

College of Speech and
Hearing Health Professionals
of British Columbia



2017 Financial Statements

Financial Statements of

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

Year ended March 31, 2018
(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, 2018, 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, 2018, 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

June 15, 2018

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Financial Position

March 31, 2018, with comparative information for 2017
(Unaudited)


	2018	2017
Assets		
Current assets:		
Cash	\$ 633,406	\$ 731,522
Receivables	21,381	15,404
Investments (note 2)	428,000	367,000
Prepaid expenses	7,351	9,202
	<u>1,090,138</u>	<u>1,123,128</u>
Investments (note 2)	1,000,000	1,000,000
Capital assets (note 3)	23,637	29,986
Database and website under development (note 4)	70,272	-
	<u>\$ 2,184,047</u>	<u>\$ 2,153,114</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,654	\$ 22,668
Deferred revenue	815,400	793,225
Deferred leasehold inducement	4,980	7,470
	<u>840,034</u>	<u>823,363</u>
Net assets	1,344,013	1,329,751
Commitments (note 5)		
	<u>\$ 2,184,047</u>	<u>\$ 2,153,114</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

Year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	2018	2017
Revenue:		
Registration fees	\$ 931,026	\$ 879,403
Interest	23,331	17,985
	<u>954,357</u>	<u>897,388</u>
Expenses:		
Depreciation and amortization	12,198	13,750
Finance and administration	145,007	135,692
Board	126,855	100,117
Inquiry	61,960	51,970
Quality assurance and professional practice	146,820	71,828
Registration	40,911	33,854
Wages	406,344	360,334
	<u>940,095</u>	<u>767,545</u>
Excess of revenue over expenses	\$ 14,262	\$ 129,843

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, 2018, with comparative information for 2017
(Unaudited)

	2018	2017
Net assets, beginning of year	\$ 1,329,751	\$ 1,199,908
Excess of revenue over expenses	14,262	129,843
Net assets, end of year	\$ 1,344,013	\$ 1,329,751

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	2018	2017
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 14,262	\$ 129,843
Items not involving cash:		
Amortization	12,198	13,750
Amortization of lease inducement	(2,490)	(2,490)
	23,970	141,103
Changes in non-cash operating working capital:		
Decrease (increase) in receivables	(5,977)	22,995
Decrease in prepaid expenses	1,851	4,347
Increase (decrease) in accounts payable and accrued liabilities	(3,014)	6,523
Increase in deferred revenue	22,175	53,675
	39,005	228,643
Investments:		
Purchase of investments	(61,000)	(117,000)
Purchase of equipment	(5,849)	(6,173)
Additions to website under development	(70,272)	-
	(137,121)	(123,173)
Increase (decrease) in cash	(98,116)	105,470
Cash, beginning of year	731,522	626,052
Cash, end of year	\$ 633,406	\$ 731,522

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2018
(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.

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.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2018
(Unaudited)

1. Significant accounting policies (continued):

(d) Intangible assets:

Intangible assets are measured initially at cost. The assets are amortized over their estimated useful lives.

(e) Deferred lease inducement:

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

(f) 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.

(g) 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. 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, 2018
(Unaudited)

1. Significant accounting policies (continued):

(h) 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, 2018
(Unaudited)

2. Investment:

	2018	2017
Term deposit with interest rate of 1.00% per annum, and maturing on April 6, 2018	\$ 428,000	\$ -
Term deposit with interest rate ranging from 1.10% to 2.20%, and maturing on April 6, 2019	1,000,000	1,000,000
Term deposit with interest rate of 1.20% per annum, and maturing on April 6, 2017	-	367,000
	1,428,000	1,367,000
Less amounts maturing in the current year	428,000	367,000
	\$ 1,000,000	\$ 1,000,000

3. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 11,852	\$ 9,352	\$ 2,500	\$ 2,121
Computer software	73,185	66,457	6,728	8,228
Office equipment	16,211	9,878	6,333	6,008
Leasehold improvements	20,190	12,114	8,076	13,629
	\$ 121,438	\$ 97,801	\$ 23,637	\$ 29,986

4. Database and website under development:

During the year, the College incurred \$70,272 in database and website development costs. The database and website is currently under development and is not yet available for use. As such, the development costs have not been amortized.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2018
(Unaudited)

5. Commitments:

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

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

6. Subsequent events:

On April 6, 2018, a \$428,000 term deposit matured and was withdrawn. On the same day, the withdrawn deposit and the College's excess funds, were invested in short-term deposits amounting to \$900,000.

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 2017.

8. Comparative information:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2018 financial statements.



College of
Speech and Hearing
Health Professionals of BC

Regulator of Audiologists, Hearing Instrument
Practitioners and Speech-Language Pathologists

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