

FINANCIAL STATEMENTS

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

January 31, 2011

Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Revenues and Expenses	4
Notes to Financial Statements	5
Schedule of Expenses	9

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 PSYCHOTHÉRAPIE**

	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>