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**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2016**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of:  
The College of Midwives of British Columbia

We have audited the accompanying financial statements of The College of Midwives of British Columbia which comprise the statement of financial position as at March 31, 2016, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and the related notes comprising 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 our 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, we consider 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 in our audit 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 The College of Midwives of British Columbia as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

July 19, 2016

**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2016**

|  | <b>2016</b>  | <b>2015</b> |
|--|--------------|-------------|
| <b>ASSETS</b>                                    |              |             |
| CURRENT ASSETS                                   |              |             |
| Cash and equivalents                             | \$ 1,235,730 | \$ 592,413  |
| Accounts receivable                              | 14,876       | 2,557       |
| Prepaid expenses                                 | 6,686        | 13,129      |
|  | 1,257,292    | 608,099     |
| TANGIBLE AND INTANGIBLE CAPITAL ASSETS (Note 4)  | 87,900       | 22,279      |
| PREPAID RENT EXPENSE                             | 5,216        | 5,216       |
|  | \$ 1,350,408 | \$ 635,594  |
| <b>LIABILITIES</b>                               |              |             |
| CURRENT LIABILITIES                              |              |             |
| Accounts payable and accrued liabilities         | \$ 33,635    | \$ 37,139   |
| Deferred revenue (Note 5)                        | 651,825      | 86,573      |
|  | 685,460      | 123,712     |
| COMMITMENTS (Note 6)                             |              |             |
| CONTINGENT LIABILITY (Note 7)                    |              |             |
| <b>NET ASSETS</b>                                |              |             |
| UNRESTRICTED                                     | 121,095      | 55,275      |
| INTERNALLY RESTRICTED                            | 629,175      | 603,620     |
| CANADIAN MIDWIFERY REGISTRATION EXAMINATION FUND | 117,626      | 55,935      |
| ASSESSMENT FUND                                  | (202,948)    | (202,948)   |
|  | 664,948      | 511,882     |
|  | \$ 1,350,408 | \$ 635,594  |

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

|  |                   |                       |  |                     | 2016              | 2015              |
|--|-------------------|-----------------------|--|---------------------|-------------------|-------------------|
|  | Unrestricted      | Internally Restricted | Canadian Midwifery Registration Examination Fund | Assessment Fund     | Total             | Total             |
| BALANCE, BEGINNING OF YEAR                   | \$ 55,275         | \$ 603,620            | \$ 55,935  | \$ (202,948)        | \$ 511,882        | \$ 455,834        |
| Excess (deficiency) of revenue over expenses | 94,045            | (1,670)               | 60,691   | -                   | 153,066           | 56,048            |
| Transfer from restricted funds               | 50,000            | (50,000)              | -  | -                   | -                 | -                 |
| Transfers to restricted funds                | (78,225)          | 77,225                | 1,000  | -                   | -                 | -                 |
| <b>BALANCE, END OF YEAR</b>                  | <b>\$ 121,095</b> | <b>\$ 629,175</b>     | <b>\$ 117,626</b>                                | <b>\$ (202,948)</b> | <b>\$ 664,948</b> | <b>\$ 511,882</b> |



