



NSCCT

Nova Scotia College of
Counselling Therapists

Annual Report 2020

A Year of Renewal

Contents

Greetings from the Board Chair	2
Greetings from the Registrar	3
Plans and Priorities	4
Meet Your Directors	5
Board Highlights	5
Work in Progress	6
Committee Reports	
Statutory Committees	
Registration Committee	7
Registration Appeals Committee	7
Complaints Committee	8
Professional Standards Committee	8
Reinstatement Committee	9
Ancillary Committees	
Ethics and Practice Standards Sub-Committee	9
Ad Hoc Committee on Policy Renewal	9
Policy and Procedures Committee	10
Public Engagement and Stakeholder Relations Committee	10
Organizational Structure of the College	11
Report of the Independent Auditor	12

Greetings from the Chair

The past year has been a difficult year for our province. First COVID-19 and then a series of traumatic events have taken a toll on our collective health and mental health. Thank you for the amazing work you have been doing to support Nova Scotians through this difficult time. In the wake of this important endeavor, I encourage you to take the time necessary for self care and check-in with colleagues/mentors or supervisors as a regular practice.

I know you join with us in thanking Jeff MacDonald for his years on service on the Board and as Chair. All the best to him as he focuses on his family. As a member of the Board and Vice Chair, I can testify to the diligent work of the Board and our Registrar since joining the Board in February 2020. We have worked closely with the Department of Health and Wellness on COVID-19 protocols and procedures and was a leader amongst our field sharing our work with the Nova Scotia Board of Examiners in Psychology and the Nova Scotia College of Social Workers to help them shape their guidelines to their registrants. In addition, the Department has helped us to focus our attention on being an effective public-interest regulator. They are expecting us to honor, “our mandate to serve and protect the public interest, preserve the integrity of the counselling therapy profession, and maintain public confidence in our ability to regulate ourselves,” articulated in our legislation. Our intention is to meet this expectation. They have identified deficits in our policies and by-laws, and we have revised and/or created new ones in collaboration with them and other stakeholders.

The Board is optimistic about 2021. We are welcoming new Registered Counselling Therapists and/or Registered Counselling Therapist Candidates to the Board of Directors. Just in time, there’s work to be done. We need to solidify our vision statement, core values and competencies. We hope to build bridges to you and get to know our registrants across the province better so we can support your desire to be ethical and effective through dialogues and future educational opportunities. Wishing you all the best in the year to come!

Sincerely,

Ed Wohlmuth M.ED, RCT, CCC
Chair, Board of Directors

Greetings from the Registrar

When I joined NSCCT in December 2019, the College was at a turning point. Our reality was that the continued existence of the College was in question. I was brought on as Registrar because of my many years of interprofessional and interjurisdictional regulatory experience. My assessment was that immediate changes were necessary.

Since that time, we have made significant operational improvements to a number of critical areas, including registration renewal and professional conduct processes. The College moved to a dedicated office space and created a permanent administrative support position. Our Administrative Coordinator, Brittany Snow, has proven to be invaluable in increasing our efficiency and responsiveness. I am grateful for the continuing support of a reinvigorated Board in implementing these changes.

Most important, however, has been our vital refocus on our statutory role as a public interest regulator. I am proud to say that we have finally joined our peer regulators in Nova Scotia in clearly articulating our mandate. Consistent with our discussions with government, this will continue to be our singular focus.

This presents an exciting opportunity not only for the College, but for the profession, as new solutions are developed to meet the needs of both the public and individual counselling therapists. I appreciate the significant support we have received during this transition. As your regulator, we will continue to do our part to protect the citizens of Nova Scotia and the reputation of the profession. Because of this, you can focus on the essential work of improving the mental health of each individual in your care.

Thank you,

Matthew Lafond, BAH, JD
Registrar

Plans and Priorities

Into the near and mid-term future, the Board is committed to strengthening the confidence of government and establishing the College as a model of self-governance among Nova Scotia regulators. To do so will require a clear and focused commitment to our public protection mandate, and the implementation of proven best practices. Over the coming months you will see your Board work to:

1. Ensure that all regulatory policies, processes, services and programs are clear, fair, transparent, effective and efficient.

