

BC Care Providers Association
Financial Statements
Year ended March 31, 2014

BC Care Providers Association Contents

For the year ended March 31, 2014

	<i>Page</i>
Independent Auditors' Report	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5

To the Board of Directors of BC Care Providers Association:

We have audited the accompanying financial statements of BC Care Providers Association, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BC Care Providers Association as at March 31, 2014 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Surrey, British Columbia

May 12, 2014

MNP LLP
Chartered Accountants

BC Care Providers Association Statement of Financial Position

As at March 31, 2014

	2014	2013
Assets		
Current		
Cash	376,777	67,155
Term deposits (Note 3)	200,000	250,000
Accounts receivable	1,143	10,298
Prepaid expenses	29,148	26,334
	607,068	353,787
Capital assets (Note 4)	28,072	22,023
	635,140	375,810
Liabilities		
Current		
Accounts payable and accruals (Note 5)	88,016	38,146
Due to SafeCare BC (Note 6)	48,500	-
Deferred revenue (Note 7)	265,019	142,811
Deferred contributions (Note 8)	-	8,445
	401,535	189,402
Commitments (Note 9)		
Net Assets		
Invested in capital assets	28,072	22,023
Internally restricted net assets (Note 10)	100,000	100,000
Unrestricted net assets	105,533	64,385
	233,605	186,408
	635,140	375,810

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

BC Care Providers Association Statement of Operations

For the year ended March 31, 2014

	2014	2013
Revenue		
Memberships	420,454	394,451
Convention and workshops	319,905	241,189
Cost recovery (Note 6)	92,381	-
BC Cares	89,752	196,007
Newsletters	9,890	17,790
WCB project	8,445	5,055
Interest	1,768	2,167
Labour relations project	-	46,718
	942,595	903,377
Expenses		
Salaries and benefits	375,328	269,163
Convention and workshops	197,617	143,901
BC Cares	62,345	196,007
Professional fees	61,887	81,063
Rent	56,228	61,355
Public relations	26,099	3,684
Office expenses	25,397	19,017
Bad debts	16,220	-
Association meetings and directors' expenses	14,267	15,145
Audit and legal	13,863	6,000
Travel	12,743	10,435
WCB project	11,661	5,055
Telephone	6,510	6,277
Amortization	4,406	3,833
Newsletters	3,662	33,618
Insurance	3,578	3,549
Bank charges and interest	1,965	612
Membership fees	1,622	1,349
	895,398	860,063
Excess of revenue over expenses	47,197	43,314

The accompanying notes are an integral part of these financial statements

BC Care Providers Association Statement of Changes in Net Assets

For the year ended March 31, 2014

	<i>Invested in capital assets</i>	<i>Internally restricted net assets</i>	<i>Unrestricted net assets</i>	2014	2013
Net assets beginning of year	22,023	100,000	64,385	186,408	143,094
Excess of revenue over expenses	(4,406)	-	51,603	47,197	43,314
Purchase of capital assets	10,455	-	(10,455)	-	-
Net assets, end of year	28,072	100,000	105,533	233,605	186,408

The accompanying notes are an integral part of these financial statements

BC Care Providers Association Statement of Cash Flows

For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	47,197	43,314
Amortization	4,406	3,833
Receipt of deferred contributions	-	188,727
Recognition of deferred contributions	(8,445)	(237,819)
	43,158	(1,945)
Changes in working capital accounts		
Accounts receivable	9,155	(10,064)
Prepaid expenses	(2,814)	(3,326)
Accounts payable and accruals	49,870	28,233
Advances from SafeCare BC	48,500	-
Deferred revenue	122,208	97,242
	270,077	110,140
Investing		
Purchase of term deposits	-	(100,000)
Proceeds on disposal of term deposits	50,000	-
Purchase of capital assets	(10,455)	(6,059)
	39,545	(106,059)
Increase in cash resources	309,622	4,081
Cash resources, beginning of year	67,155	63,074
Cash resources, end of year	376,777	67,155

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

BC Care Providers Association ("the Association") was incorporated under the Society Act as a not-for-profit organization and is a registered charity and thus exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Association must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Association is a member-responsible organization for private and independent providers of health and support services in British Columbia. The Association promotes the growth and development of cost effective quality community services through a combination of private, society and public providers.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the membership period.

Convention and workshop registration fees are recognized as revenue when the events are held.

Investment income is recognized as revenue when earned.

All other revenue is recognized as services are provided and collection is reasonably assured.

Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<i>Rate</i>
Computer equipment	33 %
Office furniture and equipment	10 %

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Volunteer services

The Association benefits from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, volunteer services are not recognized in these financial statements.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 *Related Party Transactions*.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures its financial assets and liabilities at cost or amortized cost.

Transaction costs and financing fees are added to the carrying amount for the Association's financial instruments and amortized using the straight-line method.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

3. Term deposits

Term deposits are comprised of two \$100,000 Guaranteed Investment Certificates earning interest at 1.05% and 1.25% per annum, maturing in April 2014 and September 2014.

4. Capital assets

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Computer equipment	22,739	12,733	10,006	7,547
Office furniture and equipment	124,900	106,834	18,066	14,476
	147,639	119,567	28,072	22,023

BC Care Providers Association
Notes to the Financial Statements
For the year ended March 31, 2014

5. Accounts payable and accruals

Included in accounts payable and accruals is \$12,532 (2013 - \$Nil) of remittances payable to various government agencies.

6. Due to SafeCare BC

Advances from SafeCare BC, a related party by virtue of common Board of Directors, are unsecured and non-interest bearing.

The Association provides administrative services, management support and office space to SafeCare BC, pursuant to a support service agreement, through March 2019.

Included in cost recovery for the current year is \$92,381 (2013 - \$Nil) from SafeCare BC.

As at March 31, 2014, \$48,500 (2013 - \$Nil) from SafeCare BC represents amounts received in advance, related to the above mentioned support service agreement, for services not yet performed.

The above transaction was in the normal course of operations and was measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Deferred revenue

Deferred revenue consists of prepaid membership dues and deposits received in advance for conference registration. Recognition of these amounts as revenue is deferred to periods when the specified services are provided.

Changes in the deferred revenue balance are as follows:

	2014	2013
Balance, beginning of year	142,811	45,569
Amount received during the year	738,760	142,811
Less: Amounts recognized as revenue during the year	(616,552)	(45,569)
Balance, end of year	265,019	142,811

8. Deferred contributions

Deferred contributions represent contributions received from contributors who have restricted their use for specific purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

Changes in the deferred contribution balance are as follows:

	2014	2013
Balance, beginning of year	8,445	57,537
Amount received during the year	-	188,727
Less: Amount recognized as revenue during the year	(8,445)	(237,819)
Balance, end of year	-	8,445

9. Commitments

The Association occupies leased premises subject to minimum monthly rent of \$2,370 plus operating costs as allocated by the landlord, until January 31, 2016.

10. Internally restricted net assets

In 1986, the Board of Directors of the Association internally restricted \$100,000 for future support and development costs. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

11. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

During the year, the Association's exposure to liquidity risk remained consistent to that of prior year.