

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Financial Statements

Year Ended December 31, 2015

(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of British Columbia Association of Social Workers

We have reviewed the statement of financial position of British Columbia Association of Social Workers as at December 31, 2015 and the statements of changes in net assets, operations and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Burnaby, British Columbia
March 29, 2016

Marsh & Marsh Inc.
Chartered Professional Accountants

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS


Statement of Financial Position


December 31, 2015

(Unaudited)

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 95,113	\$ 97,413
Investments	130,318	128,866
Accounts receivable	7,613	437
Prepaid expenses	4,125	625
	<u>237,169</u>	<u>227,341</u>
CAPITAL ASSETS (Notes 2, 3)	<u>3,569</u>	<u>3,913</u>
	<u>\$ 240,738</u>	<u>\$ 231,254</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 2,558	\$ 5,419
Government remittances payable	2,274	1,353
Deferred revenue (Note 4)	89,725	58,830
	<u>94,557</u>	<u>65,602</u>
NET ASSETS		
Operating fund	<u>146,181</u>	<u>165,652</u>
	<u>\$ 240,738</u>	<u>\$ 231,254</u>
COMMITMENTS (Note 5)		

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Changes in Net Assets

Year Ended December 31, 2015

(Unaudited)

	Operating Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 165,652	\$ 165,652	\$ 162,009
Excess (deficiency) of income over expenses	(19,471)	(19,471)	3,643
NET ASSETS - END OF YEAR	\$ 146,181	\$ 146,181	\$ 165,652

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS**Statement of Operations****Year Ended December 31, 2015***(Unaudited)*

	2015	2014
INCOME		
Membership fees	\$ 201,105	\$ 217,539
Advertising	32,584	35,875
Conferences and workshops	3,855	58,747
Interest and investment income	3,209	2,674
Membership materials	5,010	4,244
Perspectives and publication sales	354	685
	<u>246,117</u>	<u>319,764</u>
EXPENSES (per Schedule 1)		
Office administration	44,392	48,393
Information services	25,394	24,305
Professional activities	50,011	87,942
Board activities	16,310	19,363
Staffing	129,481	136,118
	<u>265,588</u>	<u>316,121</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ (19,471)</u>	<u>\$ 3,643</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Statement of Cash Flows

Year Ended December 31, 2015

(Unaudited)

	2015	2014
OPERATING ACTIVITIES		
Receipts from members	\$ 232,000	\$ 195,439
Interest and investment income	3,249	2,392
Other	34,587	99,184
Payments for materials and services	<u>(270,684)</u>	<u>(313,474)</u>
Cash flow used by operating activities	<u>(848)</u>	<u>(16,459)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(3,836)</u>
DECREASE IN CASH FLOW	(848)	(20,295)
Cash - beginning of year	<u>226,279</u>	<u>246,574</u>
CASH - END OF YEAR	\$ 225,431	\$ 226,279
CASH CONSISTS OF:		
Cash	\$ 95,113	\$ 97,413
Investments	<u>130,318</u>	<u>128,866</u>
	\$ 225,431	\$ 226,279

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund

(Schedule 1)

Year Ended December 31, 2015

(Unaudited)

	Budget 2015	Actual 2015	Actual 2014
INCOME			
Membership fees	\$ 225,000	\$ 201,105	\$ 217,539
Advertising	35,000	32,584	35,875
Conferences and workshops	57,000	3,855	58,747
Interest and investment income	2,600	3,209	2,674
Membership materials	4,300	5,010	4,244
Perspectives and publication sales	600	354	685
	<u>324,500</u>	<u>246,117</u>	<u>319,764</u>
EXPENSES			
<i>Office Administration</i>			
Accounting	10,000	5,618	9,870
Amortization	-	344	206
Bank charges	600	689	524
Credit card transaction fees	9,000	5,686	11,096
Database	14,000	-	-
Insurance	1,050	933	1,042
Miscellaneous	800	494	491
Office equipment maintenance and repair	3,000	2,662	1,851
Office supplies, postage and courier	3,000	4,459	2,424
Rent	15,050	15,782	15,046
Telephone, fax and internet	3,000	2,923	2,846
Website	4,380	4,802	2,997
	<u>63,880</u>	<u>44,392</u>	<u>48,393</u>
<i>Information Services</i>			
Communications	2,000	2,312	862
Membership materials	5,000	8,351	6,537
Perspectives	17,500	14,731	16,906
	<u>24,500</u>	<u>25,394</u>	<u>24,305</u>
<i>Professional Activities</i>			
Branch programs (Note 6)	4,500	3,500	4,592
CASW assessment	40,000	40,354	40,014
Committees, communications and subscriptions	1,560	1,266	996
Conferences and workshops	53,000	2,591	40,241
Consultants	4,000	-	10
External memberships	1,100	900	125
Student prizes	1,550	1,400	1,964
	<u>105,710</u>	<u>50,011</u>	<u>87,942</u>
<i>Board Activities</i>			
Board meetings	18,000	15,095	18,037
President's travel	2,000	1,215	1,326
	<u>20,000</u>	<u>16,310</u>	<u>19,363</u>