Meeting the regulatory standards of the *Fair Registration Practices Act* (FRPA) is a priority issue for the College moving into 2021. This year's FRPA review will begin shortly, with the first report due in February 2021. The Board will continue to direct substantial effort to bringing the College into compliance and setting the necessary systems in place to remain compliant in the future. The expanding expectations of the public, government and other stakeholders means increasing accountability for regulators to provide evidence that best practices are being followed.

2. Ensure that concerns and complaints are dealt with in an efficient and fair manner.

The primary legislative mandate of the NSCCT is to ensure the public is protected when seeking or utilizing the professional services of Registered Counselling Therapists in Nova Scotia. The Registrar, Complaints Committee and Professional Conduct Committee are jointly involved in receiving, triaging, investigating and resolving complaints regarding the conduct and competence of RCTs and RCT-Cs. The Board is committed to persisting in its work to enhance capacity to conduct thorough and timely investigations and review of complaints.

3. Ensure that the activities and decisions of the Board on behalf of the College are open and transparent.

The Board has made significant progress towards enhancing the transparency of its work to registrants, the public and other stakeholders. The Board governing a public regulator cannot remain insular. We will continue to seek new ways to enhance participation of registrants in the governance of the College, and to increase regional representation on the Board and committees.

Meet Your Directors

The NSCCT Board of Directors is responsible for the oversight of the College in meeting its legislative mandate. It is comprised of five (5) RCT Officers who make up the Executive; four (4) RCT or RCT-C Members-at-Large; three (3) government appointed Public Representatives; and, the Registrar in an *ex-officio* and non-voting capacity.

Ed Wohlmuth, RCT (Chair)
Vacant (Vice Chair)
Kim Strange, RCT (Past Chair)
Alison Arthur, RCT (Treasurer)
Karen Johnston-Hutchins, RCT (Secretary)
Lisa Dexter, RCT (Member-at-Large)
Jennifer Greer, RCT (Member-at-Large)
Vacant (Member-at-Large)
Vacant (Member-at-Large)
Luke Pelot (Public Representative)
Lisa Matthews (Public Representative)
Trevor McGowan (Public Representative)
Matthew Lafond (Registrar, Ex Officio)

The Board and all of its committees, subcommittees and working groups are supported by an Administrative Coordinator (Brittany Snow).

Board Highlights 2020

Within parameters established by legislation, the NSCCT Board of Directors determines how the practice of Registered Counselling Therapists is regulated in the public interest throughout Nova Scotia. To this end, the Board has:

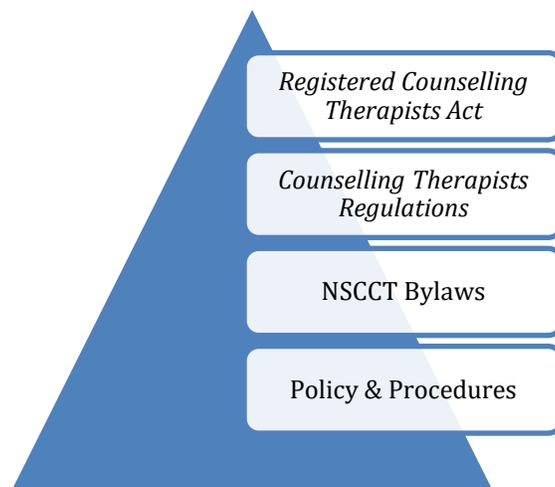
- Worked with government to establish a COVID-19 Reopening Plan that best protects the public and Counselling Therapists
- Implemented more consistent and rigorous investigation and assessment procedures for responding to complaints
- Improved communication and cooperation with government stakeholders
- Enhanced FRPA compliance through required policy reform
- Established clear and accessible Terms of Reference for College Committees (ongoing)
- Improved CFTA/AIT labour mobility compliance through policy renewal
- Began work to improve Board-registrant communication
- Secured dedicated, private office space and established a permanent administrative support position

Work in Progress

The Board continues to build on work started earlier in 2020, so that by the end of the next licensing year, you can expect to see:

