

Financial Statements of

**COLLEGE OF SPEECH AND HEARING
HEALTH PROFESSIONALS OF BC**

Year ended March 31, 2017
(Unaudited)



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REVIEW ENGAGEMENT REPORT

To the Members of College of Speech and Hearing Health Professionals of BC

We have reviewed the statement of financial position of College of Speech and Hearing Health Professionals of BC (the "College") as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the College.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

June 16, 2017
Burnaby, Canada

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Operations

Year ended March 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Revenue:		
Registration fees	\$ 879,403	\$ 849,715
Interest	17,985	35,040
	<u>897,388</u>	<u>884,755</u>
Expenses:		
Depreciation & amortization	13,750	13,180
Finance and administration	135,692	105,118
Governance	100,117	63,012
Hearings	-	79,025
Investigations	51,970	38,922
Quality assurance	71,828	88,438
Registration	33,854	28,458
Wages	360,334	320,862
	<u>767,545</u>	<u>737,015</u>
Excess of revenue over expenses	\$ 129,843	\$ 147,740

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Changes in Net Assets

Year ended March 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Net assets, beginning of year	\$ 1,199,908	\$ 1,052,168
Excess of revenue over expenses	129,843	147,740
Net assets, end of year	\$ 1,329,751	\$ 1,199,908

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 129,843	\$ 147,740
Item not involving cash:		
Amortization	13,750	13,180
Amortization of lease inducement	(2,490)	(2,490)
	<u>141,103</u>	<u>158,430</u>
Changes in non-cash operating working capital:		
Increase (decrease) in receivables	22,995	(22,731)
Increase in prepaid expenses	4,347	(4,705)
Increase (decrease) in accounts payable and accrued liabilities	6,523	(3,109)
Increase (decrease) in deferred revenue	53,675	(4,100)
	<u>228,643</u>	<u>123,785</u>
Investments:		
Purchase of investments	(117,000)	(115,000)
Purchase of equipment	(6,173)	(31,252)
Leasehold inducement	-	12,450
	<u>(123,173)</u>	<u>(133,802)</u>
Increase (decrease) in cash	105,470	(10,017)
Cash, beginning of year	626,052	636,069
Cash, end of year	<u>\$ 731,522</u>	<u>\$ 626,052</u>

See accompanying notes to financial statements.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2017
(Unaudited)

Nature of operations:

The College of Speech and Hearing Health Professionals of BC (the "College"), which operates in British Columbia, is a not-for-profit organization founded pursuant to the Health Professionals Act and the Regulations for Speech and Hearing Health Professionals. The College acts as the regulatory body governing Audiologists, Speech-Language Pathologists, and Hearing Instrument Practitioners by setting the ethical and practice standards for the above noted professionals. The College is a non-profit organization as defined under the Income Tax Act and therefore is not subject to income taxes.

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows.

1. Significant accounting policies:

(a) Cash:

Cash includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

(b) Investments:

Investments are carried at amortized cost.

(c) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on a declining balance basis at the following annual rates:

Asset	Rate
Computer hardware	30%
Computer software	55%
Office equipment	20%
Leasehold improvements	5 years

(d) Deferred lease inducement:

Lease inducements provided to the College by landlords are deferred and amortized against rent expense on a straight line basis over the term of the lease.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2017
(Unaudited)

1. Significant accounting policies (continued):

(e) Revenue recognition:

Revenue related to registration fees is recognized over the period to which they relate.

Fees related to certifications are recognized when the services are rendered. Fees related to examination and criminal record checks are recognized on a net basis, as these services are provided by other parties.

Payments received related to any advance billings are deferred in current liabilities until the services are rendered.

(f) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results may differ from those estimates.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2017
(Unaudited)

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Interest receivable, investments and accounts payable and accrued liabilities are carried at amortized cost, which approximates fair value.

2. Investment:

The market value of the term deposits is equal to their aggregate cost of \$1,367,000 (2016 - 1,250,000).

	2017	2016
Term deposit with interest rate ranging from 1.50% to 3.30%, and matured on April 5, 2016	\$ -	\$ 695,000
Term deposit with interest rate of 1.05% per annum, and matured on April 15, 2016	-	555,000
Term deposit with interest rate of 1.20% per annum, and maturing on April 6, 2017	367,000	-
Term deposit with interest rate ranging from 1.10% to 2.20%, and maturing on April 6, 2019	1,000,000	-
	<u>1,367,000</u>	<u>1,250,000</u>
Less amounts maturing in the current year	367,000	1,250,000
	<u>\$ 1,000,000</u>	<u>\$ -</u>

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements (continued)

Year ended March 31, 2017
(Unaudited)

3. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 10,813	\$ 8,692	\$ 2,121	\$ 3,031
Computer software	69,700	61,472	8,228	10,040
Office equipment	14,885	8,878	6,008	6,320
Leasehold improvements	20,190	6,562	13,629	18,171
	\$ 115,588	\$ 85,604	\$ 29,986	\$ 37,562

4. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements and ensuring that it invests a portion of its term deposits that can be readily converted into cash. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

5. Commitments:

The College has an operating lease commitment related to its current premises. The minimum annual lease payments scheduled for the next four years and thereafter are as follows:

2018	\$ 34,860
2019	34,860
2020	34,860
2021	20,335

COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Schedule 1

Year ended March 31, 2017
(Unaudited)

2017	Finance and Admin	Governance	Registration	Investigations	Hearings	Quality assurance
Legal	\$ 10,004	\$ 30,475	\$ 3,774	\$ 20,622	\$ -	\$ 134
Per Diem	3,000	26,500	8,488	6,900	-	8,175
Meetings	161	12,316	1,155	1,046	-	1,052
Travel	-	21,631	20,218	1,244	-	-
Rent	64,300	-	-	-	-	-
Other	58,227	9,195	219	22,158	-	62,467
	\$ 135,692	\$ 100,117	\$ 33,854	\$ 51,970	\$ -	\$ 71,828

2016	Finance and Admin	Governance	Registration	Investigations	Hearings	Quality assurance
Legal	\$ 613	\$ 10,539	\$ 10,857	\$ 24,048	\$ 66,828	\$ 786
Per Diem	2,050	25,200	3,005	8,993	3,800	7,075
Meetings	160	11,463	1,164	3,308	7,377	842
Travel	-	10,442	11,860	1,448	1,020	-
Rent	39,070	-	-	-	-	-
Other	63,225	5,368	1,572	1,125	-	79,735
	\$ 105,118	\$ 63,012	\$ 28,458	\$ 38,922	\$ 79,025	\$ 88,438