



The College of Midwives of Alberta

AUDITED FINANCIAL STATEMENTS

2015

Financial Statements of



For the years ended December 31, 2015 and 2014

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, 2015 and 2014, the Statement of Operations, Changes in Net Assets, and Cash Flows for the years ended December 31, 2015 and 2014, 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, 2015 and 2014 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 20, 2016

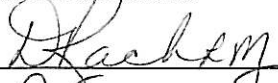
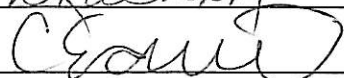
College of Midwives of Alberta

Statement of Financial Position as at December 31, 2015 and 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 337,263	\$ 141,472
Hearing investment fund	81,828	85,803
Health Disciplines Board Hearing fund (notes 4, 6)	-	14,892
Jurisprudence fund	40,491	-
Account receivable	52,043	33,605
Prepaid expenses and deposits	3,772	5,818
	<u>515,397</u>	<u>281,590</u>
Furniture and equipment (note 3)	6,689	8,432
Software (note 4)	6,750	-
Software grant (note 4)	(6,750)	-
Total assets	<u>\$ 522,086</u>	<u>\$ 290,022</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,036	\$ 8,312
Deferred revenue (note 4)	368,579	176,900
	<u>405,615</u>	<u>185,212</u>
Total liabilities	<u>\$ 405,615</u>	<u>\$ 185,212</u>
Net Assets	<u>\$ 116,471</u>	<u>\$ 104,810</u>
Economic dependence (note 9)		
Commitments (note 10)		
Net Assets Represented by		
Internally restricted – Hearing Fund	\$ 15,238	\$ 10,238
Unrestricted General Fund	101,233	94,572
	<u>\$ 116,471</u>	<u>\$ 104,810</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, 2015 and 2014

	2015	2014
Revenue		
Member registration fees	\$ 107,900	\$ 101,008
Courses of care	139,213	119,630
Grants		
Alberta Health (note 6, 9)	99,700	35,300
Occupational Health and Safety Grant	15,000	-
Education program application fees	-	20,300
Application fees	7,500	13,348
Object Structured Clinical Exam fees	-	20,100
Exam fees	52,825	6,750
Service fees	415	90
Interest Income	1,022	759
Total Revenue	423,575	317,285
Expenses		
Canadian Midwifery Regulators exam	\$ 12,000	\$ 6,750
Canadian Midwifery Regulators Consortium	6,258	3,054
Objective Structured Clinical Exam costs	15,926	27,212
Hearings	126,863	3,293
Legal	75,021	75,157
Investigations	-	18,140
Occupational Health and Safety project costs	15,000	-
Staff wages and benefits	88,279	78,570
Board and Committee	7,856	8,834
Education Program Assessment	2,500	13,832
Assessors / Committee training	5,377	752
General and Administration (note 7)	13,909	19,485
Office Rent	18,266	16,794
Insurance	1,026	7,068
Travel	7,191	6,133
Unrecoverable GST	14,700	1,606
Amortization and Depreciation	1,742	1,685
Total Expenses	411,914	288,365
Revenue in Excess of Expenses	\$ 11,661	\$ 28,920

College of Midwives of Alberta

Statement of Changes in Net Assets for the Years Ended December 31, 2015 and 2014

	2015		2014	
Internally restricted – Hearing Fund				
Balance, beginning of year	\$	10,238	\$	5,238
Transferred from General Fund		5,000		5,000
Balance, end of year	\$	15,238	\$	10,238
Unrestricted – General Fund				
Balance, beginning of year	\$	94,572	\$	70,652
Revenues in excess of expenses		11,661		28,920
Transferred to Hearing Fund		(5,000)		(5,000)
Balance, end of year	\$	101,233	\$	94,572
Net assets, end of year	\$	116,471	\$	104,810

See accompanying notes to financial statements.

