



The College of Midwives of Alberta

AUDITED FINANCIAL STATEMENTS

2014

Financial Statements of



For the years ended December 31, 2014 and 2013

INDEPENDENT AUDITOR'S REPORT

To the Members and Board of Directors of the College of Midwives of Alberta,

I have audited the accompanying financial statements of the College of Midwives of Alberta, which comprise the Statement of Financial Position as at December 31, 2014 and 2013, the Statement of Operations, Changes in Net Assets, and Cash Flows for the years ended December 31, 2014 and 2013, 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.

Auditor's Responsibility


My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the College of Midwives of Alberta as at December 31, 2014 and 2013 and the results of its operations, changes in fund balances and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Dwayne Vinck, Chartered Accountant
Calgary, Canada
April 16, 2015

College of Midwives of Alberta

Statement of Financial Position as at December 31, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 141,472	\$ 113,415
Hearing investment fund	85,803	80,238
Health Disciplines Board Hearing fund (notes 4, 6)	14,892	-
Account receivable	33,605	32,335
Prepaid expenses and deposits	5,818	4,553
	<u>281,590</u>	<u>230,541</u>
Furniture and equipment (note 3)	8,432	8,988
Total assets	<u>\$ 290,022</u>	<u>\$ 239,529</u>

Liabilities

Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,312	\$ 10,907
Deferred revenue (note 4)	176,900	152,732
	<u>185,212</u>	<u>163,639</u>
Total liabilities	<u>\$ 185,212</u>	<u>\$ 163,639</u>

Net Assets	<u>\$ 104,810</u>	<u>\$ 75,890</u>
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Economic dependence (note 9)
Commitments (note 10)


Net Assets Represented by

Internally restricted – Hearing Fund	\$ 10,238	\$ 5,238
Unrestricted General Fund	94,572	70,652
	<u>\$ 104,810</u>	<u>\$ 75,890</u>

See accompanying notes to financial statements.

On behalf of the Board:





Director

Director

College of Midwives of Alberta

Statement of Operations for the Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Member registration fees	\$ 101,008	\$ 76,550
Courses of care	119,630	114,778
Grants		
Alberta Health (note 6)	35,300	80,000
Alberta Association of Midwives (note 7)	-	35,000
Education program application fees	20,300	-
Application fees	13,348	6,000
Objective Structured Clinical Exam fees	20,100	21,200
Other Exam fees	6,750	9,000
Service fees	90	235
Interest Income	759	241
	317,285	343,004
Expenses		
Canadian Midwifery Regulators exam	6,750	9,000
Canadian Midwifery Regulators Consortium	3,054	3,344
Objective Structured Clinical Exam costs	27,212	23,601
Board and Committee	8,834	9,312
Mediation	-	1,150
Hearings	3,293	-
Staff wages and benefits	78,570	77,737
Advertising and promotion	1,338	404
Bank fees	57	84
Business taxes	415	-
Computer	1,526	373
Amortization and depreciation	1,685	1,498
Dues and subscriptions	500	1,000
Insurance	7,068	4,047
Meals and entertainment	813	326
Miscellaneous	(11)	59
Office supplies	1,111	2,091
Postage and delivery	1,127	1,891
Printing and reproduction	2,500	4,434
Legal	75,157	72,672
Education Program Assessment	13,832	5,000
Assessors / Committee training	752	3,189
Consulting	3,350	500
Public Relations workshop	-	3,150
Investigations	18,140	-

College of Midwives of Alberta

Statement of Operations for the Years Ended December 31, 2014 and 2013 (continued)

	2014	2013
Office rent	16,794	15,886
Repairs	370	32
Telephone	1,831	1,588
Travel	6,133	7,303
Audit and accounting fees	4,558	5,605
Start-up expenses (note 7)	-	14,678
GST	1,606	(2,840)
	288,365	267,114
Revenue in Excess of Expenses	\$ 28,920	\$ 75,890

College of Midwives of Alberta

Statement of Changes in Net Assets for the Years Ended December 31, 2014 and 2013

	2014	2013
Internally restricted – Hearing Fund		
Balance, beginning of year	\$ 5,238	\$ -
Transferred from General Fund	5,000	5,238
Balance, end of year	10,238	\$ 5,238
Unrestricted – General Fund		
Balance, beginning of year	\$ 70,652	\$ -
Revenues in excess of expenses	28,920	75,890
Transferred to Hearing Fund	(5,000)	(5,238)
Balance, end of year	\$ 94,572	\$ 70,652
Net assets, end of year	\$ 104,810	\$ 75,890

See accompanying notes to financial statements.

