

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Financial Statements

Year Ended December 31, 2021

(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, 2021 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, 2021, 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
April 14, 2022


Chartered Professional Accountants

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Financial Position



December 31, 2021

(Unaudited)

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 190,355	\$ 160,591
Investments	139,293	88,299
Accounts receivable (Note 3)	7,388	3,425
Prepaid expenses	696	663
	<u>337,732</u>	<u>252,978</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>459</u>	<u>1,293</u>
	<u>\$ 338,191</u>	<u>\$ 254,271</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 2,500	\$ 1,291
Government remittances payable	2,535	2,490
Deferred revenue (Note 5)	159,113	136,866
	<u>164,148</u>	<u>140,647</u>
LONG TERM DEBT (Note 6)	<u>40,000</u>	<u>40,000</u>
	<u>204,148</u>	<u>180,647</u>
NET ASSETS		
Operating fund	<u>134,043</u>	<u>73,624</u>
	<u>\$ 338,191</u>	<u>\$ 254,271</u>

Commitments (Note 7)

Impact of COVID-19 Pandemic (Note 11)

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Changes in Net Assets

Year Ended December 31, 2021

(Unaudited)

	Operating Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 73,624	\$ 73,624	\$ 74,544
Excess (deficiency) of income over expenses	60,419	60,419	(920)
NET ASSETS - END OF YEAR	\$ 134,043	\$ 134,043	\$ 73,624

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Operations

Year Ended December 31, 2021

(Unaudited)

	2021	2020
INCOME		
Membership fees	\$ 256,829	\$ 215,951
Administration fees	1,013	1,050
Advertising	34,150	19,054
Conferences and workshops	23,095	10,581
Donations and gifts	10,000	3,465
Interest and investment income	994	1,808
Membership materials	4,154	4,617
Canada Emergency Wage Subsidy	-	9,127
	<u>330,235</u>	<u>265,653</u>
EXPENSES (per Schedule 1)		
Office administration	46,153	55,146
Information services	23,547	24,474
Professional activities	65,451	50,914
Board activities	-	6,780
Staffing	134,665	129,259
	<u>269,816</u>	<u>266,573</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ 60,419</u>	<u>\$ (920)</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Cash Flows

Year Ended December 31, 2021

(Unaudited)

	2021	2020
OPERATING ACTIVITIES		
Receipts from members	\$ 279,076	\$ 236,147
Interest and investment income	881	2,016
Canada Emergency Wage Subsidy	-	9,127
Other sources of income	68,449	37,684
Payments for materials and services	<u>(267,648)</u>	<u>(249,603)</u>
Cash flow from operating activities	<u>80,758</u>	35,371
FINANCING ACTIVITY		
Proceeds from long term financing	<u>-</u>	40,000
INCREASE IN CASH FLOW	80,758	75,371
Cash - beginning of year	<u>248,890</u>	<u>173,519</u>
CASH - END OF YEAR	\$ 329,648	\$ 248,890
CASH CONSISTS OF:		
Cash	\$ 190,355	\$ 160,591
Investments	<u>139,293</u>	<u>88,299</u>
	\$ 329,648	\$ 248,890

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund

(Schedule 1)

Year Ended December 31, 2021

(Unaudited)