- Continued policy renewal, particularly in the areas of Supervision and Candidacy;
- A Code of Conduct to govern the behaviour and responsibilities of Board members
- Greater out-reach to registrants
- Continued enhanced transparency of Board activities
- Renewal and modernization of College By-laws
- Initial preparations for the next FRPA review (to be completed in spring of 2021)
- Formal adoption of an Entry-to-Practice Competency Profile
- Improved College-Governmental relations
- Continued development of the College Website

Our Governance Hierarchy



Committee Reports

Statutory Committees

The *Counselling Therapists Act* requires that the College establish and populate five (5) committees to carry out specific legislative functions. Terms of Reference for each Statutory committee can now be found at www.nscct.ca

Registration Committee
Registration Appeals Committee
Complaints Committee
Professional Conduct Committee
Reinstatement Committee

Registration Committee

One of the core responsibilities of the College is to safeguard the public by registering and licensing only those who meet the criteria set out in the *Act* and *Regulations*.

The Registration Committee oversees the registration and licensure process of the College.

Members: Lisa Dexter, RCT (Chair); Luke Pelot; Jennifer Greer, RCT; Karen Johnston-Hutchins, RCT; Matthew Lafond (Ex Officio)

Highlights

As of April 2020, the College has 215 RCTs; 149 RCT-Cs; 6 student members and 7 affiliates. In the previous licensing year, there were 4 out-of-province RCT transfers; 16 RCT-C applications from Nova Scotia, 21 from the rest of Canada, and 3 internationally.

Registration Appeals Committee 2020

The Registration Appeals Committee considers requests from applicants who seek a review of a decision by the Registrar or Registration Committee to deny registration or licensure as an RCT or RCT-C in Nova Scotia.

Members: Kim Burton, RCT (Chair); Mary Grant, RCT; Lisa Matthews

Highlights

There were no registration appeals heard in the 2019-2020 licensing year.

Complaints Committee

In accordance with the *Act* and *Regulations*, the Complaints Committee reviews all complaints against registrants not resolved by the Registrar. A panel of the Committee (which includes both registrants and public representatives) works to resolve complaints and determines which matters warrant referral to the Professional Conduct Committee.

Members: Lisa Mathews (Chair); Lauren Scott, RCT-C (Vice Chair); Sue Ward, RCT; Sara Lamb, RCT; Alison Arthur, RCT

*There are currently two (2) Public Representative vacancies on the Complaints Committee

Highlights

In the 2019-2020 licensing year, six (6) complaints were filed with the College. (NB: *Because the current administration of the College has not been provided with complete information regarding the complaints process prior to December 2019, the specific disposition of those complaints is unknown.*)

There are currently nine (9) complaints under review.

Professional Conduct Committee

The Professional Conduct Committee conducts formal professional conduct hearings into allegations referred by the Complaints Committee. A panel of the Professional Conduct Committee hears evidence to determine whether allegations against a registrant amounts to a finding of professional misconduct, conduct unbecoming the profession, incompetence and/or incapacity. If a finding is made, the Committee must determine the appropriate outcome.

Members: Luke Pelot (Chair); Jennifer Greer, RCT; Karen Johnston-Hutchins, RCT; Daniel Vanderlans, RCT; Wayne Maxwell

Highlights

There were no Professional Conduct Committee meetings required in the previous licensing year.



Reinstatement Committee

The Reinstatement Committee hears applications from individuals seeking reinstatement of their registration or licence to practice after having their registration or license revoked by the Professional Conduct Committee.

Members: Jeff MacDonald, RCT (Chair); Kim Strange, RCT; Lisa Matthews

*There is currently one (1) Member-at-Large vacancy on the Reinstatement Committee.

Highlights

There were no Reinstatement Committee proceedings in the previous licensing year.

Ancillary Committees

In addition to the statutory committees required under the *Act*, the College is permitted to create whatever ancillary committees, subcommittees, *ad hoc* committees or working groups it deems necessary or beneficial to fulfill the mandate of the College. Terms of Reference for each ancillary committee can now be found at www.nscct.ca

If you are an RCT or RCT-C interested in serving on any of the College's ancillary committees, please visit the website or contact the Administrative Coordinator for current vacancies.

