

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of British Columbia Association of Social Workers

We have reviewed the accompanying financial statements of British Columbia Association of Social Workers which comprise the statement of financial position as at December 31, 2018 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

### ***Practitioner's Responsibility for the Financial Statements***

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of British Columbia Association of Social Workers as at December 31, 2018, 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.

### ***Report on other Legal and Regulatory Requirements***

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia  
March 15, 2019



Chartered Professional Accountants

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Statement of Financial Position**

**December 31, 2018**

*(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 65,958	\$ 29,711
Investments	84,432	132,959
Accounts receivable <i>(Note 3)</i>	5,221	6,970
Prepaid expenses	897	1,953
	<b>156,508</b>	171,593
TANGIBLE CAPITAL ASSETS <i>(Note 4)</i>	<b>93</b>	116
	<b>\$ 156,601</b>	<b>\$ 171,709</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued charges	\$ 330	\$ 41,398
Government remittances payable	2,284	-
Deferred revenue <i>(Note 6)</i>	120,709	74,034
	<b>123,323</b>	115,432
NET ASSETS		
Operating fund	<b>33,278</b>	56,277
	<b>\$ 156,601</b>	<b>\$ 171,709</b>
COMMITMENTS <i>(Note 7)</i>		

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2018**

*(Unaudited)*

	Operating Fund	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 56,277	\$ <b>56,277</b>	\$ 111,344
Deficiency of income over expenses	(22,999)	<b>(22,999)</b>	(55,067)
<b>NET ASSETS - END OF YEAR</b>	\$ 33,278	\$ <b>33,278</b>	\$ 56,277

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Statement of Operations**

**Year Ended December 31, 2018**

*(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>INCOME</b>		
Membership fees	\$ 192,837	\$ 202,532
Administration fees	1,741	1,000
Advertising	32,386	17,250
Conferences and workshops	5,787	575
Interest and investment income	1,513	2,136
Membership materials	4,741	1,126
Perspectives and publication sales	424	419
	<u>239,429</u>	<u>225,038</u>
<b>EXPENSES (per Schedule 1)</b>		
Office administration	50,017	58,910
Information services	22,239	21,093
Professional activities	44,872	38,190
Board activities	9,345	21,026
Staffing	135,955	140,886
	<u>262,428</u>	<u>280,105</u>
<b>DEFICIENCY OF INCOME OVER EXPENSES</b>	<u>\$ (22,999)</u>	<u>\$ (55,067)</u>

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Statement of Cash Flows**

**Year Ended December 31, 2018**

*(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from members	\$ 238,612	\$ 181,304
Interest and investment income	1,404	795
Other sources of income	45,153	18,920
Payments for materials and services	<u>(297,449)</u>	<u>(227,001)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(12,280)</b>	<b>(25,982)</b>
Cash - beginning of year	<u>162,670</u>	188,652
<b>CASH - END OF YEAR</b>	<b>\$ 150,390</b>	<b>\$ 162,670</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 65,958	\$ 29,711
Investments	<u>84,432</u>	<u>132,959</u>
	<b>\$ 150,390</b>	<b>\$ 162,670</b>

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Schedule of Operations - Operating Fund**