**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2016**

|  | <b>2016</b>       | <b>2015</b>      |
|--|-------------------|------------------|
| <b>REVENUE</b>   |                   |                  |
| Registration fees                                      | \$ 579,712        | \$ 520,657       |
| Grant - Ministry of Health BC                          | 160,000           | 160,000          |
| Application fees, rent, interest and other             | 43,124            | 41,998           |
|  | <b>782,836</b>    | <b>722,655</b>   |
| <b>PERSONNEL COSTS</b>                                 |                   |                  |
| Salaries and benefits                                  | 450,029           | 452,088          |
| Travel, professional development and other             | 5,807             | 12,581           |
| Recruitment  | -                 | 4,726            |
|  | <b>455,836</b>    | <b>469,395</b>   |
| <b>BOARD AND COMMITTEE EXPENSES (Note 8)</b>           | <b>26,956</b>     | <b>39,331</b>    |
| <b>OPERATING EXPENSES</b>                              |                   |                  |
| Rent and utilities                                     | 64,545            | 65,882           |
| Bank charges and interest                              | 28,584            | 10,848           |
| Library, exam marking, members' meeting and other      | 19,025            | 7,228            |
| Amortization   | 13,643            | 7,016            |
| Communications   | 13,369            | 15,449           |
| Office expenses and small equipment                    | 9,744             | 6,969            |
| Systems  | 8,392             | 11,618           |
| Loss on disposal of capital assets                     | -                 | 1,716            |
|  | <b>157,302</b>    | <b>126,726</b>   |
| <b>LEGAL, PROFESSIONAL AND INSURANCE</b>               |                   |                  |
| Membership, CMRC travel and HPRB review                | 19,961            | 16,639           |
| Projects   | 7,902             | 4,056            |
| Accounting and audit                                   | 7,258             | 12,123           |
| Legal  | 6,161             | 16,740           |
| Insurance  | 5,797             | 5,540            |
| Training and investigations                            | 3,288             | 1,939            |
|  | <b>50,367</b>     | <b>57,037</b>    |
|  | <b>690,461</b>    | <b>692,489</b>   |
| <b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b> | <b>92,375</b>     | <b>30,166</b>    |
| <b>CANADIAN MIDWIFERY REGISTRATION EXAMINATION</b>     |                   |                  |
| Revenue  | 105,688           | 95,825           |
| Exam administration                                    | (29,091)          | (26,338)         |
| Project costs  | (12,148)          | (12,721)         |
| Exam content renewal                                   | (3,758)           | (30,884)         |
|  | <b>60,691</b>     | <b>25,882</b>    |
| <b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>    | <b>\$ 153,066</b> | <b>\$ 56,048</b> |



**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

|  | 2016         | 2015       |
|--|--------------|------------|
| CASH FROM (USED IN):                                       |              |            |
| OPERATING ACTIVITIES                                       |              |            |
| Excess of revenue over expenses for the year               |              |            |
| Operations   | \$ 92,375    | \$ 30,166  |
| Canadian Midwifery Registration Examination                | 60,691       | 25,882     |
|  | 153,066      | 56,048     |
| Items not involving cash:                                  |              |            |
| Amortization   | 13,643       | 7,016      |
| Loss on disposal of tangible and intangible capital assets | -            | 1,716      |
|  | 166,709      | 64,780     |
| Change in non-cash working capital items:                  |              |            |
| Accounts receivable  | (12,319)     | 161,405    |
| Prepaid expenses   | 6,443        | (10,840)   |
| Accounts payable and accrued liabilities                   | (3,504)      | (22,930)   |
| Deferred revenue   | 565,252      | 86,240     |
|  | 722,581      | 278,655    |
| INVESTING ACTIVITY   |              |            |
| Purchase of tangible and intangible capital assets         | (79,264)     | (4,013)    |
| INCREASE IN CASH AND EQUIVALENTS<br>DURING THE YEAR        | 643,317      | 274,642    |
| CASH AND EQUIVALENTS, BEGINNING OF YEAR                    | 592,413      | 317,771    |
| CASH AND EQUIVALENTS, END OF YEAR                          | \$ 1,235,730 | \$ 592,413 |



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**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**PURPOSE OF THE ORGANIZATION**

The College of Midwives of British Columbia (the "College") was established in March of 1995, following approval of the practice of midwifery as a designated Health Profession under the Health Professions Act. The College is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The College's responsibilities include regulating the profession of midwifery and protecting the public by developing a code of ethics, reviewing complaints, and setting standards of practice, education, and qualifications for registration.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Financial instruments

i) Measurement

The College's financial instruments consist of cash and equivalents, accounts receivable and accounts payable. The College initially measures all its financial assets and liabilities at fair value. The College subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

b) Cash and equivalents

Cash and equivalents consist of cash on deposit and short-term deposits with maturity dates of less than 90 days.



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**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Tangible and intangible capital assets

Tangible and intangible capital assets are recorded at historical cost and amortized over their estimated useful lives applying the declining balance method at the following annual rates:

|                    |     |
|--------------------|-----|
| Computer equipment | 30% |
| Information system | 20% |
| Office equipment   | 20% |

The College monitors the recoverability of tangible and intangible capital assets based on their long-term service potential. When a tangible or intangible capital asset no longer has any long-term service potential to the College, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

d) Revenue recognition

The College follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Registration fees are recognized as revenue in the year to which they relate.

