

FINANCIAL STATEMENTS

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

January 31, 2011

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van Berkom & Ritz

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of **CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION / ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE:**

We have audited the accompanying financial statements of Canadian Counselling and Psychotherapy Association/Association canadienne de counseling et de psychothérapie which comprise the statement of financial position as at January 31, 2011, the statement of changes in net assets and the statement of revenues and expenses 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 generally accepted accounting principles prescribed by the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Counselling and Psychotherapy Association/Association canadienne de counseling et de psychothérapie as at January 31, 2011, and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting principles prescribed by the CICA Handbook - Accounting.



Ottawa, Ontario
May 16, 2011

Chartered Accountants
Licensed Public Accountants

STATEMENT OF FINANCIAL POSITION

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

January 31

2011 2010

ASSETS

CURRENT ASSETS

| | | |
|---------------------|--------------|--------------|
| Cash | \$ 215,019 | \$ 60,879 |
| Accounts receivable | 52,123 | 39,628 |
| Conference advances | - | 16,253 |
| Prepaid expenses | 26,106 | 29,932 |
| Inventory | <u>5,304</u> | <u>9,082</u> |
| | 298,552 | 155,774 |

CAPITAL ASSETS--Note C

23,620 15,640

RESTRICTED INVESTMENT--Note D

5,882 5,608

INVESTMENTS--Note E

655,309 666,788

\$ 983,363 \$ 843,810

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|--|----------------|----------------|
| Accounts payable and accrued liabilities | \$ 107,659 | \$ 67,115 |
| Deferred revenue--Note F | <u>337,301</u> | <u>256,615</u> |
| | 444,960 | 323,730 |

NET ASSETS

| | | |
|----------------------------|-------------------|-------------------|
| Invested in capital assets | 23,620 | 15,640 |
| Externally restricted | 5,882 | 5,608 |
| Unrestricted | <u>508,901</u> | <u>498,832</u> |
| | <u>538,403</u> | <u>520,080</u> |
| | <u>\$ 983,363</u> | <u>\$ 843,810</u> |

APPROVED ON BEHALF OF THE BOARD:

Blythe Shepard Director
Miriam Duff Director

See notes to financial statements

STATEMENT OF CHANGES IN NET ASSETS

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

| | Invested in Capital Assets | Externally Restricted Fund | Unrestricted | Year Ended January 31 | |
|-------------------------------------|----------------------------------|----------------------------------|-------------------|--------------------------|-------------------|
| | | | | 2011 | 2010 |
| Balance, beginning of year | \$ 15,640 | \$ 5,608 | \$ 498,832 | \$ 520,080 | \$ 502,092 |
| Excess of revenues over expenses | (8,315) | - | 26,364 | 18,049 | 17,738 |
| Additions to capital assets | 16,295 | - | (16,295) | - | - |
| Restricted investment | <u>-</u> | <u>274</u> | <u>-</u> | <u>274</u> | <u>250</u> |
| Balance, end of year | <u>\$ 23,620</u> | <u>\$ 5,882</u> | <u>\$ 508,901</u> | <u>\$ 538,403</u> | <u>\$ 520,080</u> |

See notes to financial statements

STATEMENT OF REVENUES AND EXPENSES

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHERAPIE**

| | Year Ended January 31 | |
|---|-----------------------|------------------|
| | 2011 | 2010 |
| Revenues | | |
| Membership fees | \$ 410,832 | \$ 390,836 |
| Certification fees | 179,923 | 168,232 |
| Subscriptions and sale of books | 42,279 | 40,893 |
| Advertising | 15,434 | 9,767 |
| National Assessment | 127,917 | - |
| National Symposium | 48,056 | 92,707 |
| Conference recovery (loss) | 4,277 | (25,722) |
| SSHRC grants | 22,450 | 26,029 |
| CACEP | 2,092 | 3,871 |
| Other | <u>7,527</u> | <u>3,951</u> |
| | 860,787 | 710,564 |
| Expenses | | |
| Administration and operations - schedule | 549,094 | 485,916 |
| Publications - schedule | 78,148 | 106,198 |
| Advocacy and promotion - schedule | 19,984 | 20,767 |
| National Assessment | 127,917 | - |
| National Symposium | <u>48,056</u> | <u>92,707</u> |
| | <u>823,199</u> | <u>705,588</u> |
| EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS | 37,588 | 4,976 |
| Other expenses - schedule | (46,229) | (19,293) |
| Investment income | 23,995 | 24,321 |
| Unrealized gain on investments | <u>2,695</u> | <u>7,734</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u>\$ 18,049</u> | <u>\$ 17,738</u> |

