

2020 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, 2021
(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, 2021, 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, 2021, 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
July 26, 2021

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Financial Position

March 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Assets		
Current assets:		
Cash	\$ 1,194,859	\$ 804,789
Accounts receivable	12,399	18,816
Investments (note 2)	1,104,000	1,009,421
Prepaid expenses and deposits	2,904	7,351
	<u>2,314,162</u>	<u>1,840,377</u>
Capital assets (note 3)	8,704	13,081
Intangible assets (note 4)	194,802	169,070
	<u>\$ 2,517,668</u>	<u>\$ 2,022,528</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 67,254	\$ 140,415
Deferred revenue	1,348,800	904,988
Deferred leasehold inducement	19,178	15,308
	<u>1,435,232</u>	<u>1,060,711</u>
Deferred lease inducement	65,360	57,663
Net assets	1,017,076	904,154
Commitments (note 7)		
	<u>\$ 2,517,668</u>	<u>\$ 2,022,528</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, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Revenue:		
Registration fees	\$ 1,440,150	\$ 976,906
Interest	13,331	28,648
	<u>1,453,481</u>	<u>1,005,554</u>
Expenses:		
Board	66,165	153,296
Depreciation and amortization	51,437	37,369
Finance and administration	273,243	351,168
Inquiry and discipline	122,250	182,968
Governance	21,253	69,548
Quality assurance and professional practice	127,499	247,578
Registration	64,563	25,659
Wages (note 9)	614,149	346,652
	<u>1,340,559</u>	<u>1,414,238</u>
Excess (deficiency) of revenue over expenses	\$ 112,922	\$ (408,684)

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, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Net assets, beginning of year	\$ 904,154	\$ 1,312,838
Excess (deficiency) of revenue over expenses	112,922	(408,684)
Net assets, end of year	\$ 1,017,076	\$ 904,154

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	\$ 112,922	\$ (408,684)
Items not involving cash:		
Amortization of capital assets	4,377	7,533
Amortization of intangible assets	47,060	29,836
Amortization of lease inducement	11,567	70,481
	175,926	(300,834)
Changes in non-cash operating working capital:		
Decrease in receivables	6,417	12,528
Decrease in prepaid expenses	4,447	-
Increase (decrease) in accounts payable and accrued liabilities	(73,161)	106,929
Increase in deferred revenue	443,812	94,688
	557,441	(86,689)
Investments:		
Proceeds on sale of investments	1,305,421	1,966,017
Purchase of investments	(1,400,000)	(1,654,438)
Purchase of capital assets	-	(5,590)
Purchase of intangible assets	(72,792)	(28,773)
	(167,371)	277,216
Increase in cash	390,070	190,527
Cash, beginning of year	804,789	614,262
Cash, end of year	\$ 1,194,859	\$ 804,789

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2021
(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.

During the year ended March 31, 2021, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in federal, and local governments worldwide, enacting emergency measures to combat the spread of the virus. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on our future financial results. As a result of COVID-19, the College took the following actions during the year:

- Applied work safe guidelines including proactively enacting measures to reinforce physical distancing and minimize touchpoints at its office
- Implemented work from home policy for employees
- Applied for certain government subsidies (note 9)
- Adjusted registration fee payment terms for members
- Implemented additional cost reduction and control measures.

Management will continue to monitor the on-going financial impact on its cash and budget forecasts, and adjust its operations as required to ensure its ability to fulfill its obligations and continue operations. There have been no significant adverse impacts on the College's business to date.

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.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

1. Significant accounting policies (continued):

(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		25% - 50%
Office equipment		15%
Leasehold improvements	Straight-line	5 years

(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.

(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 as a liability and amortized on a straight line basis over the term of the lease as rent expense.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

1. Significant accounting policies (continued):

(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. Items subject to such estimates and assumptions include the valuation of accounts receivable and contingencies. Actual results may differ from those estimates.

(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.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

1. Significant accounting policies (continued):

(i) 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.

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

(j) Government assistance:

The College periodically applies for financial assistance under available government incentive programs. Government assistance related to current expenses and revenues is included in the determination of operations for the period.

2. Investment:

	2021	2020
Term deposit with interest rate of 1.00% per annum, and maturing on May 1, 2021	\$ 704,000	\$ -
Term deposit with interest rate of 1.10% per annum, and maturing on August 1, 2021	400,000	-
Term deposit with interest rate of 2.05% per annum, and matured on April 30, 2020	-	779,983
Term deposit with interest rate of 2.05% per annum, and matured on July 8, 2020	-	229,438
	\$ 1,104,000	\$ 1,009,421

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Computer	\$ 92,912	\$ 88,097	\$ 4,815	\$ 8,505
Office equipment	16,211	12,322	3,889	4,576
	\$ 109,123	\$ 100,419	\$ 8,704	\$ 13,081

4. Intangible assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Website	\$ 271,699	\$ 76,897	\$ 194,802	\$ 169,070

During the year, the College incurred \$72,792 (2020 - \$28,772) in database and website development costs.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of nil (2020 - \$18,536), which includes amounts payable for Minister of Finance.

6. Bank indebtedness:

The College has an operating line of credit with a financial institution in the amount of \$30,000 (2020 - \$30,000), bearing interest at the bank's prime rate plus 2% per annum. As at March 31, 2021 the College had nil (2020 - nil) outstanding on the operating line of credit. The operating line of credit is secured by a general security agreement.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

7. Commitments:

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

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

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.

8. 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. This risk changed from the prior year as a result of the COVID-19 outbreak. The impact of this outbreak is discussed in the nature of operations note to the financial statements.

9. Government Assistance:

During the year ended March 31, 2021, the College applied for and received \$8,250 in government assistance under the Temporary Wage Subsidy ("TWS") program to assist with paying employee wages during the COVID-19 pandemic. The TWS program is managed by the Government of Canada and the amount received has been recorded as a credit to wage expense on the statement of operations.

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