

**SafeCare BC Health and Safety
Association
Financial Statements**
For the year ended December 31, 2020

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2020

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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, 2020, 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, 2020, 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

February 17, 2021

MNP **LLP**

Chartered Professional Accountants

SafeCare BC Health and Safety Association

Statement of Financial Position

As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	414,298	160,298
Term deposits (Note 3)	190,304	158,348
Accounts receivable (Note 4)	62,016	15,800
Prepaid expenses and deposits	10,872	16,349
	677,490	350,795
Capital assets (Note 5)	14,848	18,560
	692,338	369,355
Liabilities		
Current		
Accounts payable and accruals (Note 6)	79,606	63,457
Deferred revenue (Note 7)	175,084	157,795
	254,690	221,252
Note payable (Note 8)	40,000	-
	294,690	221,252
Commitments (Note 9)		
Significant event (Note 14)		
Net Assets		
Unrestricted	382,800	129,543
Invested in capital assets	14,848	18,560
	397,648	148,103
	692,338	369,355

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, 2020

	2020	2019
Revenue		
Association workshops	57,018	109,741
Grant revenue	71,711	14,188
Hearts and hands	34,000	34,630
Other income	18,441	7,541
Sponsorship	19,000	750
WorkSafeBC	1,208,550	1,490,940
WorkSafeBC - Small Initiatives Grant	20,856	692
	1,429,576	1,658,482
Expenses		
Accounting and legal fees	20,550	24,667
Advertising and sponsorships	48,787	72,002
Amortization	3,712	4,640
Board expenses	4,691	8,431
Conferences and external events	5,988	51,746
Consulting	220,274	289,075
Furniture and equipment	5,247	6,296
Miscellaneous	1,973	85,870
Office supplies	10,507	17,571
Property tax and insurance	5,209	4,012
Publication	6,371	19,764
Rent	101,802	99,701
Repairs and maintenance	3,978	7,892
Salaries and benefits <i>(Note 10)</i>	862,813	761,107
Staff training	16,530	22,239
Technology	70,857	79,352
Telecommunications and freight	5,141	1,531
Travel	8,307	30,251
	1,402,737	1,586,147
Excess of revenue over expenses before other income	26,839	72,335
Other income		
Canada Emergency Wage Subsidy <i>(Note 11)</i>	208,590	-
Temporary Wage Subsidy <i>(Note 11)</i>	14,115	-
Excess of revenue over expenses	249,544	72,335

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, 2020

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<i>2020</i>	<i>2019</i>
Net assets, beginning of year	129,543	18,560	148,103	226,036
Excess of revenue over expenses	253,257	(3,712)	249,544	72,335
Transfer to deferred revenue <i>(Note 7)</i>	-	-	-	(150,268)
Net assets, end of year	382,800	14,848	397,647	148,103

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, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	249,544	72,335
Amortization	3,712	4,640
Transfer of internally restricted funds to deferred revenue	-	(150,268)
	253,256	(73,293)
Changes in working capital accounts		
Accounts receivable	(46,216)	(484)
Prepaid expenses and deposits	5,478	(14,345)
Accounts payable and accruals	16,149	30,289
Deferred revenue	17,289	154,970
	245,956	97,137
Financing		
Advances of note payable	40,000	-
Investing		
Purchase of term deposits	(1,071,298)	(158,348)
Proceeds on maturity of term deposits	1,039,342	155,620
	(31,956)	(2,728)
Increase in cash resources	254,000	94,409
Cash resources, beginning of year	160,298	65,889
Cash resources, end of year	414,298	160,298

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, 2020

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.

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.

Long-lived assets

Long-lived assets consist of furniture and equipment. 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 assets 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.

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

Government assistance

Government assistance is recognized at the time of the grant date when subsidies have been received or 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.

Claims for government assistance under the Canada Emergency Wage Subsidy (CEWS) are recorded as revenue in the period to which the subsidy applies. Revenue is recognized 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. Revenues recognized for government assistance are included in other income.

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.

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

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 other income is \$202,540 (2019 - \$NIL) of 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 material 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 material. 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 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's financial instruments are subsequently measured at amortized cost, with transaction costs and financing fees added to the carrying amount of the Society's financial instruments.

Financial asset impairment

The Association assesses impairment of all of 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; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. 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. 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 (deficiency) 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 (deficiency) of revenue over expenses in the year the reversal occurs.

3. Term deposits

The Association's term deposits earn annual interest between 0.30% to 0.42%, and mature in January and February of 2021.

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2020

4. Accounts receivable

Included in accounts receivable is \$3,104 in goods and services tax recoverable (2019 - \$15,130).

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>	<i>2019 Net book value</i>
Furniture and fixtures	30,000	15,152	14,848	18,560

6. Accounts payable and accruals

	<i>2020</i>	<i>2019</i>
Accounts payable and accruals	62,083	49,664
Government agencies payable	17,523	13,793
	79,606	63,457

7. 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.

	<i>2020</i>	<i>2019</i>
Workshop fees	1,310	490
WorkSafeBC reserve fund	157,305	157,305
Membership fees	16,469	-
	175,084	157,795

	<i>2020</i>	<i>2019</i>
Balance, beginning of year	157,795	2,825
Current year revenues deferred	52,260	7,037
Transfer from internally restricted net assets	-	150,268
Less: amounts recorded in to revenues	(34,971)	(2,335)
	175,084	157,795

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2020

8. Note payable

The Association received a \$40,000 note as part of the Canada Emergency Business Account funding that became available due to COVID-19. \$10,000 of this loan will be forgivable and the remaining \$30,000 will be charged at 0.00% interest during the initial term which ends December 31, 2022. If the loan is not repaid before then, 5.00% will be charged on the outstanding balance up to December 31, 2025.

9. Commitments

The Association has entered into a premise lease agreement through August 2022, and a shared support service agreement through December 2021. The estimated minimum annual payments are as follows:

2021	59,555
2022	39,703
	<hr/>
	99,258

10. Employee and director compensation

During the year ended December 31, 2020, three employees earned more than \$75,000 in remuneration, inclusive of salary, pension, and other benefits, totaling \$301,583. (2019 - four employees for \$368,813).

11. Subsidy

During the year, the Association utilized the Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy (TWS) programs which has various requirements with respect to the Association's decrease in revenue, employee baseline remuneration and total remuneration paid during prescribed periods. The Association claimed \$208,590 (2019 - \$NIL) and \$14,155 (2019 - \$NIL) under the CEWS and TWS programs respectively.

12. 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 Association 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 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.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2020

13. 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, 2020, the Agreement guidelines have been met.

14. Significant event

During the year, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Association in future periods.