
Financial Statements

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

January 31, 2023

FINANCIAL STATEMENTS

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

January 31, 2023

Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule of Expenses	13
Schedule of Expenses for Operations by Category	14

Independent Auditor's Report

To the Members of Canadian Counselling and Psychotherapy Association/L'association canadienne de counseling et de psychothérapie:

Opinion

We have audited the financial statements of Canadian Counselling and Psychotherapy Association/L'association canadienne de counseling et de psychothérapie (the Association), which comprise the statement of financial position at January 31, 2023, the statements of changes in net assets, revenues and expenses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at January 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. (See Appendix).

Ottawa, Ontario
May 15, 2023



Lekadir LLP
Chartered Professional Accountants
Licensed Public Accountants

Appendix to Independent Auditor's Report

As part of an audit in accordance with the Canadian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

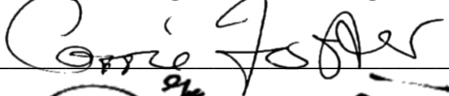
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

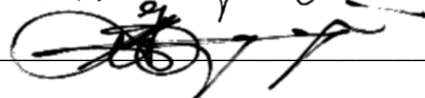
STATEMENT OF FINANCIAL POSITION

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

	January 31	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 362,513	\$ 315,666
Investments--Note C	1,190,455	991,844
Accounts receivable	4,587	22,379
Prepaid expenses	141,342	92,121
Inventory	<u>66,867</u>	<u>51,442</u>
	1,765,764	1,473,452
CAPITAL ASSETS--NOTE D	119,405	141,580
RESTRICTED INVESTMENT--NOTE E	<u>7,116</u>	<u>6,992</u>
	<u>\$ 1,892,285</u>	<u>\$ 1,622,024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities--Note G	\$ 200,683	\$ 200,769
Deferred revenue--Note H	1,039,237	862,638
Current portion of deferred lease inducements--Note I	<u>8,883</u>	<u>8,883</u>
	1,248,803	1,072,290
DEFERRED LEASE INDUCEMENTS--NOTE I	<u>37,011</u>	<u>45,894</u>
	<u>1,285,814</u>	<u>1,118,184</u>
NET ASSETS		
Unrestricted	506,301	451,236
Internally restricted - Regional Development Fund	93,054	45,612
Externally restricted - Chris Campbell Memorial Bursary Fund	<u>7,116</u>	<u>6,992</u>
	<u>606,471</u>	<u>503,840</u>
	<u>\$ 1,892,285</u>	<u>\$ 1,622,024</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 /
L'ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

	<u>Unrestricted</u>	Regional Development <u>Fund</u>	Chris Campbell Memorial Bursary <u>Fund</u>	Year Ended January 31	
				<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 451,236	\$ 45,612	\$ 6,992	\$ 503,840	\$ 319,213
Excess (deficiency) of revenues over expenses	150,322	(47,815)	-	102,507	184,598
Interfund transfers-Note J	(95,257)	95,257	-	-	-
Interest on externally restricted fund	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>	<u>29</u>
Balance, end of year	<u>\$ 506,301</u>	<u>\$ 93,054</u>	<u>\$ 7,116</u>	<u>\$ 606,471</u>	<u>\$ 503,840</u>

See notes to financial statements

STATEMENT OF REVENUES AND EXPENSES

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

	Year Ended January 31	
	2023	2022
REVENUES		
Membership fees	\$ 1,642,325	\$ 1,424,435
Certification fees	425,872	403,955
Subscriptions and sale of books	77,191	130,785
Advertising	43,967	35,192
Conference	93,246	100,961
Continuing education	47,371	57,485
Legal services - Certified members	44,142	42,576
Council on Accreditation of Counsellor Education Programs (CACEP)	4,938	5,807
Royalties	167,985	141,784
Investment income	21,332	34,285
Other	<u>16,879</u>	<u>17,759</u>
	<u>2,585,248</u>	<u>2,395,024</u>
EXPENSES		
Administration and operations - schedule	2,068,314	1,792,821
Publications	31,220	70,741
Advocacy and promotion	57,791	45,083
Conference	94,655	88,941
Continuing education	15,109	17,621
Legal services - Certified members	26,942	30,797
Council on Accreditation of Counsellor Education Programs (CACEP)	<u>5,000</u>	<u>10,000</u>
	<u>2,299,031</u>	<u>2,056,004</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	286,217	339,020
Regional Development Fund - schedule	(47,815)	(35,755)
Special Projects - schedule	(135,895)	(50,614)
Impairment loss	<u>-</u>	<u>(68,053)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 102,507</u>	<u>\$ 184,598</u>