	Budget 2021	Actual 2021	Actual 2020
INCOME			
Membership fees	\$ 220,000	\$ 256,829	\$ 215,951
Administration fees	900	1,013	1,050
Advertising	23,000	34,150	19,054
Conferences and workshops	15,000	23,095	10,581
Donations and gifts	2,246	10,000	3,465
Interest and investment income	2,000	994	1,808
Membership materials	3,600	4,154	4,617
Perspectives and publication sales	300	-	-
Canada Emergency Wage Subsidy	-	-	9,127
	<u>267,046</u>	<u>330,235</u>	<u>265,653</u>
EXPENSES			
<i>Office Administration</i>			
Accounting	5,900	5,498	5,397
Amortization of tangible capital assets	-	835	838
Bank charges	500	468	478
Credit card transaction fees	7,900	9,218	8,732
Database	8,500	-	4,253
Insurance	2,000	1,938	1,953
Miscellaneous	300	529	187
Office equipment maintenance and repair	6,000	1,878	3,169
Office supplies, postage and courier	1,400	1,828	1,647
Rent	17,000	16,478	16,972
Telephone and internet	3,000	2,878	3,246
Website	5,700	4,605	8,274
	<u>58,200</u>	<u>46,153</u>	<u>55,146</u>
<i>Information Services</i>			
Communications	3,830	3,634	3,301
Membership materials	-	-	2,508
Perspectives	18,000	19,913	18,665
	<u>21,830</u>	<u>23,547</u>	<u>24,474</u>
<i>Professional Activities</i>			
Awards from donations	2,246	8,630	1,219
Branch programs (Note 8)	2,500	1,150	2,000
CASW assessment	35,000	42,148	34,965
Committees	200	25	-
Conferences and workshops	2,500	11,973	11,080
External memberships	400	275	400
Student prizes	1,250	1,250	1,250
	<u>44,096</u>	<u>65,451</u>	<u>50,914</u>
<i>Board Activities</i>			
Board meetings	-	-	6,780
	<u>-</u>	<u>-</u>	<u>6,780</u>

(continues)

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund (continued)

(Schedule 1)

Year Ended December 31, 2021

(Unaudited)

	Budget 2021	Actual 2021	Actual 2020
EXPENSES (continued)			
<i>Staffing</i>			
Benefits	21,560	20,891	16,742
Salaries	120,732	113,390	112,232
Staff development	600	384	273
Travel	-	-	12
	<hr/> 142,892	<hr/> 134,665	<hr/> 129,259
Total Expenses	<hr/> 267,018	<hr/> 269,816	<hr/> 266,573
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<hr/> \$ 28	<hr/> \$ 60,419	<hr/> \$ (920)

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2021

(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, 2021

(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, 2021

(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>2021</u>	<u>2020</u>
Accounts receivable	<u>\$ 7,388</u>	<u>\$ 3,425</u>

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 2,468	\$ 2,057	\$ 411	\$ 1,234
Furniture and equipment	48,570	48,522	48	59
	<u>\$ 51,038</u>	<u>\$ 50,579</u>	<u>\$ 459</u>	<u>\$ 1,293</u>

5. DEFERRED REVENUE

Represents \$159,113 in 2022 membership fees received in 2021.

6. LONG TERM DEBT

During June 2020, the Association received a \$40,000 Canada Emergency Business Account (CEBA) loan for COVID-19 pandemic emergency support. The loan is interest free and no principal repayments are required until December 31, 2023 (previously December 31, 2022). Up to \$10,000 of the loan may be forgiven if \$30,000 is repaid on or before December 31, 2023. Starting January 1, 2024 interest will be charged and monthly repayments will be required.

7. COMMITMENTS

Current premises are subleased at a monthly rate of \$1,308 plus realty taxes and other occupancy costs for a term of five years, ending December 31, 2022.

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

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 Kootenay 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 (2020 - \$500) of funding to two (2020 - four) 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, 2021.

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.

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 did pay one of its employees remuneration of at least \$75,000 during the year. The total amount of remuneration paid was \$86,311.

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

11. ECONOMIC IMPACT OF COVID-19 PANDEMIC

During 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.

The financial results of the Association's 2021 fiscal period display a recovery in income compared to the 2020 fiscal period with increases in membership fees, advertising and conferences and workshop incomes returning to or exceeding pre-pandemic levels. Expenses also increased, but the Association was able to achieve an excess of income over expenses for fiscal 2021. While the financial impact on the Association's 2022 fiscal period is currently not known, it is anticipated that the impact will not be significant.