Ethics and Practice Standards Sub-Committee

Ethics and Standards of Practice are essential elements in the protection of the public. The Ethics and Practice Standards Sub-Committee is mandated to review the ethics and practice documents which govern registrants, support the work of other committees on relevant issues, and offer advice to registrants of the College to ensure the public has access to safe, competent and ethical care.

Members: Alison Arthur, RCT (Chair); Jeff MacDonald, RCT; Mary Norton, RCT-C; Trevor McGowan

*There is currently one (1) Member-at-Large vacancy on the Ethics and Practice Standards Sub-Committee.

Ad hoc Committee on Policy Renewal

The *ad hoc* Committee on Policy Renewal was created by the Board to make recommendations on review, revision and development of College policies and procedures with priority to those required to ensure legal compliance (CFTA, FRPA, PIPEDA, etc.) The *ad hoc* Committee operated under a time-limited mandate from

July 8 to October 24, 2020, at which time it was formally transitioned into the standing Policy and Procedures Committee (see below).

Policy and Procedures Committee

The Policy and Procedures Committee exists to review, update and develop draft policy and procedures at the request of the Board. Importantly, it also acts as the lead Committee in external government reviews of the College.

Members: John Hubert (Chair *pro tem*); Jennifer Greer, RCT; Luke Pelot; Theresa Fraser, RCT; Lori Slaunwhite, RCT; Matthew Lafond (Ex Officio).

*There is currently one vacancy for Member-at-Large

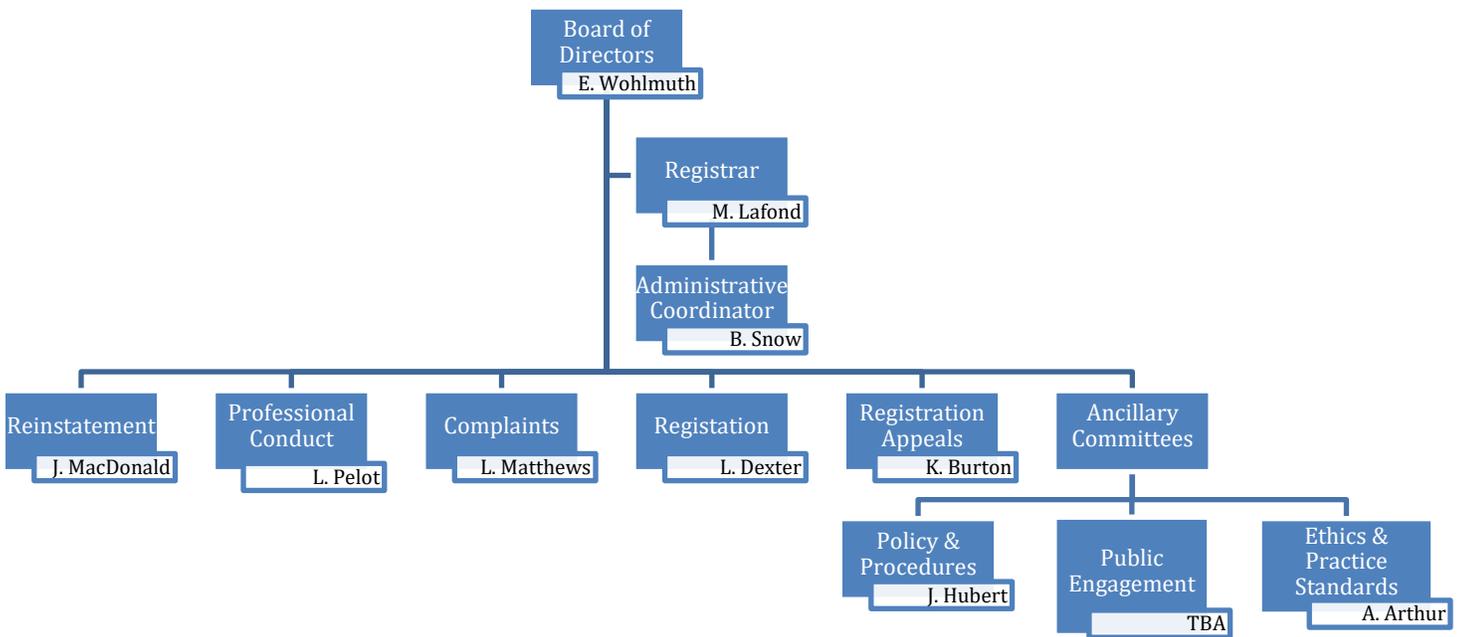
Public Engagement and Stakeholder Relations Committee