**(Schedule 1)**

**Year Ended December 31, 2018**

*(Unaudited)*

	Budget 2018	Actual 2018	Actual 2017
<b>INCOME</b>			
Membership fees	\$ 187,000	\$ 192,837	\$ 202,532
Administration fees	900	1,741	1,000
Advertising	26,320	32,386	17,250
Conferences and workshops	5,000	5,787	575
Interest and investment income	30	1,513	2,136
Membership materials	3,400	4,741	1,126
Perspectives and publication sales	150	424	419
	<u>222,800</u>	<u>239,429</u>	<u>225,038</u>
<b>EXPENSES</b>			
<i>Office Administration</i>			
Accounting	5,400	5,586	4,994
Amortization of tangible capital assets	-	23	178
Amortization of intangible assets	-	-	16,065
Bank charges	600	379	670
Credit card transaction fees	5,295	7,761	6,084
Database	3,150	3,150	-
Insurance	700	966	1,100
Miscellaneous	300	966	25
Office equipment maintenance and repair	2,200	4,046	5,360
Office supplies, postage and courier	1,750	2,225	2,347
Rent	16,917	16,615	13,708
Telephone, fax and internet	4,000	3,933	4,965
Website	2,700	4,367	3,414
	<u>43,012</u>	<u>50,017</u>	<u>58,910</u>
<i>Information Services</i>			
Communications	2,185	2,298	1,305
Membership materials	2,000	2,644	1,242
Perspectives	18,000	17,297	18,546
	<u>22,185</u>	<u>22,239</u>	<u>21,093</u>
<i>Professional Activities</i>			
Branch programs (Note 8)	4,500	2,500	4,500
CASW assessment	20,000	33,411	31,561
Committees, communications and subscriptions	500	489	(9)
Conferences and workshops	300	787	(1,692)
Consultants	3,750	3,000	2,600
External memberships	200	200	200
Student prizes	7,000	4,485	1,030
	<u>36,250</u>	<u>44,872</u>	<u>38,190</u>
<i>Board Activities</i>			
Board meetings	8,200	7,657	21,026
President's travel	1,700	1,688	-
	<u>9,900</u>	<u>9,345</u>	<u>21,026</u>

*(continues)*

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Schedule of Operations - Operating Fund (continued)**

**(Schedule 1)**

**Year Ended December 31, 2018**

*(Unaudited)*

	Budget 2018	Actual 2018	Actual 2017
<b>EXPENSES (continued)</b>			
<i>Staffing</i>			
Benefits	13,455	<b>16,284</b>	16,234
Salaries	79,200	<b>78,973</b>	59,052
Staff development	14	<b>14</b>	245
Subcontracts	37,478	<b>37,412</b>	60,299
Travel	3,270	<b>3,272</b>	5,056
	<hr/> 133,417	<hr/> <b>135,955</b>	<hr/> 140,886
<b>Total Expenses</b>	<hr/> 244,764	<hr/> <b>262,428</b>	<hr/> 280,105
<b>DEFICIENCY OF INCOME OVER EXPENSES</b>	<hr/> <b>\$ (21,964)</b>	<hr/> <b>\$ (22,999)</b>	<hr/> <b>\$ (55,067)</b>



# BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

## Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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### 1. NATURE AND PURPOSE OF ORGANIZATION

The British Columbia Association of Social Workers (the "Association") is incorporated under the Societies Act of British Columbia as a Not-For-Profit organization and completed the transition to the new Societies Act (BC) on December 7, 2016. The purposes of the Association are:

1. To provide a distinct voice for the profession of Social Work in British Columbia and to serve as an authoritative source of information on the practice of Social Work in British Columbia;
2. To encourage and initiate activities appropriate to the strengthening and unifying of the Social Work profession with the goal of enhancing members' identification with the profession and practice of Social Work;
3. To assist and promote the development of high professional standards of practice consistent with the Code of Ethics adopted by the British Columbia Association of Social Workers including assisting in and promoting the provision of continuing education and supportive working environments in the interests of promoting quality service;
4. To promote awareness of the scope and value of Social Work services with the public and to other organizations;
5. To advocate for social policy and social services delivery that will promote equality and will enhance the health and well-being of all British Columbians;
6. To advance the professional, social and economic well-being of social workers; and
7. To encourage studies and research in issues and topics relevant to the knowledge and practice of the Social Work profession.

The Association is exempt from income taxes under the provisions of Section 149 of the Income Tax Act as a not-for-profit organization.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

#### Fund Accounting

The Association follows the restricted fund method of accounting.

The Operating Fund reports the assets, liabilities, revenues and expenses related to the Association's operating activities.

There are currently no other Funds in use and the Association's Net Assets are not subject to any external or internal restrictions.

