

Financial Statements

**Canadian Counselling and
Psychotherapy Association/
Association Canadienne de
Counseling et de Psychothérapie**

January 31, 2013

FINANCIAL STATEMENTS

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

January 31, 2013

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Canadian Counselling and Psychotherapy Association/Association Canadienne de Counseling et de Psychothérapie which comprise the statements of financial position as at January 31, 2013, January 31, 2012 and February 1, 2011, the statements of changes in net assets, revenues and expenses and cash flows for the years ended January 31, 2013 and January 31, 2012 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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, 2013, January 31, 2012 and February 1, 2011 and its financial performance and cash flows for the years ended January 31, 2013 and January 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

van Berkom Professional Corporation

Ottawa, Ontario
May 12, 2013


Chartered Accountants
(Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario)

STATEMENTS OF FINANCIAL POSITION

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

	January 31 2013	2012	February 1 2011
ASSETS			
CURRENT ASSETS			
Cash	\$ 271,456	\$ 182,951	\$ 215,019
Accounts receivable--Note D	9,624	45,225	52,123
Prepaid expenses	37,988	35,305	26,106
Inventory	<u>19,320</u>	<u>4,897</u>	<u>5,304</u>
	338,388	268,378	298,552
CAPITAL ASSETS--Note E	23,895	23,122	23,620
RESTRICTED INVESTMENT--Note F	6,087	5,891	5,882
INVESTMENTS--Note G	<u>855,221</u>	<u>678,421</u>	<u>655,309</u>
	<u>\$ 1,223,591</u>	<u>\$ 975,812</u>	<u>\$ 983,363</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable			
and accrued liabilities--Note H	\$ 103,984	\$ 70,679	\$ 105,019
Deferred revenue--Note I	<u>467,484</u>	<u>332,745</u>	<u>339,941</u>
	<u>571,468</u>	<u>403,424</u>	<u>444,960</u>
NET ASSETS			
Invested in capital assets	23,895	23,122	23,620
Externally restricted	6,087	5,891	5,882
Unrestricted	<u>622,141</u>	<u>543,375</u>	<u>508,901</u>
	<u>652,123</u>	<u>572,388</u>	<u>538,403</u>
	<u>\$ 1,223,591</u>	<u>\$ 975,812</u>	<u>\$ 983,363</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

See notes to financial statements

STATEMENTS 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	Years Ended January 31	
				2013	2012
Balance, beginning of year	\$ 23,122	\$ 5,891	\$ 543,375	\$ 572,388	\$ 538,403
Excess of revenues over expenses	(7,700)	-	87,239	79,539	33,976
Additions to capital assets	8,473	-	(8,473)	-	-
Restricted investment	<u>-</u>	<u>196</u>	<u>-</u>	<u>196</u>	<u>9</u>
Balance, end of year	<u>\$ 23,895</u>	<u>\$ 6,087</u>	<u>\$ 622,141</u>	<u>\$ 652,123</u>	<u>\$ 572,388</u>

See notes to financial statements

STATEMENTS OF REVENUES AND EXPENSES

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

	Years Ended January 31	
	2013	2012
REVENUES		
Membership fees	\$ 540,489	\$ 492,148
Certification fees	210,519	191,260
Subscriptions and sale of books	39,029	36,035
Advertising	20,195	16,778
Conference	143,559	156,895
Continuing education	21,552	23,049
National Assessment	265,209	236,289
National Symposium	-	63,419
Pathways Project	29,521	5,993
SSHRC grants	13,355	11,695
CJCP	2,209	6,903
Other	<u>3,568</u>	<u>2,469</u>
	<u>1,289,205</u>	<u>1,242,933</u>
EXPENSES		
Administration and operations - schedule	660,314	592,990
Publications - schedule	64,125	64,030
Advocacy and promotion	41,879	42,808
Conference	136,358	155,966
Continuing education	11,582	15,722
National Assessment	265,209	236,289
National Symposium	-	63,419
Pathways Project	<u>29,521</u>	<u>5,993</u>
	<u>1,208,988</u>	<u>1,177,217</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	80,217	65,716
Other expenses - schedule	(28,602)	(54,972)
Investment income	23,750	28,427
Unrealized gain (loss) on investments	<u>4,174</u>	<u>(5,195)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 79,539</u>	<u>\$ 33,976</u>

