year | <u>\$ (465,776)</u> |

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

College of Speech and Hearing Health Professionals of BC

Statement of Cash Flows

For the Year Ended March 31, 2010

(Unaudited)

| | 2010 |
|--|--------------------------|
| Cash flows from operating activities: | |
| Net excess (deficiency) of revenues over expenses for the year | \$ (465,776) |
| Amortization | 984 |
| Prepaid expense | (1,759) |
| Accounts payable | 16,504 |
| Revenue received in advance | 708,855 |
| | <u>258,808</u> |
| Cash flows from investing activities: | |
| Purchase of computer equipment | (5,523) |
| Purchase of computer software | (4,902) |
| Purchase of office furniture | (6,810) |
| | <u>(17,235)</u> |
| Cash flows from financing activities: | |
| Long term debt | <u>441,500</u> |
| Net cash increase during the year | 683,073 |
| Cash, beginning of the year | <u>-</u> |
| Cash, end of the year | \$ <u>683,073</u> |
| Additional cash flow information: | |
| Interest paid | <u>\$ 13,206</u> |

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

College of Speech and Hearing Health Professionals of BC

Notes to the Financial Statements

March 31, 2010

(Unaudited)

1. Purpose of the organization

Pursuant to the Health Professionals Act and the Regulations for Speech and Hearing Health Professionals, the College of Speech and Hearing Health Professionals of BC is the regulatory body governing Audiologists, Speech-Language Pathologists and Hearing Instrument Practitioners to ensure standards are delivered to the public of British Columbia. The college is a not-for-profit organization under the Income Tax Act and as such is not subject to federal and provincial income taxes.

2. Significant accounting policies

a. Financial instruments

The college's financial instruments consist of cash, prepaid expenses, long-term investments, accounts payable, long-term debt. Unless otherwise noted, it is management's opinion that the college is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

b. Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 period. Actual results could differ from those estimates and may have impact on future periods.

c. Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

| | Method | Rate |
|-------------------|-------------------|----------|
| Computer hardware | Straight line | 3 years |
| Computer software | Straight line | 10 years |
| Office equipment | Declining balance | 20% |

d. Revenue recognition

a) Registrant fees

Registrant fees are recognized as revenue in the fiscal year due.

b) Student operations

Student application fees and examination fees are recognized in the fiscal year due.

College of Speech and Hearing Health Professionals of BC

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March 31, 2010

(Unaudited)

3. Credit risk

At March 31, 2010 the college has \$683,073 in a chequing account at one bank which is insured up to an maximum of \$100,000 by a government agency.

4. Prepaid expense

Prepaid expense consists of the lease deposit on an office building.

5. Property and equipment

Property and equipment consist of the following:

| | Cost | Accumulated Depreciation | Net Book Value |
|-------------------|------------------|-----------------------------|-------------------|
| Computer hardware | \$ 5,522 | \$ (690) | \$ 4,832 |
| Computer software | 4,902 | (123) | 4,779 |
| Office furniture | 6,810 | (170) | 6,640 |
| Total | \$ 17,234 | \$ (983) | \$ 16,251 |

6. Revenue received in advance

Revenue received in advance consists of registrant fees relating to the 2011 fiscal year.

College of Speech and Hearing Health Professionals of BC

Notes to the Financial Statements

March 31, 2010

(Unaudited)

7. Long term debt

Long term debt consists of the following:

| | 2010 |
|--|-------------------|
| Vancity loan payable, interest at prime plus 4% per annum, repayable in monthly payments of \$8,350 principal and interest commencing May 15, 2010. The loan is secured by a general security agreement covering all assets of the college, an assignment of insurance and an assignment and postponement of claim from each of BCASLPA and HISSBC. The loan is due June 15, 2015. | \$ 425,000 |
| BCASLPA loan payable, non-interest bearing, no fixed terms of repayment, unsecured | 8,250 |
| HISSBC loan payable, non-interest bearing, no fixed terms of repayment, unsecured | 8,250 |
| Total debt | 441,500 |
| Less: current portion | (61,975) |
| Long-term portion of debt | \$ 379,525 |
| Principal repayments on long term debt over the next five years are as follows: | |
| 2011 | \$ 61,975 |
| 2012 | 78,927 |
| 2013 | 84,213 |
| 2014 | 89,853 |
| 2015 | 95,870 |
| Total | \$ 410,838 |

Under the Vancity loan agreement, the college is committed to respect certain negative covenants, including restrictions on the ability to change their name, corporate structure or capital structure, incur indebtedness, create liens, transfer intellectual property or provide loans or guarantees. The college must also maintain certain financial covenants and ratios, including debt and capital ratios and revenue levels. As of March 31, 2010, the college was in compliance with these covenants. It is the director's opinion that the college is likely to remain in compliance with all long term debt covenants throughout the twelve months subsequent to March 31, 2010.

College of Speech and Hearing Health Professionals of BC

Notes to the Financial Statements

March 31, 2010

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8. Commitments

The college's total obligations, under various operating leases for occupied premises, exclusive of realty taxes and other occupancy charges, are as follows:

| | | |
|--------------|-----------|----------------------|
| 2011 | \$ | 19,018 |
| 2012 | | 12,197 |
| 2013 | | 12,297 |
| 2014 | | 8,330 |
| Total | \$ | <u>51,842</u> |

Rent expense for March 31, 2010 amounted to \$ 5,607.