
**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2019**



INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2019, 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.

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, 2019, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 and fair presentation 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 College's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditors' 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 College'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 College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 3, 2019

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 1,477,729	\$ 1,570,252
Accounts receivable	7,223	2,541
Prepaid expenses	2,163	2,134
	1,487,115	1,574,927
TANGIBLE AND INTANGIBLE CAPITAL ASSETS (Note 4)	93,733	125,656
PREPAID RENT EXPENSE	5,216	5,216
	\$ 1,586,064	\$ 1,705,799
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 91,128	\$ 41,911
Deferred revenue (Note 5)	732,824	770,747
	823,952	812,658
COMMITMENTS (Note 6)		
NET ASSETS		
UNRESTRICTED	125,622	164,971
INTERNALLY RESTRICTED (Note 7)	466,214	536,227
CANADIAN MIDWIFERY REGISTRATION EXAMINATION FUND	170,276	191,943
	762,112	893,141
	\$ 1,586,064	\$ 1,705,799

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, 2019

				2019	2018
	Unrestricted	Internally Restricted (Note 7)	Canadian Midwifery Registration Examination Fund	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 164,971	\$ 536,227	\$ 191,943	\$ 893,141	\$ 802,743
Excess (deficiency) of revenue over expenses for the year	(38,349)	(70,013)	(22,667)	(131,029)	90,398
Fund transfers	(1,000)	-	1,000	-	-
BALANCE, END OF YEAR	\$ 125,622	\$ 466,214	\$ 170,276	\$ 762,112	\$ 893,141

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
Registration fees	\$ 757,217	\$ 735,124
Grant - Ministry of Health BC	-	80,000
Application fees, rent, interest and other	67,578	47,727
	824,795	862,851
PERSONNEL COSTS		
Salaries and benefits	516,862	481,143
Travel, professional development and other	19,625	9,495
	536,487	490,638
BOARD AND COMMITTEE EXPENSES (Note 8)	42,585	38,776
OPERATING EXPENSES		
Rent and utilities	74,155	66,241
Systems	25,071	16,634
Library, exam marking, registrants' meeting and other	24,742	12,282
Amortization	23,818	23,623
Bank charges and interest	22,164	20,842
Communications	6,296	9,385
Office expenses and small equipment	5,856	7,525
Loss on disposal of capital assets	4,000	-
	186,102	156,532
LEGAL, PROFESSIONAL AND INSURANCE		
Legal (Note 7)	70,581	25,866
Projects (Note 7)	59,620	35,745
Membership, CMRC travel and HPRB review	20,657	22,085
Accounting and audit	8,327	9,030
Insurance	5,679	5,545
Training and investigations	3,119	7,236
	167,983	105,507
	933,157	791,453
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(108,362)	71,398
CANADIAN MIDWIFERY REGISTRATION EXAMINATION		
Revenue	99,750	100,438
Exam content renewal	(73,837)	(35,245)
Exam administration	(33,544)	(34,080)
Project costs	(15,036)	(12,113)
	(22,667)	19,000
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (131,029)	\$ 90,398

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year		
Operations	\$ (108,362)	\$ 71,398
Canadian Midwifery Registration Examination	(22,667)	19,000
	(131,029)	90,398
Items not involving cash:		
Amortization	23,818	23,623
Loss on disposal of capital assets	4,000	-
	(103,211)	114,021
Change in non-cash working capital items:		
Accounts receivable	(4,682)	(777)
Prepaid expenses	(29)	597
Accounts payable and accrued liabilities	49,216	562
Deferred revenue	(37,923)	44,683
	(96,629)	159,086
INVESTING ACTIVITIES		
Proceeds from disposal of capital assets	4,747	-
Purchase of tangible and intangible capital assets	(641)	(68,299)
	4,106	(68,299)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR		
	(92,523)	90,787
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,570,252	1,479,465
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,477,729	\$ 1,570,252

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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, 2019

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, 2019

2. 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 or other market risks arising from these financial instruments. 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.

a) Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The College is exposed to credit risk through its accounts receivable. The College mitigates risk by maintaining a low balance of accounts receivable.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from registrants and other related sources in order to meet its obligations associated with its accounts payable. The College mitigates its exposure to liquidity risk by ensuring that it documents when authorized payments become due and monitors its cash balances and cash flows generated from operations against its anticipated, committed and contemplated outflows.

(c) 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: interest rate risk, currency risk, and other price risk.

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The College is exposed to interest rate risk through its term deposits. The College mitigates risk by investing in fixed rate term deposits with minimal risk.

ii) Currency risk

Currency risk is the risk to the College's earnings that might arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. The College is not exposed to currency risk.

iii) Other price risk

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 College is not exposed to other price risk.

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. 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, indigenous midwifery, 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.

4. TANGIBLE AND INTANGIBLE CAPITAL ASSETS

			2019			2018
	Cost	Accumulated Amortization	Net Book Value			Net Book Value
Computer equipment	\$ 20,346	\$ 17,744	\$ 2,602	\$		4,179
Information system	153,561	63,312	90,249			113,300
Equipment	1,914	1,032	882			8,177
	\$ 175,821	\$ 82,088	\$ 93,733	\$		125,656

5. DEFERRED REVENUE

			2019			2018
Balance, beginning of year			\$ 770,747	\$		726,064
Cash received			732,824			770,747
Amount recognized as revenue			(770,747)			(726,064)
			\$ 732,824	\$		770,747

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

6. COMMITMENTS

CMBC rents its premises under a long-term lease, which expires November 30, 2023. Additionally, the College is under a second long-term lease, which expires April 30, 2020. The College no longer occupies this second premises and subleases the premises to a third party for an amount equal to the cost. The minimum lease payments, netted by the income to be received from the sublease, for the following five years, excluding operating costs are anticipated to be as follows:

2020	\$	35,253
2021	\$	36,120
2022	\$	36,987
2023	\$	37,854
2024	\$	25,814

7. INTERNALLY RESTRICTED FUND

Adjudicative Disciplinary Fund

		2019		2018
BALANCE, BEGINNING OF YEAR	\$	359,249	\$	409,249
Transfer to Unauthorized Practice Fund		-		(50,000)
BALANCE, END OF YEAR	\$	359,249	\$	359,249

Adjudicative Review Fund

		2019		2018
BALANCE, BEGINNING OF YEAR	\$	35,822	\$	35,822
BALANCE, END OF YEAR	\$	35,822	\$	35,822

Indigenous Midwifery Fund

		2019		2018
BALANCE, BEGINNING OF YEAR	\$	10,000	\$	10,000
BALANCE, END OF YEAR	\$	10,000	\$	10,000

Quality Assurance Program Fund

		2019		2018
BALANCE, BEGINNING OF YEAR	\$	81,156	\$	81,156
QA projects		(20,013)		-
BALANCE, END OF YEAR	\$	61,143	\$	81,156

Unauthorized Practice Fund

		2019		2018
BALANCE, BEGINNING OF YEAR	\$	50,000	\$	-
Legal expenses		(50,000)		-
Transfer from Adjudicative Disciplinary Fund		-		50,000
BALANCE, END OF YEAR	\$	-	\$	50,000

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

8. BOARD AND COMMITTEE EXPENSES

	2019		2018
Board and Executive	\$ 21,315	\$	22,193
Inquiry	14,539		11,353
Quality Assurance	3,684		2,243
Registration	1,802		1,114
Standards of Practice	885		1,254
Indigenous Midwifery	360		419
Client Relations	-		200
	<hr/>		<hr/>
	\$ 42,585	\$	38,776