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# BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

## Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue Recognition

Membership and other fees, advertising, and conferences and workshops are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Interest income is recognized as revenue in the period the interest income is earned.

#### Measurement Uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Areas requiring the most significant estimates include the determination of intangible assets and their useful life and deferred revenue. Actual results could differ from these estimates.

#### Cash and Cash Equivalents

The Association considers investments which consist of guaranteed investment certificates held in a trading account, to be cash equivalents as they are readily convertible into cash because of their short term maturity.

#### Tangible Capital Assets and Intangible Assets

Tangible Capital Assets and Intangible Assets are stated at cost less accumulated amortization. Tangible Capital Assets and Intangible Assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	20%	declining balance method

Amortization in the year of acquisition is taken at one-half of the stated rate.

Amortization on intangible assets under development will commence upon completion of the database software project.

The Association reviews for impairment of capital assets and intangible assets held and used whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

#### Controlled Entities

The Association has nine regional branches responsible for facilitating local informational and social events. Funding is provided to the branches according to the budget or as approved by the executive.

Since the amounts related to activities carried out by the regional branches are negligible, management considers that disclosing additional information about the regional branches would not add any useful information to the financial statements.

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**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Instruments

The Association initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

**3. ACCOUNTS RECEIVABLE**

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 5,221	\$ 9,404
Less: Allowance for doubtful accounts	-	(2,434)
	<u>\$ 5,221</u>	<u>\$ 6,970</u>

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2018 Net book value</b>	2017 Net book value
Computer equipment	\$ 896	\$ 896	\$ -	\$ -
Furniture and equipment	48,570	48,477	93	116
	<u>\$ 49,466</u>	<u>\$ 49,373</u>	<u>\$ 93</u>	<u>\$ 116</u>

**5. INTANGIBLE ASSETS**

	<u>2018</u>	<u>2017</u>
Database software under development	\$ 16,065	\$ 16,065
Accumulated amortization	(16,065)	(16,065)
	<u>\$ -</u>	<u>\$ -</u>

During fiscal 2017, the Association engaged a new software developer to develop database software for use by the Association. The Association also determined that the costs incurred by the previous software developer to develop new database software had no future value to the Association and was written-off during the year through a charge to the amortization of intangible assets expense.

The Association is attempting to recover costs from the previous software developer. It is not currently possible to determine the amount, if any, the Association will be able to recover and no amount has been accrued as a receivable in these financial statements.

# BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

## Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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### 6. DEFERRED REVENUE

Represents 2019 membership fees received in 2018.

### 7. COMMITMENTS

Current premises are subleased at a monthly rate of \$1,303 plus realty taxes and other occupancy costs for a term of five years, ending December 31, 2022.

### 8. RELATED PARTY TRANSACTIONS

The Association has nine regional branches responsible for facilitating local informational and social events. They consist of the Fraser River Branch, the Kooteny Branch, the Northwest Branch, the Northern Branch, the Okanagan Branch, the Richmond, Delta Burnaby Branch, the Thompson Nicola Branch, the Vancouver Island Branch and the Vancouver Sea to Sky Branch. During the year, the Association provided \$500 (2017 - \$500) of funding to five (2017 - nine) of the nine regional branches.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the other parties.

### 9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2018.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association is exposed to credit risks primarily from accounts receivable and manages this risk by conducting business with creditworthy parties, reviewing collectibility of accounts on a regular basis and establishing provisions when considered necessary.

#### Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Association not being able to liquidate assets in a timely manner at a reasonable price.

The Association meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financial activities and holding assets that can be readily converted to cash.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Association is not significantly exposed to any of these risks.

There have been no significant changes in these risks from the prior year.

**BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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**10. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS**

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose remuneration paid to all directors, and certain employees and contractors who are paid at least \$75,000 annually.

During the year, the Association did not pay any remuneration to its directors. The Association also did not pay any of its employees or contractors remuneration in excess of \$75,000 during the year.