

DRAFT Financial Statements of

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

Year ended March 31, 2015
(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of 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, 2015 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 Accountants

June 8, 2015

Burnaby, Canada

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Financial Position

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March 31, 2015, with comparative information for 2014

(Unaudited)

	2015	2014
Assets		
Current assets:		
Cash	\$ 636,069	\$ 626,273
Interest receivable	15,668	14,280
Short-term investment (note 2)	440,000	290,000
Prepaid expenses	7,878	4,124
	<u>1,099,615</u>	<u>934,677</u>
Long-term investments (note 2)	695,000	695,000
Equipment (note 3)	19,490	29,148
	<u>\$ 1,814,105</u>	<u>\$ 1,658,825</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,253	\$ 55,437
Deferred revenue	743,650	697,570
	<u>762,903</u>	<u>753,007</u>
Net assets	1,051,202	905,818
Commitments (note 5)		
	<u>\$ 1,814,105</u>	<u>\$ 1,658,825</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, 2015, with comparative information for 2014

(Unaudited)

	2015	2014
Revenue:		
Registration fees	\$ 822,296	\$ 796,829
Interest	17,954	14,365
	<u>840,250</u>	<u>811,194</u>
Expenses:		
Advertising	4,188	8,426
Amortization	15,637	22,954
Bank charges	23,589	23,753
Computer	6,979	5,647
Conference	4,795	6,766
Insurance	530	2,037
Meetings	20,891	27,374
Memberships	7,297	759
Office expenses and rent	43,087	34,639
Per diems	78,402	66,319
Professional fees	147,878	62,858
Travel	25,722	20,793
Wages	315,871	282,325
	<u>694,866</u>	<u>564,650</u>
Excess of revenue over expenses	<u>\$ 145,384</u>	<u>\$ 246,544</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, 2015, with comparative information for 2014
(Unaudited)

	2015	2014
Net assets, beginning of year	\$ 905,818	\$ 659,274
Excess of revenue over expenses	145,384	246,544
Net assets, end of year	\$ 1,051,202	\$ 905,818

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, 2015, with comparative information for 2014

(Unaudited)

	2015	2014
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 145,384	\$ 246,544
Item not involving cash:		
Amortization	15,637	22,954
	<u>161,021</u>	<u>269,498</u>
Changes in non-cash operating working capital:		
Increase in interest receivable	(1,388)	(3,236)
Increase in prepaid expenses	(3,754)	(2,365)
Increase (decrease) in accounts payable and accrued liabilities	(36,184)	36,580
Increase in deferred revenue	46,080	16,645
	<u>165,775</u>	<u>317,122</u>
Investments:		
Purchase of investments	(150,000)	(985,000)
Disposal of investments	-	695,000
Purchase of equipment	(5,979)	(6,510)
	<u>(155,979)</u>	<u>(296,510)</u>
Increase in cash	9,796	20,612
Cash, beginning of year	626,273	605,661
Cash, end of year	<u>\$ 636,069</u>	<u>\$ 626,273</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, 2015

(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 classified as current assets are carried at amortized cost.

(c) Equipment:

Equipment is 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%

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

DRAFT

Year ended March 31, 2015

(Unaudited)

1. Significant accounting policies (continued):

(d) 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.

(e) 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.

(f) 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, 2015

(Unaudited)

1. Significant accounting policies (continued):

(f) 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.

2. Investment:

The market value of the term deposits is equal to their aggregate cost of \$1,135,000 (2014 - \$985,000).

	2015	2014
Term deposit with interest rate ranging from 1.50% to 3.30%, and matures on April 5, 2016	\$ 695,000	\$ 695,000
Term deposit with interest rate of 1.30% per annum, and matures on April 9, 2015	440,000	-
Term deposit with interest rate of 1.45% per annum, and matures on April 5, 2014	-	290,000
	1,135,000	985,000
Less amounts maturing in the current year	(440,000)	(290,000)
	\$ 695,000	\$ 695,000

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

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Year ended March 31, 2015

(Unaudited)

3. Equipment:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 8,055	\$ 7,075	\$ 980	\$ 915
Computer software	59,729	45,241	14,488	23,205
Office equipment	10,381	6,359	4,022	5,028
	\$ 78,165	\$ 58,675	\$ 19,490	\$ 29,148

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 2014.

(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 2014.

5. Commitments:

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

2016	\$ 8,900
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COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

DRAFT

Year ended March 31, 2015

(Unaudited)

6. Contingent liabilities:

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