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/ ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE

January 31, 2011

NOTE A--NATURE OF ORGANIZATION

The Canadian Counselling and Psychotherapy Association/L'Association canadienne de counseling et de psychothérapie (CCPA/ACCP) is a national and bilingual organization dedicated to the enhancement of the counselling and psychotherapy profession in Canada. The Association is incorporated as a not-for-profit organization under the *Canada Corporations Act* and is not subject to income tax.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles prescribed by the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting. The Association's significant accounting policies are as follows:

Financial Instruments: Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Association's designation of such instruments. The Association's financial assets consist of cash, accounts receivable and investments. Cash is classified as *held-for-trading*, accounts receivable are classified as *loans and receivables* and investments are classified as *held-to-maturity*. The Association's financial liabilities consist of accounts payable and accrued liabilities and are classified as *other liabilities*.

Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the date of the statement of financial position. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in income. *Loans and receivables* and *held-to-maturity* financial assets are financial assets with fixed or determinable payments that the Association's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at amortized cost, using the effective interest method. *Other liabilities* financial liabilities are recorded at amortized cost using the effective interest method.

Cash and Cash Equivalents: Cash and cash equivalents consist of unrestricted cash and investments with an initial maturity of three months or less at the time of acquisition.

Inventory: Inventory is recorded at the lower of cost and net realizable value.

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NOTES TO FINANCIAL STATEMENTS

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHERAPIE**

January 31, 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets: Capital assets are stated at cost. Amortization is based on the estimated useful lives of the assets and is calculated using the following methods and annual rates:

| | <u>Method</u> | <u>Rate</u> |
|-------------------------|-------------------|-------------|
| Computer hardware | Declining balance | 30% |
| Computer software | Declining balance | 100% |
| Member renewal system | Declining balance | 33% |
| Furniture and equipment | Declining balance | 20% |

Revenue Recognition: Membership fees are recognized as revenue proportionately over the period to which they relate. Fees received in advance of the membership period are deferred.

Certification fees are recognized as revenue once the certification has been completed.

The Association follows the deferral method in 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 they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured.

Revenues from events are recognized when the events occur.

Use of Estimates: Management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

NOTE C--CAPITAL ASSETS

| | <u>Cost</u> | <u>Amortization</u> | <u>Net Book Value</u> | |
|-------------------------|------------------|---------------------|-----------------------|------------------|
| | | | <u>2011</u> | <u>2010</u> |
| Computer hardware | \$ 36,615 | \$ 27,221 | \$ 9,394 | \$ 9,914 |
| Computer software | 4,572 | 4,464 | 108 | 2,178 |
| Member renewal system | 9,130 | 1,506 | 7,624 | - |
| Furniture and equipment | <u>12,742</u> | <u>6,248</u> | <u>6,494</u> | <u>3,548</u> |
| | <u>\$ 63,059</u> | <u>\$ 39,439</u> | <u>\$ 23,620</u> | <u>\$ 15,640</u> |

NOTES TO FINANCIAL STATEMENTS

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHERAPIE**

January 31, 2011

NOTE D--RESTRICTED INVESTMENT

The restricted investment consists of funds to be used for the Chris Campbell Memorial Bursary. These funds were received as part of the dissolution of the Atlantic Chapter and are held in a fixed income investment (GIC). Bursaries are to be awarded to residents of Atlantic Canada who meet the established criteria.

NOTE E--INVESTMENTS

| | <u>2011</u> | <u>2010</u> |
|---------------------------------|-------------------|-------------------|
| Fixed Income Investments (GICs) | \$ 611,394 | \$ 625,568 |
| Mutual Funds | <u>43,915</u> | <u>41,220</u> |
| | <u>\$ 655,309</u> | <u>\$ 666,788</u> |

The guaranteed investment certificates have maturity dates from October 19, 2011 to December 17, 2014 and annual interest rates from 3.25% to 5.10%.

