
Financial Statements

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

January 31, 2018

FINANCIAL STATEMENTS

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

January 31, 2018

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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, 2018, 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, 2018 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of Matter

Without modifying my opinion, I draw attention to Note N in the financial statements which describes a change in accounting policy.

Ottawa, Ontario
May 8, 2018

vanBerkom Professional Corporation

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 PSYCHOTHERAPIE**

	January 31	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 150,104	\$ 220,774
Accounts receivable--Note C	10,022	15,126
Prepaid expenses	62,215	44,035
Inventory	61,959	65,410
Loan receivable--Note D	<u>32,105</u>	<u>-</u>
	316,405	345,345
CAPITAL ASSETS--NOTE E	75,564	72,800
LOAN RECEIVABLE--NOTE D	-	82,105
INVESTMENTS--NOTE F	1,107,295	960,629
RESTRICTED INVESTMENT--NOTE G	<u>6,716</u>	<u>6,623</u>
	<u>\$ 1,505,980</u>	<u>\$ 1,467,502</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities--Note I	\$ 172,779	\$ 161,844
Deferred revenue--Note J	<u>584,051</u>	<u>543,775</u>
	<u>756,830</u>	<u>705,619</u>
NET ASSETS		
Unrestricted	641,663	667,878
Internally restricted - Regional Development Fund	100,771	87,382
Externally restricted - Chris Campbell Memorial Bursary Fund	<u>6,716</u>	<u>6,623</u>
	<u>749,150</u>	<u>761,883</u>
	<u>\$ 1,505,980</u>	<u>\$ 1,467,502</u>
COMMITMENTS--NOTE M		

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>	Regional Development <u>Fund</u>	Chris Campbell Memorial Bursary <u>Fund</u>	Year Ended January 31	
				<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 667,878	\$ 87,382	\$ 6,623	\$ 761,883	\$ 761,440
Excess of revenues over expenses	26,002	-	-	26,002	44,767
Interfund transfers-Note K	(52,217)	52,217	-	-	-
Leaders of Tomorrow	-	(28,828)	-	(28,828)	(44,455)
Third Party Billing Initiative	-	(10,000)	-	-	-
Interest on restricted fund	<u>-</u>	<u>-</u>	<u>93</u>	<u>93</u>	<u>131</u>
Balance, end of year	<u>\$ 641,663</u>	<u>100,771</u>	<u>\$ 6,716</u>	<u>\$ 749,150</u>	<u>\$ 761,883</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	
	2018	2017
REVENUES		
Membership fees	\$ 875,611	\$ 786,788
Certification fees	300,002	264,266
Subscriptions, sale of books and royalties	77,297	67,880
Advertising	29,472	18,147
Conferences	183,964	43,445
Continuing education	51,663	49,251
Legal services - Certified members	30,043	32,919
CACEP	5,176	7,142
Supervisor Project	2,429	-
Investment income	31,228	29,966
Other	<u>3,452</u>	<u>3,867</u>
	<u>1,590,337</u>	<u>1,303,671</u>
EXPENSES		
Administration and operations - schedule	1,125,111	971,710
Publications - schedule	41,241	45,093
Advocacy and promotion	85,234	122,555
Conferences	183,071	30,817
Continuing education	15,064	13,305
Legal services - Certified members	33,540	36,540
CACEP	2,994	6,801
Supervisor Project	<u>2,105</u>	<u>-</u>
	<u>1,488,360</u>	<u>1,226,821</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	101,977	76,850
Other expenses - schedule	<u>(75,975)</u>	<u>(32,083)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 26,002</u>	<u>\$ 44,767</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	
	2018	2017
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	\$ 26,002	\$ 44,767
Items not involving cash		
Amortization	25,302	16,995
Unrealized gain on investments	(9,263)	(7,691)
Change in non-cash operating working capital:		
Accounts receivable	5,104	(9,052)
Prepaid expenses	(18,180)	(17,469)
Inventory	3,451	(19,637)
Accounts payable and accrued liabilities	10,935	9,136
Deferred revenue	<u>40,276</u>	<u>113,078</u>
	<u>83,627</u>	<u>130,127</u>
INVESTING		
Repayment of loan advances	50,000	40,000
Purchase of capital assets	(28,066)	(26,498)
Purchase of investments	(262,310)	(301,252)
Proceeds on sale of investments	124,907	275,851
Regional Development Fund	<u>(38,828)</u>	<u>(44,455)</u>
	<u>(154,297)</u>	<u>(56,354)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(70,670)	73,773
Cash and cash equivalents at beginning of year	<u>220,774</u>	<u>147,001</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 150,104</u>	<u>\$ 220,774</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2018

