

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Financial Statements

Year Ended December 31, 2019

(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2019 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, 2019, 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, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia
May 1, 2020


Chartered Professional Accountants

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Financial Position

December 31, 2019

(Unaudited)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 86,963	\$ 65,958
Investments	86,556	84,432
Accounts receivable (Note 3)	2,342	5,221
Prepaid expenses	16,437	897
	192,298	156,508
TANGIBLE CAPITAL ASSETS (Note 4)	2,131	93
	\$ 194,429	\$ 156,601
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 798	\$ 330
Government remittances payable	2,417	2,284
Deferred revenue (Note 5)	116,670	120,709
	119,885	123,323
NET ASSETS		
Operating fund	74,544	33,278
	\$ 194,429	\$ 156,601
COMMITMENTS (Note 6)		
SUBSEQUENT EVENTS (Note 10)		

ON BEHALF OF THE BOARD

_____ Director

_____ Director

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Changes in Net Assets

Year Ended December 31, 2019

(Unaudited)

	Operating Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 33,278	\$ 33,278	\$ 56,277
Excess (deficiency) of income over expenses	41,266	41,266	(22,999)
NET ASSETS - END OF YEAR	\$ 74,544	\$ 74,544	\$ 33,278

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Operations

Year Ended December 31, 2019

(Unaudited)

	2019	2018
INCOME		
Membership fees	\$ 223,933	\$ 192,837
Administration fees	775	1,741
Advertising	38,050	32,386
Conferences and workshops	1,835	5,787
Interest and investment income	2,211	1,513
Membership materials	2,998	4,741
Perspectives and publication sales	772	424
	<u>270,574</u>	<u>239,429</u>
EXPENSES (per Schedule 1)		
Office administration	44,323	50,017
Information services	22,563	22,239
Professional activities	38,518	44,872
Board activities	7,343	9,345
Staffing	116,561	135,955
	<u>229,308</u>	<u>262,428</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ 41,266</u>	<u>\$ (22,999)</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Cash Flows

Year Ended December 31, 2019

(Unaudited)

	2019	2018
OPERATING ACTIVITIES		
Receipts from members	\$ 220,803	\$ 238,612
Interest and investment income	2,248	1,404
Other sources of income	44,144	45,153
Payments for materials and services	<u>(241,598)</u>	<u>(297,449)</u>
Cash flow from (used by) operating activities	<u>25,597</u>	<u>(12,280)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(2,468)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	23,129	(12,280)
Cash - beginning of year	<u>150,390</u>	<u>162,670</u>
CASH - END OF YEAR	<u>\$ 173,519</u>	<u>\$ 150,390</u>
CASH CONSISTS OF:		
Cash	\$ 86,963	\$ 65,958
Investments	<u>86,556</u>	<u>84,432</u>
	<u>\$ 173,519</u>	<u>\$ 150,390</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund

(Schedule 1)

Year Ended December 31, 2019

(Unaudited)

	Budget 2019	Actual 2019	Actual 2018
INCOME			
Membership fees	\$ 206,000	\$ 223,933	\$ 192,837
Administration fees	900	775	1,741
Advertising	28,500	38,050	32,386
Conferences and workshops	5,000	1,835	5,787
Interest and investment income	1,000	2,211	1,513
Membership materials	3,100	2,998	4,741
Perspectives and publication sales	200	772	424
	<u>244,700</u>	<u>270,574</u>	<u>239,429</u>
EXPENSES			
<i>Office Administration</i>			
Accounting	5,500	4,771	5,586
Amortization of tangible capital assets	-	430	23
Bank charges	300	760	379
Credit card transaction fees	8,000	6,940	7,761
Database	-	-	3,150
Insurance	1,000	1,003	966
Miscellaneous	500	297	966
Office equipment maintenance and repair	4,000	3,893	4,046
Office supplies, postage and courier	2,100	1,653	2,225
Rent	16,615	16,481	16,615
Telephone, fax and internet	4,000	3,020	3,933
Website	3,000	5,075	4,367
	<u>45,015</u>	<u>44,323</u>	<u>50,017</u>
<i>Information Services</i>			
Communications	2,400	2,630	2,298
Membership materials	-	1,660	2,644
Perspectives	17,500	18,273	17,297
	<u>19,900</u>	<u>22,563</u>	<u>22,239</u>
<i>Professional Activities</i>			
Branch programs (Note 7)	4,500	2,300	2,500
CASW assessment	34,000	30,377	33,411
Committees, communications and subscriptions	500	-	489
Conferences and workshops	300	1,591	787
Consultants	-	-	3,000
External memberships	200	200	200
Student prizes	7,765	4,050	4,485
	<u>47,265</u>	<u>38,518</u>	<u>44,872</u>
<i>Board Activities</i>			
Board meetings	7,500	7,343	7,657
President's travel	1,700	-	1,688
	<u>9,200</u>	<u>7,343</u>	<u>9,345</u>

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BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund (continued)

(Schedule 1)

Year Ended December 31, 2019

(Unaudited)

	Budget 2019	Actual 2019	Actual 2018
EXPENSES (continued)			
<i>Staffing</i>			
Benefits	17,515	16,303	16,284
Salaries	104,879	99,069	78,973
Staff development	300	30	14
Subcontracts	-	-	37,412
Travel	2,000	1,159	3,272
	<u>124,694</u>	<u>116,561</u>	<u>135,955</u>
Total Expenses	<u>246,074</u>	<u>229,308</u>	<u>262,428</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ (1,374)</u>	<u>\$ 41,266</u>	<u>\$ (22,999)</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

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, 2019

(Unaudited)

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.

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, 2019

(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

	2019	2018
Accounts receivable	\$ 2,342	\$ 5,221

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 2,468	\$ 411	\$ 2,057	\$ -
Furniture and equipment	48,570	48,496	74	93
	\$ 51,038	\$ 48,907	\$ 2,131	\$ 93

5. DEFERRED REVENUE

Represents \$108,092 in 2020 membership fees, \$3,465 in 2020 award donations and \$5,113 in 2020 conference fees received in 2019.

6. 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.

The Association has entered into an agreement with a hotel to hold a conference during the next fiscal period. The agreement contains cancellation penalties that become significant if the conference is cancelled.

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

7. 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 \$300 to \$500 (2018 - \$500) of funding to five (2018 - five) 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.

8. 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, 2019.

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.

9. 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 did pay one of its employees remuneration of at least \$75,000 during the year. The total amount of remuneration paid was \$83,237.

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

10. SUBSEQUENT EVENT

Subsequent to the yearend in March 2020, the Government of British Columbia, in response to the COVID-19 pandemic, ordered some types of businesses to close and for other businesses to adapt their services and workplace to the orders and recommendations of the provincial health officer. This has resulted in reduced work hours, layoffs and financial distress for many individuals. The Association currently anticipates that some of its members will be financially impacted by these orders and recommendations of the provincial health officer.

The financial impact on the Association's 2020 Fiscal period is currently not known, but will likely include a reduction in membership fees and advertising revenues and either the possible loss of deposits or the incurrence of re-scheduling fees that relate to a conference the Association was planning to host. As a significant number of members renew their fees on a calendar year basis, the Association had collected more than half of its 2020 membership fees prior to the orders and recommendation of the provincial health officer coming into effect.