College of Midwives of Alberta

Statement of Cash Flows for the Years Ended December 31, 2014 and 2013

	2014	2013
<hr/>		
Operating activities		
General fund from operations	\$ 28,920	\$ 75,890
Add back – Amortization and depreciation	1,685	1,498
Changes in working capital (note 8)	19,038	126,751
	<hr/> 49,643	<hr/> 204,139
Investing activities		
Hearing investment fund	\$ (5,565)	\$ (80,238)
Furniture and equipment purchases	(1,129)	(10,486)
Health Disciplines Board Hearing fund	(14,892)	-
	<hr/> (21,586)	<hr/> (90,724)
Increase in cash during year	\$ 28,057	\$ 113,415
Cash balance, beginning of year	113,415	-
	<hr/> \$ 141,472	<hr/> 113,415

See accompanying notes to financial statements.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2014 and 2013

1. Nature of operations:

The College of Midwives of Alberta ("the College") was created on January 1, 2013 and is a not-for-profit association with a duty to public safety and to the midwives of Alberta, to support them in the provision of safe and effective midwifery services. The College is a regulatory body mandated to serve and protect the public interest by regulating midwifery practice in accordance with the Health Disciplines Act, the Midwifery Regulation, the Standards of Competency and Practice, the Bylaws of the College and any other relevant legislation. The goal of the College is to register qualified, competent midwives to provide safe, high quality care to women and their families in the province of Alberta.

2. Adoption of new accounting framework, significant accounting policies, judgments and estimation uncertainty:

(a) Basis of presentation and measurement and adoption of Canadian accounting standards for not-for-profit organizations:

On January 1, 2013, the CMA adopted the new Canadian accounting standards for not-for-profit organizations (the "new standards") issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") and set out in Part III of the CICA Handbook.

Use of estimates - The significant area requiring the use of management estimates is accounts receivable allowance for doubtful accounts and deferred revenues.

These financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Financial results as determined by actual events may differ from these estimates. These financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(b) Capital disclosures:

The College discloses information about its objectives, policies and processes for managing capital, quantitative information about what the College regards as capital and information regarding its compliance with any externally imposed capital requirements and the consequences of any non-compliance. (See note 6).

(c) Financial instruments presentation and disclosure:

All financial instruments must be classified as one of the following five categories: loans and receivables; held-to-maturity investments; held-for-trading instruments; available-for-sale financial assets; or other financial liabilities. All financial instruments are initially recognized on the statement of financial position at fair value. Subsequent measurement will depend on their initial classification.

Cash, Hearing investment funds, and Health Disciplines Board Hearing funds are designated as held-for-trading and are measured at fair value, which approximates carrying value. Accounts receivable are designated as loans and receivables and are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, and deferred revenues are designated as other liabilities.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2014 and 2013

(d) Revenue recognition

Membership fee revenue is recognized as revenue over the period to which it relates. Membership fee revenues received prior to the due date are recorded as deferred revenue.

Government grant revenue and Alberta Association of Midwives grant revenues are recognized as revenue over the period to which it relates. Government grant revenue and Alberta Association of Midwives grant revenues received which apply to a subsequent period are recorded as deferred revenue and subsequently recognized as revenue over the period to which they relate. Restricted grants are recognized as revenue in the year in which the related expenses are incurred.

Volunteer contributed services

The College receives volunteer services in carrying out its activities which are not recognized in the financial statements.

Expense recognition

Expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they are incurred, whether or not such transactions have been finally settled.

(e) Fund accounting

The College maintains the following funds:

i) General fund: To account for all revenues, expenses, assets and liabilities related to the operation of the College.

ii) Internally Restricted Hearing fund: To account for all revenues, expenses, assets and liabilities related to Hearings conducted by the College. This fund is comprised of two GIC's and a general savings account.

(f) Income taxes

No provision for income taxes has been made in these financial statements as the College is not subject to income taxes.

(g) Capital assets

Furniture and equipment are recorded at historical cost. Amortization and depreciation is provided on a straight-line basis over seven years, which represents the estimated useful lives of the assets. Depreciation rates, estimates lives and salvage values are reassessed annually.

3. Furniture and Equipment

	2014	2013
Furniture and Equipment		
Cost	11,615	\$ 10,486
Accumulated amortization and depreciation	(3,183)	(1,498)
	\$ 8,432	8,988

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2014 and 2013

4. Deferred revenue

As at December 31, 2014 and 2013 the College has received the following amounts which relate to subsequent periods:

	2014	2013
Deferred revenue		
Membership fees received in advance	\$ 87,200	\$ 77,732
Hearings fund	75,000	75,000
Health Disciplines Board Hearing fund grant	14,700	-
	\$ 176,900	\$ 152,732

The College has a Health Disciplines Board Hearing grant funding agreement with Alberta Health where the College is to use up to \$135,000 for costs incurred to hold specific disciplinary hearings. As of December 2014, \$50,000 of this grant had been received and \$35,300 in grant revenues recognized and related expenses incurred. The balance of \$85,000 was received January 30, 2015. The funds are required to be maintained in a separate interest bearing account and used only for costs to hold the specific disciplinary hearings.

5. Financial risk exposure, risk management and financial instruments

Fair value

Financial instruments of the College consist primarily of cash, Hearing investment funds, Health Disciplines Board Hearing fund, accounts receivable, accounts payable and accrued liabilities, and deferred revenues. As at December 31, 2014 and 2013, there were no significant differences between the carrying amounts reported on the statement of financial position and their estimated fair values.

