

# 2019 Financial Statements



College of Speech and  
Hearing Health Professionals  
of British Columbia

Financial Statements of

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

And Independent Practitioners' Review Engagement  
Report thereon

Year ended March 31, 2020  
(Unaudited)



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## **INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT**

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

We have reviewed the accompanying financial statements of College of Speech and Hearing Health Professionals of BC, which comprise the statement of financial position as at March 31, 2020, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of College of Speech and Hearing Health Professionals of BC as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

Chartered Professional Accountants

Burnaby, Canada  
August 10, 2020

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Financial Position

March 31, 2020, with comparative information for 2019  
(Unaudited)

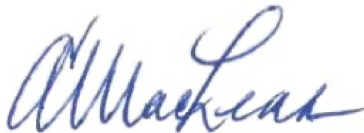
	2020	2019
<b>Assets</b>		
Current assets:		
Cash	\$ 804,789	\$ 614,262
Interest receivable	18,816	31,344
Investments (note 2)	1,009,421	1,321,000
Prepaid expenses and deposits	7,351	7,351
	<u>1,840,377</u>	<u>1,973,957</u>
Capital assets (note 3)	13,080	15,023
Intangible assets (note 4)	169,070	170,133
	<u>\$ 2,022,527</u>	<u>\$ 2,159,113</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 140,414	\$ 33,485
Deferred revenue	904,988	810,300
Deferred leasehold inducement	15,308	2,490
	<u>1,060,710</u>	<u>846,275</u>
Deferred lease inducement	57,663	-
Net assets	904,154	1,312,838
Commitments (note 6)		
	<u>\$ 2,022,527</u>	<u>\$ 2,159,113</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Amy MacLean, Board Chair



Jon Waterhouse, Board Vice-Chair

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Operations

Year ended March 31, 2020, with comparative information for 2019  
(Unaudited)

	2020	2019
Revenue:		
Registration fees	\$ 976,906	\$ 939,464
Interest	28,648	28,493
	<u>1,005,554</u>	<u>967,957</u>
Expenses:		
Board	153,296	160,922
Depreciation and amortization	37,369	10,898
Finance and administration	290,502	124,509
Inquiry	182,969	116,005
Governance	69,548	16,519
Quality assurance and professional practice	247,578	233,170
Registration	25,659	12,010
Wages	407,317	325,099
	<u>1,414,238</u>	<u>999,132</u>
Deficiency of revenue over expenses	<u>\$ (408,684)</u>	<u>\$ (31,175)</u>

See accompanying notes to financial statements.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019  
(Unaudited)

	2020	2019
Net assets, beginning of year	\$ 1,312,838	\$ 1,344,013
Deficiency of revenue over expenses	(408,684)	(31,175)
<b>Net assets, end of year</b>	<b>\$ 904,154</b>	<b>\$ 1,312,838</b>

See accompanying notes to financial statements.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019  
(Unaudited)

	2020	2019
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	\$ (408,684)	\$ (31,175)
Items not involving cash:		
Amortization and depreciation of capital assets and intangible assets	37,369	10,898
Amortization of lease inducement	70,481	(2,490)
	(300,834)	(22,767)
Changes in non-cash operating working capital:		
Decrease (increase) in receivables	12,528	(9,963)
Increase in accounts payable and accrued liabilities	106,929	13,831
Increase (decrease) in deferred revenue	94,688	(5,100)
	(86,689)	(23,999)
Investments:		
Proceeds of investments	1,966,017	1,007,000
Purchase of investments	(1,654,438)	(900,000)
Purchase of capital assets	(5,590)	(2,284)
Additions to intangible assets	(28,773)	(99,861)
	277,216	4,855
Increase (decrease) in cash	190,527	(19,144)
Cash, beginning of year	614,262	633,406
Cash, end of year	\$ 804,789	\$ 614,262

See accompanying notes to financial statements.



# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2020  
(Unaudited)

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## 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.

## 1. Significant accounting policies:

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

(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 consist of term deposits and 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	25%
Computer software	50%
Office equipment	15%

Leasehold improvements are amortized on a straight-line basis over the shorter of the lease or estimated useful life.

(d) Intangible assets:

Intangible assets consist of website development costs and are measured initially at cost. These costs are amortized over its five year estimated useful life.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2020  
(Unaudited)

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## 1. Significant accounting policies (continued):

### (e) Impairment of long-lived assets:

Long-lived assets, including capital assets and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the College uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

### (f) Deferred lease inducement:

Free rent periods provided to the College are recorded on a straight line basis over the term of the lease.

### (g) 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.

### (h) Use of estimates:

The preparation of these 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. Significant items subject to such estimates and assumptions include the valuation of interest receivable and contingencies. Actual results may differ from those estimates.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2020  
(Unaudited)

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## 1. Significant accounting policies (continued):

### (i) 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.

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.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2020  
(Unaudited)

## 2. Investment:

	2020	2019
Term deposit with interest rate of 2.05% per annum, and maturing on April 30, 2020	\$ 779,983	\$ -
Term deposit with interest rate of 2.05% per annum, and maturing on July 8, 2020	229,438	-
Term deposit with interest rate ranging from 1.10% to 2.20%, matured on April 6, 2019	-	1,000,000
Term deposit with interest rate of 1.20% per annum, and matured on April 6, 2019	-	321,000
	<b>\$ 1,009,421</b>	<b>\$ 1,321,000</b>

## 3. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 13,164	\$ 10,897	\$ 2,267	\$ 3,023
Computer software	79,748	73,510	6,237	4,093
Office equipment	16,211	11,636	4,576	5,383
Leasehold improvements	20,190	20,190	-	2,524
	<b>\$ 129,313</b>	<b>\$ 116,233</b>	<b>\$ 13,080</b>	<b>\$ 15,023</b>

## 4. Intangible assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Website	\$ 198,905	\$ 29,835	\$ 169,070	\$ 170,133

During the year, the College incurred \$28,772 (2019 - \$99,862) in database and website development costs. The database and website was completed and available for use in June 2019, and accordingly, the College commenced amortization of the website development and database.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2020  
(Unaudited)

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## 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$18,536 (2019 - \$16,072), which includes amounts payable for Minister of Finance.

## 6. Commitments:

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

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2021	\$	182,000
2022		165,000
2023		169,000
2024		173,000
2025		88,000

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The College has entered into lease agreements which included rent-free periods and step rents. Under Canadian accounting standards for not-for-profit organizations, the total lease payments over the entire lease term should be aggregated and allocated over the term of the respective leases.

## 7. 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 2019.

## 8. Comparative information:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2020 financial statements.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2020  
(Unaudited)

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## **9. Impact of COVID-19:**

The COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the business is not known at this time. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the operating results and financial position of the business in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the business is not known at this time.

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