
Financial Statements

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

January 31, 2015

FINANCIAL STATEMENTS

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

January 31, 2015

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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 statement of financial position as at January 31, 2015, and the statements of changes in net assets, revenues and expenses 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 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, 2015 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

van Berkom Professional Corporation

Chartered Professional Accountants
(Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario)


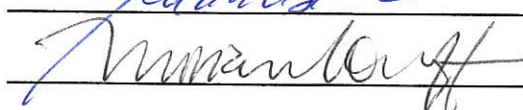
Ottawa, Ontario
May 18, 2015

STATEMENT OF FINANCIAL POSITION

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

	January 31	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 106,076	\$ 171,812
Accounts receivable--Note C	24,555	22,054
Prepaid expenses	54,356	44,281
Inventory	<u>12,712</u>	<u>13,618</u>
	197,699	251,765
CAPITAL ASSETS--NOTE D	22,933	25,754
LOAN RECEIVABLE--NOTE E	76,090	-
INVESTMENTS--NOTE F	1,082,802	1,113,410
RESTRICTED INVESTMENT--NOTE G	<u>6,360</u>	<u>6,223</u>
	<u>\$ 1,385,884</u>	<u>\$ 1,397,152</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities--Note I	\$ 85,300	\$ 85,354
Deferred revenue--Note J	<u>553,830</u>	<u>539,700</u>
	<u>639,130</u>	<u>625,054</u>
NET ASSETS		
Unrestricted	740,394	765,875
Externally restricted	<u>6,360</u>	<u>6,223</u>
	<u>746,754</u>	<u>772,098</u>
	<u>\$ 1,385,884</u>	<u>\$ 1,397,152</u>
COMMITMENTS--NOTE M		
SUBSEQUENT EVENT--NOTE N		

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

See notes to financial statements

STATEMENT OF CHANGES IN NET ASSETS

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

	<u>Unrestricted</u>	Externally <u>Restricted</u>	Year Ended January 31 <u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 765,875	\$ 6,223	\$ 772,098	\$ 652,123
(Deficiency) excess of revenues over expenses	(25,481)	-	(25,481)	119,839
Restricted investment	<u>-</u>	<u>137</u>	<u>137</u>	<u>136</u>
Balance at end of year	<u>\$ 740,394</u>	<u>\$ 6,360</u>	<u>\$ 746,754</u>	<u>\$ 772,098</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	
	2015	2014
REVENUES		
Membership fees	\$ 683,780	\$ 607,282
Certification fees	233,715	231,550
Subscriptions and sale of books	35,648	43,293
Advertising	25,549	19,996
Conference	188,249	171,900
Continuing education	30,534	27,481
National Assessment	83,309	243,926
CACEP	10,414	4,786
Supervisor Project	4,729	-
Pathways Project	-	11,027
SSHRC grants	-	2,325
Other	<u>3,039</u>	<u>4,484</u>
	<u>1,298,966</u>	<u>1,368,050</u>
EXPENSES		
Administration and operations - schedule	877,199	732,351
Publications - schedule	48,851	52,176
Advocacy and promotion	65,356	59,064
Conference	199,232	148,820
Continuing education	10,114	13,693
National Assessment	86,824	243,926
CACEP	5,715	6,424
Supervisor Project	6,844	2,668
Pathways Project	<u>-</u>	<u>11,088</u>
	<u>1,300,135</u>	<u>1,270,210</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	(1,169)	97,840
Other expenses - schedule	(57,009)	(8,657)
Investment income	25,783	25,229
Unrealized gain on investments	<u>6,914</u>	<u>5,427</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (25,481)</u>	<u>\$ 119,839</u>

