
**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**





INDEPENDENT AUDITORS' REPORT

To the Registrants 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, 2018, 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 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, 2018, 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

June 11, 2018

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 1,570,252	\$ 1,479,465
Accounts receivable	2,541	1,764
Prepaid expenses	2,134	2,731
	<u>1,574,927</u>	<u>1,483,960</u>
TANGIBLE AND INTANGIBLE CAPITAL ASSETS (Note 4)	125,656	80,980
PREPAID RENT EXPENSE	5,216	5,216
	<u>\$ 1,705,799</u>	<u>\$ 1,570,156</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 41,911	\$ 41,349
Deferred revenue (Note 5)	770,747	726,064
	<u>812,658</u>	<u>767,413</u>

COMMITMENTS (Note 6)

NET ASSETS

UNRESTRICTED	164,971	94,573
INTERNALLY RESTRICTED	536,227	536,227
CANADIAN MIDWIFERY REGISTRATION EXAMINATION FUND	191,943	171,943
	<u>893,141</u>	<u>802,743</u>
	<u>\$ 1,705,799</u>	<u>\$ 1,570,156</u>

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, 2018

				2018	2017
	Unrestricted	Internally Restricted	Canadian Midwifery Registration Examination Fund	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 94,573	\$ 536,227	\$ 171,943	\$ 802,743	\$ 664,948
Excess of revenue over expenses for the year	71,398	-	19,000	90,398	137,795
Fund transfers	(1,000)	-	1,000	-	-
BALANCE, END OF YEAR	\$ 164,971	\$ 536,227	\$ 191,943	\$ 893,141	\$ 802,743



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUE		
Registration fees	\$ 735,124	\$ 660,503
Grant - Ministry of Health BC	80,000	120,000
Application fees, rent, interest and other	47,727	37,959
	862,851	818,462
PERSONNEL COSTS		
Salaries and benefits	481,143	452,433
Travel, professional development and other	9,495	12,832
	490,638	465,265
BOARD AND COMMITTEE EXPENSES (Note 7)	38,776	44,588
OPERATING EXPENSES		
Rent and utilities	66,241	65,168
Amortization	23,623	19,514
Bank charges and interest	20,842	18,351
Systems	16,634	26,996
Library, exam marking, members' meeting and other	12,282	6,516
Communications	9,385	10,585
Office expenses and small equipment	7,525	10,023
	156,532	157,153
LEGAL, PROFESSIONAL AND INSURANCE		
Projects	35,745	15,334
Legal	25,866	12,517
Membership, CMRC travel and HPRB review	22,085	20,425
Accounting and audit	9,030	10,754
Training and investigations	7,236	2,595
Insurance	5,545	5,353
	105,507	66,978
	791,453	733,984
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	71,398	84,478
CANADIAN MIDWIFERY REGISTRATION EXAMINATION		
Revenue	100,438	98,938
Exam content renewal	(35,245)	(3,208)
Exam administration	(34,080)	(31,275)
Project costs	(12,113)	(11,138)
	19,000	53,317
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 90,398	\$ 137,795



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year		
Operations	\$ 71,398	\$ 84,478
Canadian Midwifery Registration Examination	19,000	53,317
	90,398	137,795
Items not involving cash:		
Amortization	23,623	19,514
	114,021	157,309
Change in non-cash working capital items:		
Accounts receivable	(777)	13,112
Prepaid expenses	597	3,955
Accounts payable and accrued liabilities	562	7,714
Deferred revenue	44,683	74,239
	159,086	256,329
INVESTING ACTIVITY		
Purchase of tangible and intangible capital assets	(68,299)	(12,594)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	90,787	243,735
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,479,465	1,235,730
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,570,252	\$ 1,479,465



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

PURPOSE OF THE ORGANIZATION

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

CMBC'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

CMBC's financial instruments consist of cash and equivalents, accounts receivable and accounts payable. CMBC initially measures all its financial assets and liabilities at fair value. CMBC 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 which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

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%
Equipment	20%

CMBC 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 CMBC, 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

CMBC 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, 2018

2. FUNDS, PROGRAMS AND PROJECTS

CMBC presents its financial statements using fund accounting. The two main funds presented are the Operations Fund and the Canadian Midwifery Registration Examination Fund ("CMRE"). 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 CMBC except for CMRE. 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 and unauthorized practice to deal with different needs and activities.

Net assets in excess of the amounts internally restricted for specific purposes and as described in (b) below are presented as unrestricted.

b) Canadian Midwifery Registration Examination Fund

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

3. FINANCIAL INSTRUMENTS RISKS

CMBC's financial instruments are described in Note 1(a). In management's opinion, CMBC is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks. In addition, CMBC 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

			2018		2017
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer equipment	\$ 23,636	\$ 19,457	\$ 4,179	\$	5,971
Information system	155,020	41,720	113,300		64,788
Equipment	54,469	46,292	8,177		10,221
	\$ 233,125	\$ 107,469	\$ 125,656	\$	80,980

5. DEFERRED REVENUE

	2018		2017
Balance, beginning of year	\$ 726,064	\$	651,825
Cash received	770,747		726,064
Amount recognized as revenue	(726,064)		(651,825)
	\$ 770,747	\$	726,064



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

6. COMMITMENTS

CMBC rents its premises under a long-term lease, which expires April 30, 2020 and is committed to contributing funds to the University of British Columbia Midwifery Continuing Professional Development Program (the "Program") in October 2018. The minimum lease payments, excluding operating costs and the Program commitment are anticipated to be as follows:

2019	\$	72,245
2020	\$	40,031
2021	\$	3,336

7. BOARD AND COMMITTEE EXPENSES

		2018		2017
Board and Executive	\$	22,193	\$	31,073
Inquiry		11,353		8,605
Quality Assurance		2,243		1,601
Standards of Practice		1,254		2,111
Registration		1,114		958
Aboriginal		419		240
Client Relations		200		-
	\$	38,776	\$	44,588

