

**SafeCare BC Health and Safety
Association**
Financial Statements
For the year ended December 31, 2021

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2021

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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 "Association"), which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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 of British Columbia, we report that, in our opinion, these accounting policies and principles as described in Note 2 have been applied on a basis consistent with that of the preceding year.

Surrey, British Columbia

March 3, 2022

MNP LLP

Chartered Professional Accountants

SafeCare BC Health and Safety Association

Statement of Financial Position

As at December 31, 2021

	2021	2020
Assets		
Current		
Cash	38,273	414,298
Term deposits (Note 3)	812,540	190,304
Accounts receivable	33,284	62,016
Prepaid expenses and deposits	9,867	10,872
	893,964	677,490
Capital assets (Note 4)	11,878	14,848
	905,842	692,338
Liabilities		
Current		
Accounts payable and accruals (Note 5)	76,351	79,606
Deferred revenue (Note 6)	157,710	175,084
	234,061	254,690
Long-term debt (Note 7)	40,000	40,000
	274,061	294,690
Commitments (Note 8)		
Net Assets		
Unrestricted	619,903	382,800
Invested in capital assets	11,878	14,848
	631,781	397,648
	905,842	692,338

Approved on behalf of the Board

e-Signed by Nicki Bavis
2022-03-03 08:55:15 PST

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, 2021

	2021	2020
Revenue		
Association workshops	126,888	57,018
Grant revenue	100,349	71,711
Hearts and hands	40,000	34,000
Other income	54,453	18,441
Sponsorship	2,500	19,000
WorkSafeBC	1,306,805	1,208,550
WorkSafeBC - Small Initiatives Grant	-	20,856
	1,630,995	1,429,576
Expenses		
Accounting and legal fees	18,869	20,550
Advertising and sponsorships	44,509	48,787
Amortization	2,970	3,712
Board expenses	34,339	4,691
Conferences and external events	7,122	5,988
Consulting	284,802	220,274
Furniture and equipment	5,297	5,247
Miscellaneous	5,117	1,973
Office supplies	8,721	10,507
Property tax and insurance	5,532	5,209
Publication	16,255	6,371
Rent	103,118	101,802
Repairs and maintenance	3,463	3,978
Salaries and benefits <i>(Note 9)</i>	888,446	862,813
Staff training	17,580	16,530
Technology	72,784	70,857
Telecommunications and freight	5,240	5,141
Travel	5,628	8,307
	1,529,792	1,402,737
Excess of revenue over expenses before other income	101,203	26,839
Government assistance <i>(Note 10)</i>	132,930	222,705
Excess of revenue over expenses	234,133	249,544

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, 2021

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<i>2021</i>	<i>2020</i>
Net assets, beginning of year	382,800	14,848	397,648	148,104
Excess (deficiency) of revenue over expenses	237,103	(2,970)	234,133	249,544
Net assets, end of year	619,903	11,878	631,781	397,648

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, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	234,133	249,544
Amortization	2,970	3,712
	237,103	253,256
Changes in working capital accounts		
Accounts receivable	28,732	(46,216)
Prepaid expenses and deposits	1,005	5,478
Accounts payable and accruals	(3,255)	16,149
Deferred revenue	(17,374)	17,289
	246,211	245,956
Financing		
Advances of long-term debt	-	40,000
Investing		
Proceeds on maturity of term deposits	701,620	1,039,342
Purchase of term deposits	(1,323,856)	(1,071,298)
	(622,236)	(31,956)
Increase (decrease) in cash resources	(376,025)	254,000
Cash resources, beginning of year	414,298	160,298
Cash resources, end of year	38,273	414,298

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, 2021

1. Incorporation and nature of the organization

SafeCare BC Health and Safety Association ("the Association") was incorporated under the Society Act of British Columbia 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 as a registered not-for-profit charitable organization 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.