See notes to financial statements

STATEMENT OF CASH FLOWS

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

	Year Ended January 31	
	2015	2014
CASH PROVIDED BY (USED FOR):		
OPERATING		
(Deficiency) excess of revenues over expenses	\$ (25,481)	\$ 119,839
Items not involving cash		
Amortization	10,662	10,725
Unrealized gain on investments	(6,914)	(5,427)
Change in non-cash operating working capital:		
Accounts receivable	(2,501)	(12,430)
Prepaid expenses	(10,075)	(6,293)
Inventory	906	5,702
Accounts payable and accrued liabilities	(54)	(18,630)
Deferred revenue	<u>14,130</u>	<u>72,216</u>
	<u>(19,327)</u>	<u>165,702</u>
INVESTING		
Loan advances	(76,090)	-
Purchase of capital assets	(7,841)	(12,584)
Interest reinvested in investments	-	(24,503)
Sale (purchase) of investments	<u>37,522</u>	<u>(228,259)</u>
	<u>(46,409)</u>	<u>(265,346)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(65,736)	(99,644)
Cash and cash equivalents at beginning of year	<u>171,812</u>	<u>271,456</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 106,076</u>	<u>\$ 171,812</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

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 was incorporated under the *Canada Corporations Act* and continued under the *Canada Not-For-Profit Corporations Act*. The Association is a not-for-profit organization under the *Canadian Income Tax Act* and is exempt from income taxes.

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

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%

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 the statement of revenues and expenses.

Financial assets measured at amortized cost include cash, accounts receivable, loan 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.

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NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

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.

Allocation of Expenses: The Association allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense and applying that basis consistently each year.

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.

NOTE C--ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Accounts receivable - trade	\$ 26,055	\$ 12,709
Contributions receivable	-	10,845
Allowance for doubtful accounts	<u>(1,500)</u>	<u>(1,500)</u>
	<u>\$ 24,555</u>	<u>\$ 22,054</u>

During the year, the Association recorded no impairments (2014 - \$1,580).

NOTE D--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2015</u>	<u>2014</u>
Computer hardware	\$ 60,103	\$ 45,078	\$ 15,025	\$ 12,948
Computer software	10,372	10,372	-	2,900
Member renewal system	13,130	9,614	3,516	5,247
Furniture and equipment	<u>15,614</u>	<u>11,222</u>	<u>4,392</u>	<u>4,659</u>
	<u>\$ 99,219</u>	<u>\$ 76,286</u>	<u>\$ 22,933</u>	<u>\$ 25,754</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

NOTE E--LOAN RECEIVABLE

The COMPASS Centre for Examination Development is an organization with a mandate to service the needs of trained psychotherapist and counsellors. Pursuant to an agreement between the Association and COMPASS, the Association is to provide funding to COMPASS to assist with its creation and initial operations. The maximum amount to be advanced under this agreement is \$125,000 on a non-revolving basis. As at January 31, 2015, \$76,090 had been advanced. The amounts advanced are interest free and are to be repaid in payments equal to 10% of the gross revenues generated from any revenue generating agreement entered into by COMPASS. Any amount outstanding at March 20, 2017, is to be repaid in full on that date.

NOTE F--INVESTMENTS

	<u>2015</u>	<u>2014</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments	\$ 1,020,878	\$ 1,062,439
<u>Measured at fair value:</u>		
Mutual Funds	<u>61,924</u>	<u>50,971</u>
	<u>\$ 1,082,802</u>	<u>\$ 1,113,410</u>

The fixed income investments have maturity dates from July 12, 2015 to December 30, 2019 (2014 - from July 12, 2014 to December 24, 2018) and annual interest rates from 1.80% to 2.75% (2014 - from 1.80% to 4.70%).

NOTE G--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 H--CORPORATE CREDIT CARDS

The Association has corporate credit cards with a total credit limit of \$50,000. As at year-end, the balance outstanding on the corporate credit cards was \$5,789, which was paid, when due, subsequent to the year-end.

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

NOTE I--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2015 are government remittances payable of \$17,785 (2014 - \$14,519) relating to Harmonized Sales Tax and Workers' Safety Insurance premiums.

NOTE J--DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 539,700	\$ 467,484
Less: amounts recognized as revenue in the year	(539,700)	(467,484)
Plus: amounts received/receivable for future years	<u>553,830</u>	<u>539,700</u>
Balance at end of year	<u>\$ 553,830</u>	<u>\$ 539,700</u>
Membership fees received in advance	\$ 400,298	\$ 386,531
Conferences	69,870	113,751
Contributions	<u>83,662</u>	<u>39,418</u>
	<u>\$ 553,830</u>	<u>\$ 539,700</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

NOTE K--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 as at January 31, 2015. There has been no change in risk exposures from the prior year.

