
Financial Statements

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

January 31, 2016

FINANCIAL STATEMENTS

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

January 31, 2016

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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, 2016, 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, 2016 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

Ottawa, Ontario
March 16, 2016


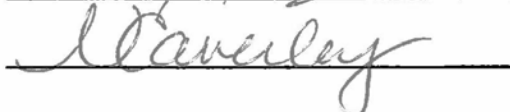
Chartered Professional Accountants
(Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario)

STATEMENT OF FINANCIAL POSITION

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

	January 31	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 147,001	\$ 106,076
Accounts receivable--Note C	6,074	24,555
Prepaid expenses	26,566	54,356
Inventory	<u>45,773</u>	<u>12,712</u>
	225,414	197,699
CAPITAL ASSETS--NOTE D	63,297	22,933
LOAN RECEIVABLE--NOTE E	122,105	76,090
INVESTMENTS--NOTE F	927,537	1,082,802
RESTRICTED INVESTMENT--NOTE G	<u>6,492</u>	<u>6,360</u>
	<u>\$ 1,344,845</u>	<u>\$ 1,385,884</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities--Note I	\$ 152,708	\$ 85,300
Deferred revenue--Note J	<u>519,597</u>	<u>553,830</u>
	<u>672,305</u>	<u>639,130</u>
NET ASSETS		
Unrestricted	666,048	740,394
Externally restricted	<u>6,492</u>	<u>6,360</u>
	<u>672,540</u>	<u>746,754</u>
	<u>\$ 1,344,845</u>	<u>\$ 1,385,884</u>
COMMITMENTS--NOTE L		

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 PSYCHOTHERAPIE**

	<u>Unrestricted</u>	<u>Externally Restricted</u>	Year Ended January 31	
			<u>2016</u>	<u>2015</u>
Balance at beginning of year	\$ 740,394	\$ 6,360	\$ 746,754	\$ 772,098
Deficiency of revenues over expenses	(74,346)	-	(74,346)	(25,481)
Restricted investment	<u>-</u>	<u>132</u>	<u>132</u>	<u>137</u>
Balance at end of year	<u>\$ 666,048</u>	<u>\$ 6,492</u>	<u>\$ 672,540</u>	<u>\$ 746,754</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	
	2016	2015
REVENUES		
Membership fees	\$ 708,684	\$ 683,780
Certification fees	240,391	233,715
Subscriptions and sale of books	47,541	35,648
Advertising	16,555	25,549
Conference	128,660	188,249
Continuing education	35,550	30,534
National Assessment	-	83,309
CACEP	4,203	10,414
Supervisor Project	4,105	4,729
Investment income	23,086	32,697
Other	<u>2,625</u>	<u>3,039</u>
	<u>1,211,400</u>	<u>1,331,663</u>
EXPENSES		
Administration and operations - schedule	918,350	877,199
Publications - schedule	26,918	48,851
Advocacy and promotion	72,342	65,356
Conference	150,260	199,232
Continuing education	10,414	10,114
National Assessment	-	86,824
CACEP	3,240	5,715
Supervisor Project	<u>7,147</u>	<u>6,844</u>
	<u>1,188,671</u>	<u>1,300,135</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	22,729	31,528
Other expenses - schedule	<u>(97,075)</u>	<u>(57,009)</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (74,346)</u>	<u>\$ (25,481)</u>

See notes to financial statements

STATEMENT OF CASH FLOWS

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

	Year Ended January 31	
	2016	2015
CASH PROVIDED BY (USED FOR):		
OPERATING		
Deficiency of revenues over expenses	\$ (74,346)	\$ (25,481)
Items not involving cash		
Amortization	6,999	10,662
Unrealized gain on investments	-	(6,914)
Change in non-cash operating working capital:		
Accounts receivable	18,481	(2,501)
Prepaid expenses	27,790	(10,075)
Inventory	(33,061)	906
Accounts payable and accrued liabilities	67,408	(54)
Deferred revenue	<u>(34,233)</u>	<u>14,130</u>
	<u>(20,962)</u>	<u>(19,327)</u>
INVESTING		
Loan advances	(46,015)	(76,090)
Purchase of capital assets	(47,363)	(7,841)
Sale of investments	<u>155,265</u>	<u>37,522</u>
	<u>61,887</u>	<u>(46,409)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	40,925	(65,736)
Cash and cash equivalents at beginning of year	<u>106,076</u>	<u>171,812</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 147,001</u>	<u>\$ 106,076</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2016

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	20%
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 PSYCHOTHERAPIE**

January 31, 2016

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>2016</u>	<u>2015</u>
Accounts receivable - trade	\$ 7,574	\$ 26,055
Allowance for doubtful accounts	<u>(1,500)</u>	<u>(1,500)</u>
	<u>\$ 6,074</u>	<u>\$ 24,555</u>

NOTE D--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2016</u>	<u>2015</u>
Computer hardware	\$ 62,432	\$ 49,985	\$ 12,447	\$ 15,025
Computer software	10,372	10,372	-	-
Member renewal system	46,860	-	46,860	3,516
Furniture and equipment	<u>16,143</u>	<u>12,153</u>	<u>3,990</u>	<u>4,392</u>
	<u>\$ 135,807</u>	<u>\$ 72,510</u>	<u>\$ 63,297</u>	<u>\$ 22,933</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2016

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 dated March 20, 2015 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, 2016, \$122,105 (2015 - \$76,090) had been advanced. The amounts advanced are interest free and are to be repaid in full. In addition, payments equal to 10% of the gross revenues generated from any revenue generating agreement entered into by COMPASS will be owed to CCPA. No repayment of advances has been received to date and any amount outstanding at March 20, 2017, is to be repaid in full on that date.