Liquidity risk

The College maintains sufficient cash on hand to meet current liabilities.

Interest rate risk

The College has no interest bearing debt. Cash and investments bear interest at variable market rate.

Credit risk

Cash and investments are held with one bank. Accounts receivable is comprised predominantly of Course of Care revenue due from Alberta Association of Midwives and GST estimated recoveries. Revenues are presented net of accounts receivable impairment write-downs of \$nil.

Foreign currency risk

The College does not have significant exposure to foreign currency rate risk.

6. Capital Disclosures

The College considers its capital to comprise of its net assets. The College Board of Directors objective for managing capital is to retain sufficient resources to achieve it's mandate while complying with any expenditure compliance requirements of Government or Alberta Association of Midwives grant funding agreements.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2014 and 2013

7. Start-up revenues and expenses

During the period November 1 to December 31, 2012, grant revenues were received and start-up expenses were incurred in order to facilitate the creation of the College. The start-up revenues and expenses have been included in the Statement of Operations for 2013 and are detailed below:

	2013
Revenue	
Grant - Alberta Association of Midwives	\$ 35,000
Start-up expenses (incurred during 2012)	
Board and Committee	150
Staff wages and benefits	8,630
Advertising and promotion	2,483
Bank fees	15
Insurance	504
Meals and entertainment	308
Office supplies	727
Printing and reproduction	230
Office rent	1,257
Travel	374
Total start-up expenses	\$ 14,678

8. Supplementary cash flow information

	2014	2013
Changes in non-cash working capital		
Accounts receivable	\$ (1,270)	\$ (32,335)
Prepaid expenses and deposits	(1,265)	(4,553)
Accounts payable and accrued liabilities	(2,595)	10,907
Deferred revenues	24,168	152,732
	\$ 19,038	\$ 126,751

9. Economic dependence

The College received a significant portion of its 2013 revenue from an \$80,000 government start-up grant, and in 2014, \$50,000 in Health Disciplines Board Hearing fund grants (note 4).

10. Commitments

The College has an operating lease agreement for its office space ending November 30, 2017, requiring annual office lease payments of \$16,343, paid monthly, in advance.

CMA 2015 Budget

Income:		2375 coc	\$118,750.00
		85 members	\$85,000.00
		plea x5	\$7,500.00
		total income	\$211,250.00
1 Office			
	1 Office space rental	1336.79/mth	\$17,496.72
	2 Business Phone line + long distance	Shaw bundle	\$2,200.00
	3 Fax line	Part of Shaw bundle	
	4 Internet access	Part of Shaw bundle	
	5 Conference calling	included in telephone	
	photo ID cards		\$850.00
	6 Office supplies		\$2,500.00
	7 copies / repairs and maintenance		\$200.00
	8 postage		<u>\$1,000.00</u>
	total		\$24,246.72
2 Personnel-regular			
	9 Registrar	.5FTE	\$42,422.00
	10 Executive Director	.5 FTE @ \$27.00 x 20hrs/wk	\$28,080.00
	11 Benefits	Employees Benefits/EI & CPP	\$5,000.00
	12 Admin Ass	.3FTE @ \$15.00 x 15hrs/wk .45 @ \$15x18	\$15,000.00
	13 Bookkeeper	quaterly review	\$2,000.00
	14 Council members: 3 midwives	\$25/hr X 12 mtg/yr X 6hr, 6 meeting/yr	<u>\$3,000.00</u>
	total		\$95,502.00
3 Personnel - Specific functions			
	15 Committee mtgs:	3 comm x 3 mbrs x \$25/hr X #hrs X 12 mtg/yr	
	Reg Comm	Using Cassie's budget as per Cassie	\$1,275.00
	Pr Comm	Using Luba's budget as per Luba	\$5,500.00
	CC Comm	Using Theresa's budget	\$1,600.00
	16 Catering		\$500.00
	17 Written Exams X 2/yr room rental	find space else where	\$0.00
	18 Compaint Investigation	time/travel	\$9,000.00
	19 Consultants (policy writing/Mediation/etc)		\$6,000.00
	20 Audit		\$4,000.00
	21 Legal Council		\$39,000.00
	22 training and inservice		<u>\$2,000.00</u>
	total		\$68,875.00
4 Travel & Accomodation			
	22 CMRC - Registrar & Council President x 5 days:		\$5,000.00
	23 Within Alberta -	meet w/ Gov't, members, committees,etc	<u>\$2,000.00</u>
	total		\$7,000.00
5 Web Site			\$700.00
6 Hearing Fund			\$5,000.00
7 Directors & Officers Liability Ins			\$4,600.00
8 Affiliations			
	25 CMRC		\$4,200.00
	26 FRHPA		<u>\$500.00</u>
	total		\$4,700.00
Total Annual Budget		total expenses	<u><u>\$210,623.72</u></u>
Surplus / (Deficit)			<u><u>\$626.28</u></u>