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%

Regional Development Fund: The Regional Development Fund (RDF) was established by the Association to provide funding that encourages and supports the development of the counselling and psychotherapy profession across Canada. The goal of the RDF is to increase the regional capacity and professional development of the counselling and psychotherapy profession in Canada by augmenting and expanding our members' competencies, networks and resources.

Chris Campbell Memorial Bursary Fund: The Chris Campbell Memorial Bursary Fund was established with restricted funds received upon the dissolution of the Atlantic Chapter. Bursaries are to be awarded to residents of Atlantic Canada who meet the established criteria.

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NOTES TO FINANCIAL STATEMENTS

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

January 31, 2018

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

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.

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>2018</u>	<u>2017</u>
Accounts receivable - trade	\$ 11,522	\$ 16,626
Allowance for doubtful accounts	<u>(1,500)</u>	<u>(1,500)</u>
	<u>\$ 10,022</u>	<u>\$ 15,126</u>

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2018

NOTE D--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, 2018, \$32,105 (2017 - \$82,105) 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 \$50,000 of the advances received and paid \$11,769 as part of the revenue generating agreement. Subsequent to the year-end, the full amount of the balance owing from COMPASS was received.

NOTE E--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2018</u>	<u>2017</u>
Computer hardware	\$ 81,249	\$ 61,366	\$ 19,883	\$ 15,612
Computer software	10,812	10,592	220	-
Member renewal system	76,225	27,596	48,629	48,648
Furniture and equipment	<u>22,085</u>	<u>15,253</u>	<u>6,832</u>	<u>8,540</u>
	<u>\$ 190,371</u>	<u>\$ 114,807</u>	<u>\$ 75,564</u>	<u>\$ 72,800</u>

NOTE F--INVESTMENTS

	<u>2018</u>	<u>2017</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments	\$ 1,030,905	\$ 893,409
<u>Measured at fair value:</u>		
Mutual Funds	<u>76,390</u>	<u>67,220</u>
	<u>\$ 1,107,295</u>	<u>\$ 960,629</u>

The fixed income investments have maturity dates from June 6, 2018 to October 11, 2022 (2017 - from April 19, 2017 to January 9, 2022) and annual interest rates from 1.80% to 2.75% (2017 - from 1.80% to 2.75%).

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2018

NOTE G--RESTRICTED INVESTMENT

The restricted investment consists of funds to be used for the Chris Campbell Memorial Bursary and consists of a fixed income investment (GIC).

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 \$10,621 (2017 - \$32,884), which was paid, when due, subsequent to the year-end.

NOTE I--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2018 are government remittances payable of \$16,210 (2017 - \$21,588) relating to Harmonized Sales Tax, which was paid, when due, subsequent to the year-end.

NOTE J--DEFERRED REVENUE

Balance at beginning of year	\$ 543,775
Less: amounts recognized as revenue in the year	(543,775)
Plus: amounts received/receivable for future years	<u>584,051</u>
Balance at end of year	\$ <u>584,051</u>
Membership fees received in advance	\$ 506,665
Conferences	<u>77,386</u>
	\$ <u>584,051</u>

NOTE K--REGIONAL DEVELOPMENT FUND

During the year, \$52,217 (2017 - \$42,715) was transferred from Unrestricted Net Assets to the Internally Restricted Regional Development Fund.

