

**SafeCare BC Health and Safety  
Association  
Financial Statements**  
*For the year ended December 31, 2018*

# SafeCare BC Health and Safety Association

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*For the year ended December 31, 2018*

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# Independent Auditor's Report

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

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of SafeCare BC Health and Safety Association (the "Association"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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

March 7, 2019

*MNP LLP*

Chartered Professional Accountants

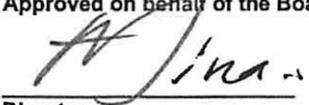
# SafeCare BC Health and Safety Association

## Statement of Financial Position

*As at December 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current</b>		
Cash	65,889	43,132
Term deposits (Note 3)	155,620	154,234
Accounts receivable	15,316	17,318
Prepaid expenses and deposits	2,003	2,395
	<b>238,828</b>	217,079
<b>Capital assets (Note 4)</b>	<b>23,200</b>	29,000
	<b>262,028</b>	246,079
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 5)	33,167	26,109
Deferred revenue	2,825	-
	<b>35,992</b>	26,109
<b>Commitments (Note 6)</b>		
<b>Contingencies (Note 7)</b>		
<b>Net Assets</b>		
Unrestricted	52,568	40,702
Internally restricted (Note 8)	150,268	150,268
Invested in capital assets	23,200	29,000
	<b>226,036</b>	219,970
	<b>262,028</b>	246,079

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, 2018*

	<b>2018</b>	<b>2017</b>
<hr/>		
<b>Revenue</b>		
WorkSafeBC	928,480	840,000
Association workshops	87,174	48,422
Other income	1,940	813
Donations	-	30,000
	<hr/>	<hr/>
	<b>1,017,594</b>	<b>919,235</b>
<hr/>		
<b>Expenses</b>		
Salaries and benefits <i>(Note 9)</i>	485,268	341,531
Consulting	162,299	193,125
Rent	86,631	55,861
Technology	67,609	62,827
Telecommunications and freight	32,420	44,103
Advertising and sponsorships	24,371	16,751
Conferences and external events	24,319	46,750
Travel	22,616	30,034
Accounting and legal fees	15,275	18,193
Furniture and equipment	15,000	4,888
Publication	13,578	36,616
Miscellaneous	12,788	12,199
Office supplies	12,720	6,228
Repairs and maintenance	11,000	9,557
Board expenses	8,650	13,271
Property tax and insurance	6,660	3,122
Amortization	5,800	1,000
Staff training	4,524	1,216
	<hr/>	<hr/>
	<b>1,011,528</b>	<b>897,272</b>
<hr/>		
<b>Excess of revenue over expenses</b>	<b>6,066</b>	<b>21,963</b>
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*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, 2018*

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Invested in capital assets</i>	<b>2018</b>	<i>2017</i>
<b>Net assets, beginning of year</b>	40,702	150,268	29,000	<b>219,970</b>	198,007
<b>Excess of revenue over expenses</b>	11,866	-	(5,800)	<b>6,066</b>	21,963
<b>Net assets, end of year</b>	<b>52,568</b>	<b>150,268</b>	<b>23,200</b>	<b>226,036</b>	219,970

*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, 2018

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	6,066	21,963
Amortization	5,800	1,000
Donation of capital assets in kind	-	(30,000)
	<b>11,866</b>	<b>(7,037)</b>
Changes in working capital accounts		
Accounts receivable	2,002	(6,773)
Prepaid expenses and deposits	393	(2,096)
Accounts payable and accruals	7,057	(9,222)
Deferred revenue	2,825	-
	<b>24,143</b>	<b>(25,128)</b>
<b>Investing</b>		
Purchase of term deposits	(155,620)	(154,234)
Redemption of term deposits	154,234	-
	<b>(1,386)</b>	<b>(154,234)</b>
<b>Increase (decrease) in cash resources</b>	<b>22,757</b>	<b>(179,362)</b>
<b>Cash resources, beginning of year</b>	<b>43,132</b>	<b>222,494</b>
<b>Cash resources, end of year</b>	<b>65,889</b>	<b>43,132</b>

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, 2018

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### 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 and community health support sectors 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:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

#### **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.

Amortization of furniture and fixture is provided using the declining balance method at a rate of 20%, intended to amortize the cost of assets over their estimated useful lives.

#### **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.

#### **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.

**SafeCare BC Health and Safety Association**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

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

**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.

**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.

**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.

**3. Term deposits**

The Association's term deposits earn annual interest of 1.25% and mature on January and March of 2019.

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>	<b>2017 Net book value</b>
Furniture and fixtures	30,000	6,800	23,200	29,000

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**SafeCare BC Health and Safety Association**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**5. Accounts payable and accruals**

	<i>2018</i>	<i>2017</i>
Accounts payable and accruals	<b>20,801</b>	18,059
Government agencies payable	<b>12,366</b>	8,050
	<b>33,167</b>	26,109

**6. Commitments**

The Association has entered into a premise lease agreement through August 2022, and a shared support service agreement through December 2019. The estimated minimum annual payments are as follows:

2019	368,859
2020	52,223
2021	53,598
2022	35,733
	510,413

**7. Contingencies**

The Association operates under a Service Agreement (the "Agreement") with WorkSafeBC, whereby WorkSafeBC provides annual funding for the Association's operations. The Agreement stipulates that WorkSafeBC 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, 2018, the Association does not have an accumulated surplus based on WorkSafeBC's calculation. WorkSafeBC has not advised the Association on any potential adjustments, however, should there be an adjustment upon approval by WorkSafeBC, the Associate would have a change in unrestricted net assets and a corresponding change to internally restricted net assets.

**8. Internally restricted net assets**

The Association's Board of Directors have internally restricted \$150,268 (2017 - \$150,268) 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 and must be in line with the terms of the Agreement with WorkSafeBC, whereby WorkSafeBC provides funding for the Association's annual operations and allows for specified amounts to be held in reserve. During the year, the Board of Directors approved a transfer of \$nil (2017 - \$4,218) from the unrestricted fund to the internally restricted fund.

**9. Salaries and benefits**

During the year ended December 31, 2018, the Association had three employees with remuneration totaling \$260,852 (2017 - two employees for \$110,972).

**10. 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 on 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, and provides allowances for potentially uncollectable accounts receivable.

***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; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates.

**11. Economic dependence**

The Association operates under the Agreement, whereby WorkSafeBC 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, 2018, the Agreement guidelines have been met.