
Financial Statements

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

January 31, 2017

FINANCIAL STATEMENTS

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

January 31, 2017

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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, 2017, 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, 2017 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

vanBerkom Professional Corporation

Ottawa, Ontario
May 14, 2017


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	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 220,774	\$ 147,001
Accounts receivable--Note C	15,126	6,074
Prepaid expenses	44,035	26,566
Inventory	<u>65,410</u>	<u>45,773</u>
	345,345	225,414
CAPITAL ASSETS--NOTE D	72,800	63,297
LOAN RECEIVABLE--NOTE E	82,105	122,105
INVESTMENTS--NOTE F	960,629	927,537
RESTRICTED INVESTMENT--NOTE G	<u>6,623</u>	<u>6,492</u>
	<u>\$ 1,467,502</u>	<u>\$ 1,344,845</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities--Note I	\$ 161,844	\$ 152,708
Deferred revenue--Note J	<u>631,157</u>	<u>519,597</u>
	<u>793,001</u>	<u>672,305</u>
NET ASSETS		
Unrestricted	667,878	666,048
Externally restricted	<u>6,623</u>	<u>6,492</u>
	<u>674,501</u>	<u>672,540</u>
	<u>\$ 1,467,502</u>	<u>\$ 1,344,845</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 PSYCHOTHÉRAPIE**

	<u>Unrestricted</u>	<u>Externally Restricted</u>	Year Ended January 31	
			<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 666,048	\$ 6,492	\$ 672,540	\$ 746,754
Excess (deficiency) of revenues over expenses	1,830	-	1,830	(74,346)
Restricted investment	<u>-</u>	<u>131</u>	<u>131</u>	<u>132</u>
Balance at end of year	<u>\$ 667,878</u>	<u>\$ 6,623</u>	<u>\$ 674,501</u>	<u>\$ 672,540</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	
	2017	2016
REVENUES		
Membership fees	\$ 744,072	\$ 708,684
Certification fees	264,266	240,391
Subscriptions, sale of books and royalties	67,880	47,541
Advertising	18,147	16,555
Conferences	43,445	128,660
Continuing education	49,251	35,550
Legal services - Certified members	32,919	-
CACEP	7,142	4,203
Supervisor Project	-	4,105
Investment income	29,745	23,086
Other	<u>3,867</u>	<u>2,625</u>
	<u>1,260,734</u>	<u>1,211,400</u>
EXPENSES		
Administration and operations - schedule	971,710	918,350
Publications - schedule	45,093	26,918
Advocacy and promotion	122,555	72,342
Conferences	30,817	150,260
Continuing education	13,305	10,414
Legal services - Certified members	36,540	-
CACEP	6,801	3,240
Supervisor Project	<u>-</u>	<u>7,147</u>
	<u>1,226,821</u>	<u>1,188,671</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	33,913	22,729
Other expenses - schedule	<u>(32,083)</u>	<u>(97,075)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 1,830</u>	<u>\$ (74,346)</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	
	2017	2016
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess (deficiency) of revenues over expenses	\$ 1,830	\$ (74,346)
Items not involving cash		
Amortization	16,995	6,999
Unrealized (gain) loss on investments	(7,691)	93
Change in non-cash operating working capital:		
Accounts receivable	(9,052)	18,481
Prepaid expenses	(17,469)	27,790
Inventory	(19,637)	(33,061)
Accounts payable and accrued liabilities	9,136	67,408
Deferred revenue	<u>111,560</u>	<u>(34,233)</u>
	<u>85,672</u>	<u>(20,869)</u>
INVESTING		
Loan advances	-	(46,015)
Repayment of loan advances	40,000	-
Purchase of capital assets	(26,498)	(47,363)
Purchase of investments	(301,252)	(53,392)
Proceeds on sale of investments	<u>275,851</u>	<u>208,564</u>
	<u>(11,899)</u>	<u>61,794</u>
INCREASE IN CASH AND CASH EQUIVALENTS	73,773	40,925
Cash and cash equivalents at beginning of year	<u>147,001</u>	<u>106,076</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 220,774</u>	<u>\$ 147,001</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2017

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 PSYCHOTHÉRAPIE**

January 31, 2017

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>2017</u>	<u>2016</u>
Accounts receivable - trade	\$ 16,626	\$ 7,574
Allowance for doubtful accounts	<u>(1,500)</u>	<u>(1,500)</u>
	<u>\$ 15,126</u>	<u>\$ 6,074</u>

NOTE D--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2017</u>	<u>2016</u>
Computer hardware	\$ 70,588	\$ 54,976	\$ 15,612	\$ 12,447
Computer software	10,372	10,372	-	-
Member renewal system	59,260	10,612	48,648	46,860
Furniture and equipment	<u>22,085</u>	<u>13,545</u>	<u>8,540</u>	<u>3,990</u>
	<u>\$ 162,305</u>	<u>\$ 89,505</u>	<u>\$ 72,800</u>	<u>\$ 63,297</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2017

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 and any amount outstanding at April 15, 2019, is to be repaid in full on that date. As at January 31, 2017, \$82,105 (2016 - \$122,105) 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. During the year, COMPASS repaid \$40,000 to CCPA and paid \$6,836 as part of the revenue generating agreement.