(continues)

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Schedule of Operations - Operating Fund (continued)

(Schedule 1)

Year Ended December 31, 2015

(Unaudited)

	Budget 2015	Actual 2015	Actual 2014
EXPENSES (continued)			
<i>Staffing</i>			
Benefits	24,210	18,611	19,178
Salaries	110,252	107,428	115,065
Staff development	300	339	600
Travel	3,000	3,103	1,275
	<u>137,762</u>	<u>129,481</u>	<u>136,118</u>
Total Expenses	<u>351,852</u>	<u>265,588</u>	<u>316,121</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ (27,352)</u>	<u>\$ (19,471)</u>	<u>\$ 3,643</u>

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited)

1. NATURE AND PURPOSE OF ORGANIZATION

The British Columbia Association of Social Workers (the "Association") is incorporated under the Society Act of British Columbia as a Not-For-Profit organization. The purpose of the Association is to advocate policy through membership, private practice, education, multicultural concerns etc.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) applied on a basis consistent with the prior period. Outlined below are those policies the Association considered particularly significant.

Fund Accounting

The Association follows the restricted fund method of accounting.

The Operating Fund reports the assets, liabilities, revenues and expenses related to the Association's operating activities.

Revenue Recognition

Fees and Grants

Fees and grants are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Interest and Investment Income

Interest income is recognized as revenue in the period the interest income is earned.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Association considers investments which consist of guaranteed investment certificates held in a trading account, to be cash equivalents as they are readily convertible into cash because of their short term maturity.

The Association's term deposit bears interest rates ranging from 1.1% to 2.2% maturing in October 2018.

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BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital Assets

Capital Assets are stated at cost less accumulated amortization. Capital Assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	20%	declining balance method

Amortization in the year of acquisition is taken at one-half of the stated rate.

Amortization on assets under development will commence upon completion of the database software project.

Income Taxes

The Association is exempt from income taxes under the provisions of the Income Tax Act as a Not-For-Profit organization.

Financial Instruments

The Association initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	\$ 896	\$ 448	\$ 448	\$ 747
Furniture and equipment	48,570	48,389	181	226
Database software under development	2,940	-	2,940	2,940
	\$ 52,406	\$ 48,837	\$ 3,569	\$ 3,913

4. DEFERRED REVENUE

Represents 2016 membership fees received in 2015. During the year, the Association changed its policy with respect to the timing of the revenue recognition of membership fees paid on a monthly basis. The monthly membership fees are now recognized into revenue in the month following payment instead of being recognized into revenue in the month of payment. The new policy had the impact of increasing deferred revenue and decreasing membership fees revenue by \$8,378 this year.

BRITISH COLUMBIA ASSOCIATION OF SOCIAL WORKERS

Notes to Financial Statements

Year Ended December 31, 2015

(Unaudited)

5. COMMITMENTS

Current premises are subleased at a monthly rate of \$505 plus operating expenses (a current total of \$1,320 per month) for a term of five years, ending December 31, 2017.

6. CONTROLLED BRANCHES

The Association has nine regional branches responsible for facilitating local informational and social events. Funding is provided to the branches according to the budget or as approved by the executive.

Since the amounts related to activities carried out by the regional branches are negligible, management considers that disclosing additional information about the regional branches would not add any useful information to the financial statements.

7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2015.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Association not being able to liquidate assets in a timely manner at a reasonable price.

The Association meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financial activities and holding assets that can be readily converted to cash.

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 is comprised of currency risk, interest rate risk and other price risk. The Association is not significantly exposed to any of these risks.