College of Midwives of Alberta

Statement of Cash Flows for the Years Ended December 31, 2015 and 2014

	2015	2014
Operating activities		
General fund from operations	\$ 11,661	\$ 28,920
Add back – Amortization and depreciation	1,742	1,685
Changes in working capital (note 8)	204,012	19,038
	<u>217,415</u>	<u>49,643</u>
Investing activities		
Hearing investment fund	\$ 3,975	\$ (5,565)
Furniture and equipment purchases	-	(1,129)
Health Disciplines Board Hearing fund	14,892	(14,892)
Jurisprudence fund	(40,491)	-
Software	(6,750)	-
Software Jurisprudence grant amortization	6,750	-
	<u>\$ (21,624)</u>	<u>(21,586)</u>
Increase in cash and cash equivalents during year	\$ 195,791	\$ 28,057
Cash and cash equivalents balance, beginning of year	141,472	113,415
	<u>\$337,263</u>	<u>\$141,472</u>

See accompanying notes to financial statements.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2015 and 2014

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 and cash equivalents, Hearing investment funds, Health Disciplines Board Hearing funds, Jurisprudence funds, and Term deposits 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, 2015 and 2014

(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.

(h) Intangible software assets

Intangible software assets relate to the development of an Alberta Midwifery Culture and Jurisprudence online learning module and examination. When the intangible asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2015 and 2014

3. Furniture and Equipment

	2015	2014
Furniture and Equipment		
Cost	\$ 11,615	\$ 11,615
Accumulated amortization and depreciation	(4,926)	(3,183)
	\$ 6,689	\$ 8,432

4. Deferred revenue

As at December 31, 2015 and 2014 the College has received the following amounts which relate to subsequent periods:

	2015	2014
Deferred revenue		
Membership fees received in advance	\$ 252,750	\$ 87,200
Hearings fund	75,000	75,000
Health Disciplines Board Hearing fund grant	-	14,700
Jurisprudence Grant	40,829	-
	\$ 368,579	\$ 176,900

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 2015, the full amount of the grant had been received, revenues recognized, and related expenses incurred. As of December 2014, \$50,000 of this grant had been received and \$35,300 in grant revenues recognized and related expenses incurred.

The College has a Jurisprudence Grant funding agreement with Alberta Ministry of Jobs, Skills, Training and Labour where the College is to use up to \$95,157 for costs incurred to develop a Midwifery Culture and Jurisprudence online learning module and examination. As of December 31, 2015, \$47,579 has been received and \$6,750 of costs have been incurred, which are recognized as intangible software assets.

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, 2015 and 2014, 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.

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2015 and 2014

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. 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 grant funding agreements.

7. General and Administration

	2015	2014
Advertising and promotion	\$ 549	\$ 1,338
Bank fees	62	57
Business taxes	(415)	415
Computer	203	1,526
Dues and subscriptions	500	500
Meals and entertainment	462	813
Miscellaneous	-	(11)
Office supplies	2,072	1,111
Postage and delivery	1,163	1,127
Printing and reproduction	-	2,500
Consulting	2,200	3,350
Repairs	520	370
Telephone	2,173	1,831
Audit and accounting fees	4,420	4,558
	\$ 13,909	\$ 19,485

8. Supplementary cash flow information

	2015	2014
Changes in non-cash working capital		
Accounts receivable	\$ (18,438)	\$ (1,270)
Prepaid expense and deposits	2,046	(1,265)
Accounts payable and accrued liabilities	28,724	(2,595)
Deferred revenues	191,680	24,168
	\$ 204,012	\$ 19,038

College of Midwives of Alberta

Notes to Financial Statements for the Years Ended December 31, 2015 and 2014

9. Economic dependence

The College received a significant portion of its 2015 revenue from \$85,000 Alberta Health Disciplines Board Hearing fund grants (2014- \$50,000)(note 4). The College has applied for recovery from the Alberta Health Disciplines Board for approximately \$25,000 of Hearings costs incurred in 2015.

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.