Impact on operations of COVID-19 (coronavirus)

In early March 2020, the impact of the global outbreak of COVID-19 began to have a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Association's operations were impacted by COVID-19 due to restrictions of training events, however it has not significantly affected its' financial position.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause staff shortages, and increased government regulations, all of which may negatively impact the Association's operations and financial condition.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

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.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

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 on a month basis over the membership period.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (Continued from previous page)

Association workshop revenues and other income is recognized as revenue when the underlying event is held and collectability is reasonably assured.

Government assistance

Government assistance relating to loans is recognized at the time of the grant date when a portion of the loan agreement is forgivable and the Association continues to meet certain requirements specified at the time when the loan agreement was granted.

Government assistance relating to subsidies is recorded as revenue in the period to which the subsidy applies once there is reasonable assurance that the Association will meet the eligibility criteria, the government support will be received and the amount to be received is measurable.

Contributed materials

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.

Funding adjustment

WorkSafeBC 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.

Included in revenue is government assistance for the Canada Emergency Wage Subsidy. Management has estimated and calculated the amount of subsidy based upon their assessment of qualifying expenditures. The variability between actual subsidy received has not varied from the estimated subsidy. Legislative changes in the near term could have a significant impact on the amounts recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year. All financial assets and liabilities are subsequently measured at amortized cost.

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2021

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

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. 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.

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 at the statement of financial position date; 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 excess of revenues over expenses in the year the reversal occurs.

3. Term deposits

The Association's term deposits earn annual interest between 0.30% to 0.32%, and mature between January and March of 2022.

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>	<i>2020 Net book value</i>
Furniture and fixtures	30,000	18,122	11,878	14,848

5. Accounts payable and accruals

	<i>2021</i>	<i>2020</i>
Accounts payable and accruals	59,545	62,083
Government agencies payable	16,806	17,523
	76,351	79,606

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2021

6. Deferred revenue

Deferred revenue consists of unspent amounts externally restricted for use in line with the WorkSafeBC operating agreement ("the Agreement"), membership fees, 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.

	2021	2020
Workshop fees	405	1,310
WorkSafeBC reserve fund	157,305	157,305
Membership fees	-	16,469
	157,710	175,084
	2021	2020
Balance, beginning of year	175,084	157,795
Current year revenues deferred	131,983	82,181
Less: amounts recorded in to revenues	(149,357)	(64,892)
Balance, end of year	157,710	175,084

7. Long-term debt

The Association received a \$40,000 loan under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA loan is non-interest bearing, can be repaid at any time without penalty and is valid until December 31, 2023. A maximum of \$10,000 of this loan will be forgiven if repaid by December 31, 2023. If the loan is not repaid before then, 5.00% will be charged on the outstanding balance.

8. Commitments

The Association has entered into a premise lease agreement through August 2022, and a shared support service agreement through December 2024. The estimated minimum annual payments are as follows:

2022	39,703
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9. Employee and director compensation

During the year ended December 31, 2021, four employees earned more than \$75,000 in remuneration, inclusive of salary, pension, and other benefits, totaling \$377,077. (2020 - three employees for \$301,583).

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2021

10. Government assistance

In response to the economic strain caused by the COVID-19 pandemic, the Federal Government of Canada announced a number of programs designed to mitigate the financial impacts of the pandemic on Canadians and Canadian businesses. Eligibility requirements under these relief programs have evolved since first announced and can be subject to further legislative change or changes through the introduction of administrative positions as specific situations are contemplated. Additionally, because these programs are new, there is no benefit of historical precedent as an available reference point for interpretation.

During the year, the Association utilized the Canada Emergency Wage Subsidy (CEWS) and the Canadian Emergency Rent Subsidy (CERS) programs. The Association claimed \$111,414 (2020 - \$208,590) and \$21,516 (2020 - \$NIL) under the CEWS and CERS programs respectively. The Temporary Wage Subsidy (TWS) claimed in 2020 was no longer available in 2021 (2020 - \$14,115).

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.

Currency 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.

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 Association is exposed to interest rate risk on its term deposits and long-term debt..

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.

12. 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, 2021, the Agreement guidelines have been met.