See notes to financial statements

STATEMENTS OF CASH FLOWS

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

	Years Ended January 31	
	2013	2012
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	\$ 79,539	\$ 33,976
Items not involving cash		
Amortization	7,700	7,759
Change in non-cash operating working capital:		
Accounts receivable	35,601	6,898
Prepaid expenses	(2,683)	(9,199)
Inventory	(14,423)	407
Accounts payable and accrued liabilities	33,305	(34,340)
Deferred revenue	<u>134,739</u>	<u>(7,196)</u>
	<u>273,778</u>	<u>(1,695)</u>
INVESTING		
Interest reinvested in investments	(23,455)	(23,112)
Purchase of investments	(153,345)	-
Purchase of capital assets	<u>(8,473)</u>	<u>(7,261)</u>
	<u>(185,273)</u>	<u>(30,373)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	88,505	(32,068)
Cash and cash equivalents at beginning of year	<u>182,951</u>	<u>215,019</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 271,456</u>	<u>\$ 182,951</u>

See notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

January 31, 2013

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.

There are fourteen Chapters, which represent either regional groups or special interest groups, supported by the Association. The accounts and operations of these chapters are not included in the Association's financial statements.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

Use of Estimates: Management is required to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets and the valuation of allowances for accounts receivable. Actual results could differ from those estimated.

Financial Instruments: The Association initially measures its financial assets and financial liabilities at fair value. Certain financial assets and financial liabilities are subsequently measured at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and fixed income investments. Mutual fund investments are measured at fair value. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

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.

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%

...continued

NOTES TO THE FINANCIAL STATEMENTS

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

January 31, 2013

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

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. Revenues from events are recognized when the events occur.

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.

NOTE C--IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective February 1, 2011 the Association elected to apply the standards in Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, Canadian Accounting Standards for not-for-profit Organizations (ASNFPO). These are the Association's first financial statements prepared in accordance with the accounting principles described and the provisions set out in Section 1500, *First-time Adoption*, of CICA Handbook - Accounting for first-time adopters of this basis of accounting.

Section 1500 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended January 31, 2013, the comparative information for the year ended January 31, 2012 and the opening ASNFPO balance sheet at February 1, 2011 (the Association's date of transition). The Association has elected to not use elective exemptions permissible under section 1500, *First-time Adoption*.

The Association issued financial statements for the year ended January 31, 2012 using Canadian generally accepted accounting principles. In adopting ASNFPO retrospectively, there is no effect to the opening statement of financial position as at February 1, 2011 (date of transition) and the statements of changes in net assets, revenues and expenses and cash flows for the year ended January 31, 2012.

NOTE D--ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Accounts receivable - trade	\$ 7,119	\$ 10,018
Accounts receivable - other	<u>2,505</u>	<u>35,207</u>
	<u>\$ 9,624</u>	<u>\$ 45,225</u>

NOTES TO THE FINANCIAL STATEMENTS

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

January 31, 2013

NOTE E--CAPITAL ASSETS

	<u>Cost</u>	<u>Amortization</u>	<u>Net Book Value</u>
<u>2013</u>			
Computer hardware	\$ 48,819	\$ 35,336	\$ 13,483
Computer software	4,572	4,572	-
Member renewal system	10,530	5,939	4,591
Furniture and equipment	<u>14,873</u>	<u>9,052</u>	<u>5,821</u>
	<u>\$ 78,794</u>	<u>\$ 54,899</u>	<u>\$ 23,895</u>
<u>2012</u>			
Computer hardware	\$ 42,472	\$ 30,918	\$ 11,554
Computer software	4,572	4,572	-
Member renewal system	9,130	4,022	5,108
Furniture and equipment	<u>14,148</u>	<u>7,688</u>	<u>6,460</u>
	<u>\$ 70,322</u>	<u>\$ 47,200</u>	<u>\$ 23,122</u>

NOTE F--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 G--INVESTMENTS

	<u>2013</u>	<u>2012</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments (GICs)	\$ 812,218	\$ 639,592
<u>Measured at fair value:</u>		
Mutual Funds	<u>43,003</u>	<u>38,829</u>
	<u>\$ 855,221</u>	<u>\$ 678,421</u>

The guaranteed investment certificates have maturity dates from June 4, 2013 to October 10, 2017 (2012 - from April 19, 2012 to January 6, 2017) and annual interest rates from 2.15% to 4.70% (2012 - from 2.47% to 5.10%).