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2018

NOTE L--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, 2018. 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 and the balance owing from COMPASS has been subsequently received. Credit risk is assessed as low.

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% (2017 - 1.80% and 2.75%). There has been no change to the risk exposures from 2017.
- 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, 2018

NOTE M--COMMITMENTS

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

2019	\$ 62,955
2020	94,864
2021	95,555
2022	93,174
2023	94,710
Thereafter	<u>502,384</u>
	<u>\$ 943,642</u>

During the year, the Association entered into a new lease with a term of 10 years for office facilities. The lease commences on April 1, 2018 and expires on March 31, 2028. The lease includes a free rent period for the first three months of the lease and an allowance for the tenant's leasehold improvements of \$20.00 per square foot.

NOTE N--CHANGE IN ACCOUNTING POLICY

During the year, the Association changed its reporting of the Regional Development Fund to separately report the activities of this Fund in an internally restricted fund in Net Assets. Previously, the Regional Development Fund was included in deferred revenues and contributions from membership revenues to this Fund were recorded directly to the Fund. This change in accounting policy increases revenues by \$52,217 (2017 - \$42,937), increases excess of revenues over expenses by \$52,217 (2017 - \$42,937), decreases deferred revenue by \$100,771 (2017 - \$87,382), increases net assets at beginning of year by \$87,382 (2017 - \$88,900) and increases net assets at end of year by \$100,771 (2017 - \$87,382). This change in accounting policy has been retroactively applied.

SCHEDULE OF EXPENSES

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

	Year Ended January 31	
	2018	2017
Administration and Operations		
Amortization	\$ 25,302	\$ 16,995
Bad debts	740	1,329
Bank and credit card charges	43,420	39,401
Committees	15,761	14,383
Executive and board expenses	108,526	98,658
Insurance	11,679	11,679
Office equipment and maintenance	52,237	44,514
Office supplies	16,869	22,976
Postage	18,705	19,513
Professional fees	22,671	41,487
Rent	42,158	42,547
Salaries, benefits and contracted services	740,523	596,876
Telephone, internet and fax	15,446	11,109
Translation	<u>11,074</u>	<u>10,243</u>
	<u>\$ 1,125,111</u>	<u>\$ 971,710</u>
Publications		
Canadian Journal of Counselling and Psychotherapy	\$ 24,473	\$ 23,521
Cognica	9,120	5,086
Ethics casebook and code	6,838	15,830
Standards of Practice	<u>810</u>	<u>656</u>
	<u>\$ 41,241</u>	<u>\$ 45,093</u>
Other		
CACEP renewal/consultations	13,160	16,258
Chapter Support	5,050	2,250
FACT Support	3,797	-
Legislative Support	22,353	12,118
Office relocation	23,130	-
Supervisor competency project	<u>8,485</u>	<u>1,457</u>
	<u>\$ 75,975</u>	<u>\$ 32,083</u>

SCHEDULE OF EXPENSES BY CATEGORY

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

	Year Ended January 31	
	2018	2017
	<hr/>	
Advocacy and promotion	\$ 85,234	\$ 122,555
Amortization	25,302	16,995
Bad debts	740	1,329
Bank and credit card charges	43,420	39,401
Committees	18,755	21,183
Communications	15,445	11,109
Conferences and meetings	124,743	5,799
Contracted services	133,432	123,831
Executive, board and travel	111,216	112,897
Insurance	11,679	11,679
Office equipment and maintenance	35,034	34,361
Office supplies	17,242	22,976
Postage	20,400	19,513
Professional fees	56,210	41,487
Rent	42,158	52,701
Salaries and benefits	724,471	574,905
Translation	22,879	14,100
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	<u>\$ 1,488,360</u>	<u>\$ 1,226,821</u>