

**SafeCare BC Health and Safety
Association
Financial Statements**
December 31, 2016

SafeCare BC Health and Safety Association Contents

For the year ended December 31, 2016

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5

To the Board of Directors of SafeCare BC Health and Safety Association:

We have audited the accompanying financial statements of SafeCare BC Health and Safety Association, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SafeCare BC Health and Safety Association as at December 31, 2016 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied consistent with that of the preceding year.

Surrey, British Columbia

February 16, 2017

MNP LLP

Chartered Professional Accountants

SafeCare BC Health and Safety Association
Statement of Financial Position

As at December 31, 2016

	2016	2015
Assets		
Current		
Cash	222,494	171,410
Accounts receivable	10,545	14,534
Prepaid expenses and deposits	300	4,510
	233,339	190,454

Liabilities

Current		
Accounts payable and accruals	35,332	16,183

Commitments (Note 3)

Contingency (Note 4)

Net Assets

Unrestricted	51,957	38,223
Internally restricted (Note 5)	146,050	136,048
	198,007	174,271
	233,339	190,454

Approved on behalf of the Board



 Director

 Director

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association Statement of Operations

For the year ended December 31, 2016

	2016	2015
<hr/>		
Revenue		
Worksafe BC	677,000	600,000
Association workshops	19,518	22,160
	<hr/>	<hr/>
	696,518	622,160
<hr/>		
Expenses		
Salaries and benefits <i>(Note 6)</i>	208,325	150,028
Consulting	176,914	155,140
Technology	50,804	46,284
Rent	44,512	41,369
Conferences and external events	37,680	34,785
Telecommunications and freight	29,970	26,542
Travel	23,507	13,201
Advertising and sponsorships	21,640	22,316
Publication	19,703	11,142
Accounting and legal fees	17,656	11,079
Miscellaneous	14,739	7,417
Repairs and maintenance	6,657	6,025
Board expenses	6,591	8,403
Furniture and equipment	4,966	3,006
Office supplies	4,564	3,413
Property tax and insurance	3,564	3,787
Staff training	990	-
	<hr/>	<hr/>
	672,782	543,937
<hr/>		
Excess of revenue over expenses	23,736	78,223
<hr/>		

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association Statement of Changes in Net Assets

For the year ended December 31, 2016

	<i>Unrestricted</i>	<i>Internally restricted</i>	2016	2015
Net assets, beginning of year	38,223	136,048	174,271	96,048
Excess of revenue over expenses	23,736	-	23,736	78,223
Internally imposed restriction <i>(Note 5)</i>	(10,002)	10,002	-	-
Net assets, end of year	51,957	146,050	198,007	174,271

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association

Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	23,736	78,223
Changes in working capital accounts		
Accounts receivable	3,989	(14,114)
Prepaid expenses and deposits	4,210	429
Accounts payable and accruals	19,149	(8,305)
Increase in cash resources	51,084	56,233
Cash resources, beginning of year	171,410	115,177
Cash resources, end of year	222,494	171,410

The accompanying notes are an integral part of these financial statements

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2016

1. Incorporation and nature of the organization

SafeCare BC Health and Safety Association ("the Association") was incorporated under the Society Act as a not-for-profit organization on January 23, 2014 and is a registered charity and thus exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Association is a member-driven health and safety association for independent and private long term care providers in British Columbia. The Association strives to ensure injury-free safe working conditions within the long term care sector through preventative training, education, and resources across British Columbia.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Workshop revenues are recorded when the underlying event is held, and collectability is reasonably assured.

Funding adjustment

WorkSafe BC conducts an annual review of the Association's financial statements and may require an adjustment for any operating surplus or deficit. Funding adjustments are recognized in the year they are determined.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

This estimate and assumption is reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Volunteer services

The Association benefits from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, volunteer services are not recognized in these financial statements.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in financial assets and liabilities at cost or amortized cost, with transaction costs and financing fees added to the carrying amount of the Association's financial instruments.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2016

2. Significant accounting policies (Continued from previous page)

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

3. Commitments

The Association occupies leased premises subject to minimum monthly rent of \$1,929 plus operating costs as allocated by the landlord, until April 2020 and a support service agreement with an estimated monthly fee of \$14,250, until December 2019, with minimum aggregate annual payments of \$194,148, over the next three years.

4. Contingency

The Association operates under a Service Agreement (the "Agreement") with WorkSafe BC, whereby WorkSafe BC provides annual funding for the Association's operations. The Agreement stipulates that WorkSafe BC has the ability to deduct any annual surplus funds from future year's funding, require repayment of surplus funds or have any surplus funds be designated as a reserve fund.

As at December 31, 2016, the Association has accumulated a surplus of \$4,218, representing the excess of contributed funds over the Association's expenses for the period then ended. WorkSafe BC has not advised the Association of its intention to require repayment, accumulate a reserve, or reduce future contributions. Should the Association be required to repay the funding surplus, it would result in an increase to accounts payable and a reduction to WorkSafe BC contributions and net assets of \$4,218. Should the surplus be designated as a reserve, the Association would have a reduction in unrestricted net assets and a corresponding increase to internally restricted net assets of \$4,218.

5. Internally restricted net assets

The Association's Board of Directors have internally restricted \$146,050 (2015 - \$136,048) of unrestricted net assets to be used to fund future expenditures. The internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

6. Employee compensation

During the year ended December 31, 2016, the Association paid total remuneration of \$104,451 to its executive directors.

SafeCare BC Health and Safety Association

Notes to the Financial Statements

For the year ended December 31, 2016

7. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its accounts receivable. To mitigate this risk, the Association carries out credit evaluations of its customers on a continuing basis.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates.

8. Economic dependence

The Association operates under an Agreement with WorkSafe BC, whereby WorkSafe BC provides annual funding for the Association's operations. The Association is economically dependent on this funding to ensure it meets its financial obligations. The funding is contingent on the Association meeting certain guidelines as established in the Agreement. In the opinion of management, as at December 31, 2016, the Agreement guidelines have been met.