NOTE H--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2013 are government remittances payable of \$21,004 (2012 - \$5,984) relating to harmonized sales tax and workers' safety insurance premiums.

NOTES TO THE FINANCIAL STATEMENTS

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

January 31, 2013

NOTE I--DEFERRED REVENUE

	<u>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 332,745	\$ 337,301
Less: amounts recognized as revenue in the year	(332,745)	(337,301)
Plus: amounts received/receivable for future years	<u>467,484</u>	<u>332,745</u>
Balance at end of year	<u>\$ 467,484</u>	<u>\$ 332,745</u>
Membership fees received in advance	\$ 342,039	\$ 304,842
Conferences	89,683	-
Contributions	<u>35,762</u>	<u>27,903</u>
	<u>\$ 467,484</u>	<u>\$ 332,745</u>

NOTE J--FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure at the balance sheet dates of January 31, 2013 and January 31, 2012.

Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. This risk is reduced by the fact that the Association's receivables include small balances from a large number of members and members prepay and lose their membership privileges if payments are delinquent. Cash has been received subsequent to the year-end for significant balances.

The Association maintains its cash and deposits with a single federally regulated Canadian financial institution, representing no change from the prior year.

Interest Rate Risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 2.15% and 4.7% (2012 - 2.47% and 5.10%). There has been no change to the risk exposures from 2012.

NOTE K--RELATED PARTY TRANSACTIONS

Included in the National Assessment Project expenses is \$80,000 (2012 - \$80,000) in services provided by the president of the Board of Directors. These services were contracted as a requirement of the agreement with the funder, Human Resources and Skills Development Canada (HRSDC), and were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

NOTES TO THE FINANCIAL STATEMENTS

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

January 31, 2013

NOTE L--COMMITMENTS

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

2014	\$ 59,416
2015	59,772
2016	<u>9,221</u>
	<u>\$ 128,409</u>

The lease for office facilities expires on March 31, 2015.

SCHEDULES OF EXPENSES

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

	Year Ended January 31	
	2013	2012
Administration and Operations		
Amortization	\$ 7,700	\$ 7,759
Bad debts	2,223	1,743
Bank and credit card charges	27,173	23,123
Committees	19,738	12,657
Executive and board expenses	83,538	77,227
Insurance	11,454	10,291
Office equipment and maintenance	36,974	45,928
Office supplies	16,606	19,181
Postage	13,617	18,630
Professional fees	26,227	16,481
Rent	57,292	54,009
Salaries, benefits and contracted services	347,055	296,668
Telephone, Internet and fax	<u>10,717</u>	<u>9,293</u>
	<u>\$ 660,314</u>	<u>\$ 592,990</u>
Publications		
Canadian Journal of Counselling and Psychotherapy	\$ 33,888	\$ 34,231
Cognica	7,885	7,114
Ethics casebook and code	4,272	2,113
Standards of Practice	985	331
Translation	<u>17,095</u>	<u>20,241</u>
	<u>\$ 64,125</u>	<u>\$ 64,030</u>
Other		
Name change	\$ -	\$ 2,923
Chapter brochures	4,446	-
Chapter support fund	3,000	-
Professional Development - Conference Recording	-	10,000
Public facing website project	13,160	3,611
Public relations project	-	24,268
Supervisor project	3,871	10,045
Sustainability project	<u>4,125</u>	<u>4,125</u>
	<u>\$ 28,602</u>	<u>\$ 54,972</u>

SCHEDULES OF EXPENSES BY CATEGORY

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

	Year Ended January 31	
	2013	2012
Advocacy and promotion	\$ 41,879	\$ 42,808
Amortization	7,700	7,759
Bad debts	2,223	1,743
Bank and credit card charges	27,539	23,276
Committees	17,683	12,657
Communications	10,790	9,585
Conferences and meetings	67,926	86,130
Contracted services	237,169	220,676
Executive, board and travel	83,538	77,227
Insurance	11,454	10,291
Office equipment and maintenance	37,389	50,635
Office supplies	17,086	21,342
Postage	13,617	18,630
Professional fees	28,321	16,481
Salaries and benefits	441,438	388,421
Rent	57,292	54,007
Translation	37,034	43,771
Travel for participants	68,910	91,778
	<u>\$ 1,208,988</u>	<u>\$ 1,177,217</u>