See notes to financial statements

STATEMENT OF CASH FLOWS

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

	Year Ended January 31	
	2023	2022
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	\$ 102,507	\$ 184,598
Items not involving cash		
Amortization of capital assets	34,663	37,761
Unrealized loss (gain) on investments	3,558	(16,531)
Amortization of lease inducements	(8,883)	(8,883)
Impairment loss of capital assets	-	68,053
Change in non-cash operating working capital:		
Accounts receivable	17,792	(6,323)
Prepaid expenses	(49,221)	(20,121)
Inventory	(15,425)	(1,244)
Accounts payable and accrued liabilities	(86)	(80,333)
Deferred revenue	<u>176,599</u>	<u>128,085</u>
	<u>261,504</u>	<u>285,062</u>
INVESTING		
Additions to capital assets	(12,488)	(31,452)
Additions to investments	<u>(202,169)</u>	<u>(114,892)</u>
	<u>(214,657)</u>	<u>(146,344)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	46,847	138,718
Cash and cash equivalents at beginning of year	<u>315,666</u>	<u>176,948</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 362,513</u>	<u>\$ 315,666</u>

See notes to financial statements

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

January 31, 2023

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 sixteen 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:

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.

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>
Computers	Declining balance	30%
Computer software	Declining balance	100%
Membership database	Declining balance	33%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	10 years

...continued

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

January 31, 2023

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

Deferred Lease Inducements: Lease inducements received by the Association are deferred and amortized as an adjustment to rent expense over the term of the lease on a straight-line basis.

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.

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, 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: 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.

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 subscriptions and the sale of books are recognized when the materials have been released to the purchaser. Revenues from events and advertising are recognized when the events and advertising activities have occurred. Continuing education revenues are recognized when the educational webinars are made available. Investment income and royalties are recognized on an accrual basis.

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.

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2023

NOTE C--INVESTMENTS

	<u>2023</u>	<u>2022</u>
<u>Measured at amortized cost:</u>		
Fixed Income Investments	\$ 1,085,953	\$ 883,784
<u>Measured at fair value:</u>		
Mutual Funds	<u>104,502</u>	<u>108,060</u>
	<u>\$ 1,190,455</u>	<u>\$ 991,844</u>

The fixed income investments have maturity dates from July 20, 2023 to December 7, 2027 (2022 - from April 21, 2022 to December 07, 2026) and annual interest rates from 1.75% to 4.78% (2022 - from 1.60% to 3.47%).

NOTE D--CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2023</u>	<u>2022</u>
Computers	\$ 160,685	\$ 115,090	\$ 45,595	\$ 50,511
Computer software	11,917	11,917	-	-
Membership database	64,900	59,863	5,037	7,517
Furniture and equipment	98,982	64,142	34,840	43,052
Leasehold improvements	<u>65,676</u>	<u>31,743</u>	<u>33,933</u>	<u>40,500</u>
	<u>\$ 402,160</u>	<u>\$ 282,755</u>	<u>\$ 119,405</u>	<u>\$ 141,580</u>

NOTE E--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 F--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 \$16,035 (2022 - \$3,005), which was paid, when due, subsequent to the year-end.

NOTE G--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities as at January 31, 2023 are government remittances payable of \$24,857 (2022 - \$22,416) relating to Harmonized Sales Tax, which was paid, when due, subsequent to the year-end.