Deferred revenue represents restricted funding received that is related to a subsequent period. Restricted funding for the purchase of capital assets that will be amortized is deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

e) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for computing amortization, the amounts recorded as accrued liabilities, and the recognition of deferred revenue.





**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**2. FUNDS, PROGRAMS AND PROJECTS**

The College presents its financial statements using fund accounting. The three main funds presented are the Operations Fund, Canadian Midwifery Registration Examination Fund ("CMRE") and Assessment Program Fund. Further divisions within each fund are explained in the fund descriptions provided below.

a) Operations Fund

The Operations Fund encompasses all of the activities of the College except for CMRE and the Assessment Program. The net assets of the Operations Fund have been invested in capital assets and reserved into internally restricted funds which further classify into adjudicative disciplinary, adjudicative review, aboriginal, quality assurance program, midwifery scope and model practice review and database to deal with different needs and activities.

Net assets in excess of the amounts invested in capital assets and internally restricted for specific purposes are presented as unrestricted.

b) Canadian Midwifery Registration Examination Fund

The College manages, maintains and provides financial oversight of the CMRE on behalf of the Canadian Midwifery Regulators Council.

c) Assessment Program Fund

The Assessment Program was developed primarily to support the assessment of internationally-educated midwives. The deficit related to this program has accumulated since April 2005, reached its current level in March 2010 and continues to be tracked as a separate component of the College's net assets.

**3. FINANCIAL INSTRUMENTS RISKS**

The College's financial instruments are described in Note 1(a). In management's opinion, the College is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks. In addition, the College is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

**4. TANGIBLE AND INTANGIBLE CAPITAL ASSETS**

|                    |                   |                             |                   | <b>2016</b>       | <b>2015</b> |
|--------------------|-------------------|-----------------------------|-------------------|-------------------|-------------|
|                    | Cost              | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |             |
| Computer equipment | \$ 64,400         | \$ 55,576                   | \$ 8,824          | \$ 12,606         |             |
| Information system | 73,667            | 7,367                       | 66,300            | -                 |             |
| Equipment          | 54,469            | 41,693                      | 12,776            | 9,673             |             |
|                    | <b>\$ 192,536</b> | <b>\$ 104,636</b>           | <b>\$ 87,900</b>  | <b>\$ 22,279</b>  |             |



**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

5. DEFERRED REVENUE

|                              | <b>2016</b>       | <b>2015</b>      |
|------------------------------|-------------------|------------------|
| Balance, beginning of year   | \$ 86,573         | \$ 333           |
| Cash received                | 651,825           | 86,573           |
| Amount recognized as revenue | (86,573)          | (333)            |
|                              | <b>\$ 651,825</b> | <b>\$ 86,573</b> |

6. COMMITMENTS

The College rents its premises under a long-term lease, which expires April 30, 2020. The minimum lease payments excluding operating costs during the next five years are anticipated to be as follows:

|      |           |
|------|-----------|
| 2017 | \$ 36,600 |
| 2018 | 36,600    |
| 2019 | 39,745    |
| 2020 | 40,031    |
| 2021 | 3,336     |

7. CONTINGENT LIABILITY

On March 31, 2015 a claim was filed by a former employee against the College in respect of amounts allegedly due to the employee for wrongful dismissal. The outcome and related dollar amounts in respect of this matter are not presently determinable and accordingly, no amounts have been recorded in the financial statements for the year ended March 31, 2016. The College has notified its insurance carrier with respect to this matter and anticipates that any loss accruing to the College will be recovered under its insurance coverage. Any unrecovered amounts will be recorded as an expense in the period determined.

8. BOARD AND COMMITTEE EXPENSES

|                       | <b>2016</b>      | <b>2015</b>      |
|-----------------------|------------------|------------------|
| Board and Executive   | \$ 18,280        | \$ 24,283        |
| Inquiry               | 5,819            | 9,845            |
| Quality Assurance     | 1,013            | 1,798            |
| Aboriginal            | 699              | 300              |
| Standards of Practice | 687              | 1,520            |
| Registration          | 458              | 1,585            |
|                       | <b>\$ 26,956</b> | <b>\$ 39,331</b> |

