

**SafeCare BC Health and Safety
Association**
Financial Statements
For the year ended December 31, 2019

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2019

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Independent Auditor's Report

To the member's 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 "Organization"), which comprise the statement of financial position as at December 31, 2019, 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 Organization as at December 31, 2019, 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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

February 28, 2020

MNP **LLP**

Chartered Professional Accountants

SafeCare BC Health and Safety Association

Statement of Financial Position

As at December 31, 2019

	2019	2018
Assets		
Current		
Cash	160,298	65,889
Term deposits (Note 3)	158,348	155,620
Accounts receivable (Note 4)	15,800	15,316
Prepaid expenses and deposits	16,349	2,003
	350,795	238,828
Capital assets (Note 5)	18,560	23,200
	369,355	262,028
Liabilities		
Current		
Accounts payable and accruals (Note 6)	63,457	33,167
Deferred revenue (Note 7)	157,795	2,825
	221,252	35,992
Commitments (Note 8)		
Net Assets		
Unrestricted	129,543	52,568
Internally restricted	-	150,268
Invested in capital assets	18,560	23,200
	148,103	226,036
	369,355	262,028

Approved on behalf of the Board

E-SIGNED by David Hurford

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, 2019

	2019	2018
Revenue		
Association workshops	109,741	87,174
Grant revenue	14,188	-
Hearts and hands	34,630	-
Other income	8,233	1,940
Sponsorship	750	-
WorkSafeBC	1,490,940	928,480
	1,658,482	1,017,594
Expenses		
Accounting and legal fees	24,667	15,275
Advertising and sponsorships	72,002	24,371
Amortization	4,640	5,800
Board expenses	8,431	8,650
Conferences and external events	51,746	24,319
Consulting	289,075	162,299
Furniture and equipment	6,296	15,000
Miscellaneous	85,870	12,788
Office supplies	17,571	12,720
Property tax and insurance	4,012	6,660
Publication	19,764	13,578
Rent	99,701	86,631
Repairs and maintenance	7,892	11,000
Salaries and benefits <i>(Note 9)</i>	761,107	485,268
Staff training	22,239	4,524
Technology	79,352	67,609
Telecommunications and freight	1,531	32,420
Travel	30,251	22,616
	1,586,147	1,011,528
Excess of revenue over expenses	72,335	6,066

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, 2019

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Invested in capital assets</i>	2019	<i>2018</i>
Net assets, beginning of year	52,568	150,268	23,200	226,036	219,970
Excess of revenue over expenses	76,975	-	(4,640)	72,335	6,066
Transfer to deferred revenue <i>(Note 7)</i>	-	(150,268)	-	(150,268)	-
Net assets, end of year	129,543	-	18,560	148,103	226,036

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	72,335	6,066
Amortization	4,640	5,800
Transfer of internally restricted funds to deferred revenue	(150,268)	-
	(73,293)	11,866
Changes in working capital accounts		
Accounts receivable	(484)	2,002
Prepaid expenses and deposits	(14,345)	393
Accounts payable and accruals	30,289	7,057
Deferred revenue	154,970	2,825
	97,137	24,143
Investing		
Purchase of term deposits	(158,348)	(155,620)
Proceeds on maturity of term deposits	155,620	154,234
	(2,728)	(1,386)
Increase in cash resources	94,409	22,757
Cash resources, beginning of year	65,889	43,132
Cash resources, end of year	160,298	65,889

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, 2019

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:

Capital assets

Purchased capital assets are recorded at cost.

Amortization of furniture and fixtures 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.

Association workshop revenues and other income is recorded when the underlying event is held, and collectability is reasonably assured.

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.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

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

The Organization 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.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2019

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

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 Organization'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 at 1.95%, and mature in January and February of 2020.

4. Accounts receivable

Included in accounts receivable is \$15,130 in goods and services tax recoverable (2018 - \$11,006).

5. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and fixtures	30,000	11,440	18,560	23,200

6. Accounts payable and accruals

	2019	2018
Accounts payable and accruals	49,664	20,801
Government agencies payable	13,793	12,366
	63,457	33,167

SafeCare BC Health and Safety Association
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For the year ended December 31, 2019

7. Deferred revenue

Deferred revenues consist of unspent amounts externally restricted for use in line with the WorkSafe BC operating agreement ("the Agreement"), as well as workshop fees paid in advance of services being rendered. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

	2019	2018
Workshop fees	490	2,825
WorkSafe BC	157,305	-
	157,795	2,825

	2019	2018
Balance, beginning of year	2,825	-
Current year revenues deferred	7,037	2,825
Transfer from internally restricted net assets	150,268	-
Less: amounts recorded in to revenues	(2,335)	-
Balance, end of year	157,795	2,825

During the year, WorkSafe BC amended their agreement with the Association, restricting the use of surplus contributions to specified activities. As such, \$150,268 which was recorded as internally restricted in prior reporting periods, has been reclassified to deferred revenues to reflect the restrictions imposed during the year.

8. Commitments

The Organization has entered into a premise lease agreement through August 2022, and a shared support service agreement through December 2020. The estimated minimum annual payments are as follows:

2020	343,963
2021	59,555
2022	39,703
	443,221

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2019

9. Salaries and benefits

During the year ended December 31, 2019, the Association had four employees with remuneration totaling \$368,813 (2018 - three employees for \$260,852).

10. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization 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 clients on a continuing basis, and provides allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization 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, 2019, the Agreement guidelines have been met.