NOTES TO FINANCIAL STATEMENTS

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

January 31, 2023

NOTE H--DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 862,638	\$ 734,553
Less: amounts recognized as revenue in the year	(862,638)	(734,553)
Plus: amounts received/receivable for future years	<u>1,039,237</u>	<u>862,638</u>
Balance at end of year	<u>\$ 1,039,237</u>	<u>\$ 862,638</u>
Membership fees received in advance	\$ 996,533	\$ 847,488
Translation services	29,752	14,198
Conferences	<u>12,952</u>	<u>952</u>
	<u>\$ 1,039,237</u>	<u>\$ 862,638</u>

NOTE I--DEFERRED LEASE INDUCEMENT

The deferred lease inducement represents the reimbursement by the landlord of certain expenditures for leasehold improvements made by the Association and rent-free periods and graduated rental increases as inducement to enter into a long-term lease. These inducements are amortized on a straight-line basis as a reduction of rental expense over the term of the lease.

	<u>2023</u>	<u>2022</u>
Deferred lease inducement	\$ 45,894	\$ 54,777
Less current portion	<u>(8,883)</u>	<u>(8,883)</u>
	<u>\$ 37,011</u>	<u>\$ 45,894</u>

NOTE J--REGIONAL DEVELOPMENT FUND

During the year \$95,257 (2022 - \$83,761) was transferred from Unrestricted Net Assets to the internally restricted Regional Development fund.

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

January 31, 2023

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, 2023. 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 Association's accounts receivables include small balances from a few members. Credit risk is assessed as low.

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 rate on its investments is 2.7% (2022 - 2.2%). There has been no change to the risk exposures from 2022.
- 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 /
L'ASSOCIATION CANADIENNE DE COUNSELING ET DE PSYCHOTHÉRAPIE**

January 31, 2023

NOTE L--COMMITMENTS

The Association has leased office premises and equipment for terms expiring in various years to 2029. Future minimum lease payments, including share of operating costs, are as follows:

2024	\$ 100,308
2025	101,844
2026	101,844
2027	104,915
2028	100,249
Thereafter	<u>16,553</u>
	<u>\$ 525,713</u>

SCHEDULE OF EXPENSES

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

	Year Ended January 31	
	2023	2022
Administration and Operations		
Amortization of capital assets	\$ 34,663	\$ 37,761
Bank and credit card charges	79,033	61,858
Committees	17,223	17,051
Communications	38,108	24,632
Donations	1,760	750
Executive and board	67,703	33,040
Insurance	34,937	24,000
Office equipment and maintenance	45,235	41,883
Office supplies	8,576	9,235
Postage	17,855	17,302
Professional fees	44,319	49,738
Rent	91,725	84,445
Salaries and benefits	1,571,278	1,360,572
Translation	<u>15,899</u>	<u>30,554</u>
	<u>\$ 2,068,314</u>	<u>\$ 1,792,821</u>
Regional Development Fund		
Counselling and Psychotherapy Month	\$ 17,635	\$ -
Communications Assistant COOP Placement	10,950	-
Ethics Casebook Update	6,500	13,000
Lead Supervision Initiatives Pilot	4,365	-
International Association for Counselling Roundtable's Coordinator	4,615	-
National Self-Care Challenge	3,750	-
Family Therapist Survey	-	10,000
Member Services Audit	-	9,540
Other	<u>-</u>	<u>3,215</u>
	<u>\$ 47,815</u>	<u>\$ 35,755</u>
Special Projects		
Legislative Support Fund	\$ 51,100	\$ 5,295
Governance	50,759	13,320
Third Party Billing	13,374	7,382
Advocacy Special Projects - FACT's	13,376	6,274
Other	7,286	9,240
Mentorship Program	<u>-</u>	<u>9,103</u>
	<u>\$ 135,895</u>	<u>\$ 50,614</u>

SCHEDULE OF EXPENSES FOR OPERATIONS BY CATEGORY

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

	Year Ended January 31	
	2023	2022
Advocacy and promotion	\$ 57,791	\$ 45,083
Amortization of capital assets	34,663	37,761
Bank and credit card charges	79,033	61,858
Committees	17,223	17,051
Communications	38,108	24,632
Conferences and meetings	99,655	98,941
Contracted services	73,271	119,159
Donations	1,760	750
Executive and board	67,703	33,040
Insurance	34,937	24,000
Office equipment and maintenance	45,235	41,883
Office supplies	8,576	9,235
Postage	17,855	17,302
Professional fees	44,319	49,738
Rent	91,725	84,445
Salaries and benefits	1,571,278	1,360,572
Translation	15,899	30,554
	<u>\$ 2,299,031</u>	<u>\$ 2,056,004</u>