NOTE F--INVESTMENTS

	<u>2016</u>	<u>2015</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments	\$ 868,422	\$ 1,020,878
<u>Measured at fair value:</u>		
Mutual Funds	<u>59,115</u>	<u>61,924</u>
	<u>\$ 927,537</u>	<u>\$ 1,082,802</u>

The fixed income investments have maturity dates from June 13, 2016 to December 30, 2019 (2015 - from July 12, 2015 to December 30, 2019) and annual interest rates from 2.25% to 2.75% (2015 - from 1.80% to 2.75%).

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 \$13,708, 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 PSYCHOTHERAPIE**

January 31, 2016

NOTE I--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2016 are government remittances payable of \$8,206 (2015 - \$17,785) relating to Harmonized Sales Tax, which was paid, when due, subsequent to the year-end.

NOTE J--DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	\$ 553,830	\$ 539,700
Less: amounts recognized as revenue in the year	(553,830)	(539,700)
Plus: amounts received/receivable for future years	<u>519,597</u>	<u>553,830</u>
Balance at end of year	\$ <u>519,597</u>	\$ <u>553,830</u>
Membership fees received in advance	\$ 406,543	\$ 400,298
Conferences	8,100	69,870
Contributions	<u>104,954</u>	<u>83,662</u>
	\$ <u>519,597</u>	\$ <u>553,830</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2016

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, 2016. There has been a change in risk exposures from the prior year due to additional advances being made to COMPASS, increasing the loan receivable amount and therefore increasing credit risk exposure

Credit Risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The loan receivable is due from one organization, COMPASS, and no payments have been received to date on the advances made. The Association is exposed to credit risk with regards to this loan receivable. The Association's accounts receivables include small balances from a few members. Management is of the view that the loan receivable and all accounts 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 2.25% and 2.75% (2015 - 1.80% and 2.75%). There has been no change to the risk exposures from 2015.
- 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 PSYCHOTHERAPIE**

January 31, 2016

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:

2017	\$	33,800
2018		33,800
2019		<u>5,633</u>
	\$	<u>73,233</u>

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

NOTE M--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	
	2016	2015
Administration and Operations		
Amortization	\$ 6,999	\$ 10,662
Bad debts	765	-
Bank and credit card charges	34,902	31,012
Committees	14,165	16,363
Executive and board expenses	101,897	102,516
Insurance	12,127	11,885
Office equipment and maintenance	50,280	45,808
Office supplies	15,651	13,447
Postage	19,305	17,925
Professional fees	21,690	22,294
Rent	43,903	57,207
Salaries, benefits and contracted services	568,297	522,975
Telephone, internet and fax	11,784	10,839
Translation	<u>16,585</u>	<u>14,266</u>
	<u>\$ 918,350</u>	<u>\$ 877,199</u>
Publications		
Canadian Journal of Counselling and Psychotherapy	\$ 7,770	\$ 27,189
Cognica	7,704	9,985
Ethics casebook and code	10,745	10,302
Standards of Practice	<u>699</u>	<u>1,375</u>
	<u>\$ 26,918</u>	<u>\$ 48,851</u>
Other		
Agency accreditation	\$ -	\$ 205
CACEP renewal/consultations	12,432	24,808
Chapter brochures	1,530	3,934
Chapter Support Fund	1,000	2,500
Office relocation	17,534	-
Legislative Support Fund	5,465	8,756
Northern initiative	-	859
Public facing website project	-	157
Research policy paper	9,515	335
Strategic planning workshops	-	5,666
Supervisor competency project	333	9,789
50th Anniversary	<u>49,266</u>	<u>-</u>
	<u>\$ 97,075</u>	<u>\$ 57,009</u>

SCHEDULE OF EXPENSES BY CATEGORY

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

	Year Ended January 31	
	2016	2015
Advocacy and promotion	\$ 72,342	\$ 65,356
Amortization	6,999	10,662
Bad debts	765	-
Bank and credit card charges	34,902	31,063
Committees	17,405	22,077
Communications	11,784	11,873
Conferences and meetings	66,063	114,837
Contracted services	148,434	200,418
Executive, board and travel	101,897	102,516
Insurance	12,127	11,885
Office equipment and maintenance	50,280	46,003
Office supplies	15,651	13,447
Postage	19,305	18,993
Professional fees	21,690	23,919
Rent	43,903	57,207
Salaries and benefits	536,941	514,048
Translation	22,320	25,527
Travel for participants	<u>5,863</u>	<u>30,304</u>
	<u>\$ 1,188,671</u>	<u>\$ 1,300,135</u>