NOTE F--DEFERRED REVENUE

| | <u>2011</u> | <u>2010</u> |
|--|-------------------|-------------------|
| Balance at beginning of year | \$ 256,615 | \$ 216,408 |
| Less: amounts recognized as revenue in the year | (256,615) | (216,408) |
| Plus: amounts received/receivable for future years | <u>337,301</u> | <u>256,615</u> |
| Balance at end of year | <u>\$ 337,301</u> | <u>\$ 256,615</u> |
| Membership fees received in advance | \$ 268,489 | \$ 238,345 |
| Contributions | <u>68,812</u> | <u>18,270</u> |
| | <u>\$ 337,301</u> | <u>\$ 256,615</u> |

NOTE G--FINANCIAL INSTRUMENTS

Capital Disclosure: The Association manages its capital to ensure that it will be able to continue as a going concern and that it has sufficient working capital available for operational purposes. The capital structure of the Association consists of cash and investments. The Association manages its capital structure by monitoring its cash flow requirements and making adjustments to its cash balance and investments.

Credit Risk Management: The Association is exposed to credit risk on its accounts receivable. This risk is reduced by the fact that the Association's receivables include small balances from a large number of members and that cash has been received subsequent to the year-end for significant balances.

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NOTES TO FINANCIAL STATEMENTS

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHERAPIE**

January 31, 2011

NOTE G--FINANCIAL INSTRUMENTS (continued)

Fair value: The financial instruments recognized on the statement of financial position consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to their short-term nature and due to the market interest rates on the investments.

Interest Rate Risk: The Association manages its investments based on its cash flow needs with a view of optimizing its interest income. The effective interest rates on its investments are between 3.25% and 5.10%.

NOTE H--COMMITMENTS

Commitments over the next five years under operating leases for office facilities, including share of operating costs, and equipment are approximately as follows:

| | |
|------|-------------------|
| 2012 | \$ 56,905 |
| 2013 | 54,379 |
| 2014 | 55,360 |
| 2015 | 56,360 |
| 2016 | <u>8,278</u> |
| | \$ <u>231,282</u> |

NOTE I --STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as management has determined that it would not provide any additional useful information.

SCHEDULE OF EXPENSES

**CANADIAN COUNSELLING AND PSYCHOTHERAPY ASSOCIATION/
ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

| | Year Ended January 31 | |
|--|-----------------------|-------------------|
| | 2011 | 2010 |
| Administration and Operations | | |
| Amortization | \$ 8,315 | \$ 6,019 |
| Bad debts | 2,038 | 1,684 |
| Bank charges | 2,729 | 2,454 |
| Committees | 7,582 | 7,121 |
| Executive, board and travel | 69,740 | 71,106 |
| Insurance | 9,962 | 9,666 |
| Office equipment and maintenance | 38,161 | 30,226 |
| Office supplies | 19,044 | 14,488 |
| Postage | 12,561 | 7,635 |
| Professional fees | 14,613 | 24,113 |
| Rent | 55,108 | 27,187 |
| Salaries, benefits and contracted services | 294,325 | 276,419 |
| Telephone, internet and fax | <u>14,916</u> | <u>7,798</u> |
| | <u>\$ 549,094</u> | <u>\$ 485,916</u> |
| Publications | | |
| Canadian Journal of Counselling | \$ 45,193 | \$ 55,531 |
| Cognica | 10,095 | 33,202 |
| Ethics casebook and code | 2,311 | 2,897 |
| Standards of Practice | 2,248 | 1,540 |
| Translation | <u>18,301</u> | <u>13,028</u> |
| | <u>\$ 78,148</u> | <u>\$ 106,198</u> |
| Advocacy and Promotion | | |
| Advocacy and promotion | \$ 18,784 | \$ 20,638 |
| Provincial directors | <u>1,200</u> | <u>129</u> |
| | <u>\$ 19,984</u> | <u>\$ 20,767</u> |
| Other | | |
| Name change | \$ 3,181 | \$ 16,425 |
| Office relocation | 14,137 | 2,868 |
| Public relations project | 19,800 | - |
| Webinars | <u>9,111</u> | <u>-</u> |
| | <u>\$ 46,229</u> | <u>\$ 19,293</u> |