

**SafeCare BC Health and Safety
Association
Financial Statements**
December 31, 2017

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2017

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To the Board of Directors of SafeCare BC Health and Safety Association:

We have audited the accompanying financial statements of SafeCare BC Health and Safety Association, which comprise the statement of financial position as at December 31, 2017, 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 SafeCare BC Health and Safety Association as at December 31, 2017 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 consistent with that of the preceding year.

Surrey, British Columbia

February 13, 2018

MNP LLP

Chartered Professional Accountants

SafeCare BC Health and Safety Association

Statement of Financial Position

As at December 31, 2017

2017 **2016**

Assets

Current

Cash	43,132	222,494
Term deposits	154,234	-
Accounts receivable	17,318	10,545
Prepaid expenses and deposits	2,395	298

217,079 233,337

Capital assets (Note 3)

29,000 -

246,079 233,337

Liabilities

Current

Accounts payable and accruals (Note 4)	26,109	35,330
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Commitments (Note 5)

Contingencies (Note 6)

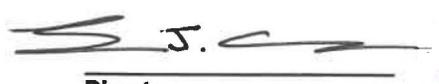
Net Assets

Unrestricted	69,702	51,957
Internally restricted (Note 7)	150,268	146,050

219,970 198,007

246,079 233,337

Approved on behalf of the Board



Director

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association

Statement of Operations

For the year ended December 31, 2017

	2017	2016
Revenue		
WorkSafe BC	840,000	677,000
Association workshops	48,422	19,518
Donations	30,000	-
Other income	813	-
	919,235	696,518
Expenses		
Salaries and benefits	341,531	208,325
Consulting	193,125	176,914
Technology	62,827	50,804
Rent	55,861	44,512
Conferences and external events	46,750	37,680
Telecommunications and freight	44,103	29,970
Publication	36,616	19,703
Travel	30,034	23,507
Accounting and legal fees	18,193	17,656
Advertising and sponsorships	16,751	21,640
Board expenses	13,271	6,591
Miscellaneous	12,199	14,739
Repairs and maintenance	9,557	6,657
Office supplies	6,228	4,564
Furniture and equipment	4,888	4,966
Property tax and insurance	3,122	3,564
Staff training	1,216	990
Amortization	1,000	-
	897,272	672,782
Excess of revenue over expenses	21,963	23,736

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association Statement of Changes in Net Assets

For the year ended December 31, 2017

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>2017</i>	<i>2016</i>
Net assets, beginning of year	51,957	146,050	198,007	174,271
Excess of revenue over expenses	21,963	-	21,963	23,736
Internally imposed restriction <i>(Note 7)</i>	(4,218)	4,218	-	-
Net assets, end of year	69,702	150,268	219,970	198,007

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association

Statement of Cash Flows

For the year ended December 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	21,963	23,736
Amortization	1,000	-
Donation of capital assets in kind	(30,000)	-
	(7,037)	23,736
Changes in working capital accounts		
Accounts receivable	(6,773)	3,989
Prepaid expenses and deposits	(2,096)	4,210
Accounts payable and accruals	(9,222)	19,149
	(25,128)	51,084
Investing		
Purchase of term deposits	(154,234)	-
Increase (decrease) in cash resources	(179,362)	51,084
Cash resources, beginning of year	222,494	171,410
Cash resources, end of year	43,132	222,494

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2017

1. Incorporation and nature of the organization

SafeCare BC Health and Safety Association ("the Association") was incorporated under the Society Act as a not-for-profit organization on January 23, 2014 and is a registered charity and thus exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Association is a member-driven health and safety association for independent and private long term care providers in British Columbia. The Association strives to ensure injury-free safe working conditions within the long term care sector through preventative training, education, and resources across British Columbia.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, 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.

Workshop revenues are recorded when the underlying event is held, and collectability is reasonably assured.

Other income is recognized when it is earned.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased. 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.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. When fair value cannot be reasonably determined, capital assets have been recorded at nominal value.

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

	Method	Rate
Furniture and fixtures	declining balance	20 %

Funding adjustment

WorkSafe BC conducts an annual review of the Association's financial statements and may require an adjustment for any operating surplus or deficit. Funding adjustments are recognized in the year they are determined.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 and expenses in the periods in which they become known.

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2017

2. Significant accounting policies (Continued from previous page)

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.

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 investments in financial assets and liabilities at cost or amortized cost, with transaction costs and financing fees added to the carrying amount of the Association's financial instruments.

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. Capital assets

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and fixtures	30,000	1,000	29,000	-

During the year, the Association received a donation of furniture and fixtures for its new training facility. These assets were valued at their fair value of \$30,000.

4. Accounts payable and accruals

	2017	2016
Accounts payable and accruals	18,059	22,179
Government agencies payable	8,050	13,151
	26,109	35,330

5. Commitments

The Association has entered into a lease agreement until August 2022, and a shared support service agreement until December 2019, for its operating premises. The estimated minimum annual payments are as follows:

2018	282,474
2019	50,162
2020	52,223
2021	53,598
2022	35,733
	474,190

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2017

6. Contingency

The Association operates under a Service Agreement (the "Agreement") with WorkSafe BC, whereby WorkSafe BC provides annual funding for the Association's operations. The Agreement stipulates that WorkSafe BC has the ability to deduct any annual surplus funds from future year's funding, require repayment of surplus funds or have any surplus funds be designated as a reserve fund.

As at December 31, 2017, the Association does not have an accumulated surplus based on WorkSafe BC's calculation. WorkSafe BC has not advised the Association on any potential adjustments, however, should there be an adjustment upon approval by WorkSafe BC, the Association would have a change in unrestricted net assets and a corresponding change to internally restricted net assets.

7. Internally restricted net assets

The Association's Board of Directors have internally restricted \$150,268 (2016 - \$146,050) of unrestricted net assets to be used to fund future expenditures. The internally restricted amounts are not available for other purposes without the approval of the Board of Directors. During the year, the Board of Directors approved a transfer of \$4,218 from the unrestricted fund to the internally restricted fund.

8. Employee compensation

During the year ended December 31, 2017, the Association had two employees with remuneration totalling \$110,972 (2016 - one employee for \$104,451).

9. 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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Company is exposed to interest rate risk through its term deposits.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its accounts receivable. To mitigate this risk, the Association carries out credit evaluations of its customers on a continuing basis.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates.

10. Economic dependence

The Association operates under an Agreement with WorkSafe BC, whereby WorkSafe BC provides annual funding for the Association's operations. The Association is economically dependent on this funding to ensure it meets its financial obligations. The funding is contingent on the Association meeting certain guidelines as established in the Agreement. In the opinion of management, as at December 31, 2017, the Agreement guidelines have been met.