

SafeCare BC Health and Safety Association
Financial Statements
For the year ended December 31, 2022

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2022

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To the Members 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, 2022, 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, 2022, 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 6, 2023

MNP LLP

Chartered Professional Accountants

SafeCare BC Health and Safety Association

Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	950,818	38,273
Term deposits (Note 3)	948,387	812,540
Accounts receivable	18,262	33,284
Prepaid expenses and deposits	48,888	9,867
	1,966,355	893,964
Capital assets (Note 4)	9,502	11,878
	1,975,857	905,842
Liabilities		
Current		
Accounts payable and accruals (Note 5)	65,886	76,351
Deferred revenue (Note 6)	1,054,736	157,710
	1,120,622	234,061
Long-term debt (Note 7)	-	40,000
	1,120,622	274,061
Commitments (Note 8)		
Net Assets		
Unrestricted	845,733	619,903
Invested in capital assets	9,502	11,878
	855,235	631,781
	1,975,857	905,842

Approved on behalf of the Board of Directors

e-Signed by Nicki Bavis
2023-03-06 16:01:49 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, 2022

	2022	2021
Revenue		
Association workshops	149,857	126,888
Grant revenue	212,042	100,349
Hearts and hands	85,770	40,000
Other income	29,136	53,026
Sponsorship	2,500	2,500
WorkSafe BC	1,530,000	1,306,805
	2,009,305	1,629,568
Expenses		
Accounting and legal fees	16,331	18,869
Advertising and sponsorships	55,000	44,509
Amortization	2,376	2,970
Board expenses	12,953	34,339
Conferences and external events	49,454	7,122
Consulting	275,898	284,802
Furniture and equipment	-	5,297
Miscellaneous	2,389	5,117
Office supplies	6,086	8,721
Property tax and insurance	6,230	5,532
Publication	35,688	16,255
Rent	106,308	103,118
Repairs and maintenance	4,100	3,463
Immunization program	27,362	-
Salaries and benefits <i>(Note 9)</i>	1,076,738	888,446
Staff training	23,412	17,580
Technology	80,988	72,784
Telecommunications and freight	4,947	5,240
Travel	21,278	5,628
	1,807,538	1,529,792
Excess of revenue over expenses before other items	201,767	99,776
Other income		
Long-term debt forgiveness <i>(Note 7)</i>	10,000	-
Government assistance	-	132,930
Interest income	11,687	1,428
	21,687	134,358
Excess of revenue over expenses	223,454	234,134

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, 2022

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2022	<i>2021</i>
Net assets, beginning of year	619,903	11,878	631,781	397,647
Excess (deficiency) of revenue over expenses	225,830	(2,376)	223,454	234,134
Net assets, end of year	845,733	9,502	855,235	631,781

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, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	223,454	234,134
Amortization	2,376	2,970
Forgivable portion of long-term debt	(10,000)	-
	215,830	237,104
Changes in working capital accounts		
Accounts receivable	15,022	28,732
Prepaid expenses and deposits	(39,021)	1,004
Accounts payable and accruals	(10,465)	(3,255)
Deferred revenue	897,026	(17,374)
	1,078,392	246,211
Financing		
Repayment of long-term debt	(30,000)	-
Investing		
Proceeds on maturity of term deposits	7,643,266	701,620
Purchase of term deposits	(7,779,113)	(1,323,856)
	(135,847)	(622,236)
Increase (decrease) in cash resources	912,545	(376,025)
Cash resources, beginning of year	38,273	414,298
Cash resources, end of year	950,818	38,273

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, 2022

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 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 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 is 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 monthly basis over the membership period.

Association workshop revenues and other income are recognized net of trade discounts and allowances, when a price is agreed, all significant contractual obligations have been satisfied, and collectability is reasonably assured. If collectability is not considered reasonably assured at the time of sale, the Company does not recognize revenue until collection occurs.

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.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (Continued from previous page)

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.

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 made such an election during the year.

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 revenue 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; 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.

Any impairment, which is not considered temporary, is included in current year excess of revenue 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 revenue over expenses in the year the reversal occurs.

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2022

3. Term deposits

The Association's term deposits earn annual interest between 2.85% to 4.11%, and mature between January and March 2023.

4. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and fixtures	30,000	20,498	9,502	11,878

5. Accounts payable and accruals

		2022	2021
Accounts payable and accruals		64,398	59,545
Government agencies payable		1,488	16,806
		65,886	76,351

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.

		2022	2021
Membership fees		5,881	-
WorkSafeBC contract advance		890,000	-
WorkSafeBC reserve		157,305	157,305
Workshop fees		1,550	405
		1,054,736	157,710

		2022	2021
Balance, beginning of year		157,710	175,084
Current year revenues deferred		2,688,543	1,480,216
Less: amounts recorded in to revenues		(1,791,517)	(1,497,590)
Balance, end of year		1,054,736	157,710

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 was non-interest bearing and was repaid in 2022. \$10,000 of this loan was forgivable and recognized to other revenue in the current year.

SafeCare BC Health and Safety Association
Notes to the Financial Statements
For the year ended December 31, 2022

8. Commitments

The Association has entered into a premise lease agreement through August 2027, and a shared support service agreement through December 2024. The estimated minimum annual payment and the contract is reviewed annually:

2023	61,843
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9. Employee and director compensation

During the year ended December 31, 2022, four employees earned more than \$75,000 in remuneration, inclusive of salary, pension, and other benefits, totaling \$434,568. (2021 - four employees for \$377,077).

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.

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. In 2022, two customers represented 78% of accounts receivable (2021 - one customer, 77%).

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.

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.

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, 2022, the Agreement guidelines have been met.

12. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.