NOTE F--INVESTMENTS

	<u>2017</u>	<u>2016</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments	\$ 893,409	\$ 868,422
<u>Measured at fair value:</u>		
Mutual Funds	<u>67,220</u>	<u>59,115</u>
	<u>\$ 960,629</u>	<u>\$ 927,537</u>

The fixed income investments have maturity dates from April 19, 2017 to January 9, 2022 (2016 - from June 13, 2016 to December 30, 2019) and annual interest rates from 1.80% to 2.75% (2016 - from 2.25% 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 \$32,884 (2016 - \$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 PSYCHOTHÉRAPIE**

January 31, 2017

NOTE I--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2017 are government remittances payable of \$21,588 (2016 - \$8,206) relating to Harmonized Sales Tax, which was paid, when due, subsequent to the year-end.

NOTE J--DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 519,597	\$ 553,830
Less: amounts recognized as revenue in the year	(519,597)	(553,830)
Plus: amounts received/receivable for future years	<u>631,157</u>	<u>519,597</u>
Balance at end of year	<u>\$ 631,157</u>	<u>\$ 519,597</u>
Membership fees received in advance	\$ 439,351	\$ 406,543
Conferences	90,960	8,100
Contributions	<u>100,846</u>	<u>104,954</u>
	<u>\$ 631,157</u>	<u>\$ 519,597</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2017

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, 2017. 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. The loan receivable is due from one organization, COMPASS. 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 1.80% and 2.75% (2016 - 2.25% and 2.75%). There has been no change to the risk exposures from 2016.
- 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, 2017

NOTE L--COMMITMENTS

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

2018	\$ 38,561
2019	10,394
2020	4,761
2021	<u>2,380</u>
	<u>\$ 56,096</u>

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

SCHEDULE OF EXPENSES

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

	Year Ended January 31	
	2017	2016
Administration and Operations		
Amortization	\$ 16,995	\$ 6,999
Bad debts	1,329	765
Bank and credit card charges	39,401	33,374
Committees	14,383	14,165
Executive and board expenses	98,658	101,897
Insurance	11,679	12,127
Office equipment and maintenance	44,514	52,136
Office supplies	22,976	15,651
Postage	19,513	19,305
Professional fees	41,487	21,690
Rent	42,547	42,047
Salaries, benefits and contracted services	596,876	569,825
Telephone, internet and fax	11,109	11,784
Translation	<u>10,243</u>	<u>16,585</u>
	<u>\$ 971,710</u>	<u>\$ 918,350</u>
Publications		
Canadian Journal of Counselling and Psychotherapy	\$ 23,521	\$ 7,770
Cognica	5,086	7,704
Ethics casebook and code	15,830	10,745
Standards of Practice	<u>656</u>	<u>699</u>
	<u>\$ 45,093</u>	<u>\$ 26,918</u>
Other		
CACEP renewal/consultations	16,258	12,432
Chapter brochures	-	1,530
Chapter Support Fund	2,250	1,000
Office relocation	-	17,534
Legislative Support Fund	12,118	5,465
Research policy paper	31	9,515
Supervisor competency project	1,426	333
50th Anniversary	<u>-</u>	<u>49,266</u>
	<u>\$ 32,083</u>	<u>\$ 97,075</u>

SCHEDULE OF EXPENSES BY CATEGORY

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

	Year Ended January 31	
	2017	2016
Advocacy and promotion	\$ 122,555	\$ 72,342
Amortization	16,995	6,999
Bad debts	1,329	765
Bank and credit card charges	39,401	34,902
Committees	21,183	17,405
Communications	11,109	11,784
Conferences and meetings	5,799	66,063
Contracted services	123,831	148,434
Executive, board and travel	98,658	101,897
Insurance	11,679	12,127
Office equipment and maintenance	34,361	50,280
Office supplies	22,976	15,651
Postage	19,513	19,305
Professional fees	41,487	21,690
Rent	52,701	43,903
Salaries and benefits	574,905	536,941
Translation	14,100	22,320
Travel for participants	<u>14,239</u>	<u>5,863</u>
	<u>\$ 1,226,821</u>	<u>\$ 1,188,671</u>