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. Management is of the view that all amounts receivable will be collected.

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

Liquidity Risk: Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is not exposed to significant liquidity risk.

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 comprises three types of risk: currency risk, interest rate risk and other price risk.

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not exposed to significant currency 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 1.80% and 2.75% (2014 - 1.80% and 4.70%). There has been no change to the risk exposures from 2014.
- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to significant other price risk.

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2015

NOTE L--RELATED PARTY TRANSACTIONS

Included in the National Assessment Project expenses is \$13,333 (2014 - \$80,000) in services provided by the past 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.

NOTE M--COMMITMENTS

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

2016	\$ 37,951
2017	33,800
2018	33,800
2019	<u>5,633</u>
	<u>\$ 111,184</u>

The lease for office facilities expires on March 31, 2018.

NOTE N--SUBSEQUENT EVENT

Subsequent to the year-end, the Association entered into a licensing agreement with COMPASS that grants an exclusive license within Canada to COMPASS to use the Association's intellectual property for the purposes of operating the simulation-style competency based assessment exam. COMPASS, as the licensee, agrees to pay the Association, as the licensor, a royalty fee equal to 10% of the gross revenues generated from any and all simulation-style competency based assessment examinations for the counselling and psychotherapy profession administered by the licensee.

NOTE O--COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.

SCHEDULE OF EXPENSES

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

	Year Ended January 31	
	2015	2014
Administration and Operations		
Amortization	\$ 10,662	\$ 10,725
Bad debts	-	1,580
Bank and credit card charges	31,012	30,014
Committees	16,363	14,255
Executive and board expenses	102,516	88,361
Insurance	11,885	10,935
Office equipment and maintenance	45,808	41,838
Office supplies	13,447	15,241
Postage	17,925	15,879
Professional fees	22,294	19,799
Rent	57,207	57,456
Salaries, benefits and contracted services	522,975	393,504
Telephone, internet and fax	10,839	12,414
Translation	<u>14,266</u>	<u>20,350</u>
	<u>\$ 877,199</u>	<u>\$ 732,351</u>
Publications		
Canadian Journal of Counselling and Psychotherapy	\$ 27,189	\$ 35,845
Cognica	9,985	7,397
Ethics casebook and code	10,302	7,610
Standards of Practice	<u>1,375</u>	<u>1,324</u>
	<u>\$ 48,851</u>	<u>\$ 52,176</u>
Other		
Agency accreditation	\$ 205	\$ 4,085
CACEP renewal/consultations	24,808	-
Chapter brochures	3,934	898
Chapter support fund	2,500	3,000
Legislative support fund	8,756	-
Northern initiative	859	312
Public facing website project	157	362
Research policy paper	335	-
Strategic planning workshops	5,666	-
Supervisor competency project	<u>9,789</u>	<u>-</u>
	<u>\$ 57,009</u>	<u>\$ 8,657</u>

SCHEDULE OF EXPENSES BY CATEGORY

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

	Year Ended January 31	
	2015	2014
Advocacy and promotion	\$ 65,356	\$ 59,064
Amortization	10,662	10,725
Bad debts	-	1,580
Bank and credit card charges	31,063	30,102
Committees	22,077	18,390
Communications	11,873	13,419
Conferences and meetings	114,837	83,082
Contracted services	200,418	214,725
Executive, board and travel	102,516	88,361
Insurance	11,885	10,935
Office equipment and maintenance	46,003	44,721
Office supplies	13,447	15,856
Postage	18,993	16,285
Professional fees	23,919	23,321
Rent	57,207	57,456
Salaries and benefits	514,048	493,680
Translation	25,527	30,506
Travel for participants	<u>30,304</u>	<u>58,002</u>
	<u>\$ 1,300,135</u>	<u>\$ 1,270,210</u>