The Public Engagement and Stakeholder Relations Committee is diverse in scope. Any work of the College related to matters where the College engages with the public directly or has occasion to interact in an official capacity with other regulators falls under their purview. This may include the creation of media releases, informational materials, and the maintenance of the College website.

Members: Chair, Member-at-Large (x3), Public Representative, Registrar (Ex Officio)

*The Public Engagement and Stakeholder Relations Committee is a newly-created ancillary committee that is currently seeking its first full membership.

Organizational Structure of the College



Nova Scotia College of Counselling Therapists

***Report to Board of Directors
Communication of Audit Results***

For the Year Ended April 30, 2020

STATUS OF AUDIT

We have completed our audit in accordance with Canadian generally accepted auditing standards and have received approval of the financial statements by management and shareholders.

Auditors Responsibilities

The auditor is responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Purpose of this Report

We have issued this report to assist shareholders in their review of the financial statements of Nova Scotia College of Counselling Therapists for the year ended April 30, 2020 and the results of the audit are included in this report.

Planned audit approach

We have successfully executed our audit strategy in accordance with the plan previously discussed.

AUDIT RESULTS

Summary of Adjustments

During our examination we recorded adjustments to the financial statements and have attached the journal entries recording these adjustments in Appendix A.

Significant transactions

No significant transactions were noted.

Co-operation during the audit

We report that we received co-operation from management and employees of Nova Scotia College of Counselling Therapists. To our knowledge, we were provided access to all necessary records and other documentation and any issues that arose as a result of our audit were discussed with management and have been resolved to our satisfaction.

Consultation with other accountants

To our knowledge, management did not seek the advice or opinion of other external accountants on the financial reporting or accounting matters.

Fraud and illegal acts

Our inquiries of management did not reveal any fraud or illegal acts.

Independence

As auditors of Nova Scotia College of Counselling Therapists, we are required to be independent in accordance with Canadian professional standards. These standards require that we disclose to management all relationships that, in our professional judgment, may be reasonably be thought to bear on our independence up to September 30, 2020, the expected date of our audit report.

REPORTABLE MATTERS

The objective of our audit was to express an opinion on the financial statements. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

DATA BACKUPS

Weakness

The accounting software used by the College is not backed up on a regular or timely basis.

Implications

May result in loss of information if computer equipment is damaged or lost.

Recommendations

The College should have the accounting software backed up on a regular basis, and store the backups on an external hard drive that can be stored in a separate location.

MISSING BOARD MINUTES

Weakness

Minutes from multiple Board meetings were not available for review, or were very difficult to track down.

Implications

Events or decisions that have audit significance may not be evident to the auditor.

Recommendations

Board minutes should be taken by the Secretary and circulated to all Board members on a timely basis.

APPENDIX A

ADJUSTING JOURNAL ENTRIES

See adjusting journal entries attached.

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS
Financial Statements
Year Ended April 30, 2020

Draft for discussion purposes only

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Index to Financial Statements

Year Ended April 30, 2020

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 11

Draft for discussion purposes only

INDEPENDENT AUDITOR'S REPORT

To the Members of Nova Scotia College of Counselling Therapists

Opinion

We have audited the financial statements of Nova Scotia College of Counselling Therapists (the College), which comprise the statement of financial position as at April 30, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at April 30, 2020, and the results of its operations and its cash flow 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 *Auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

(continues)

Independent Auditor's Report to the Members of Nova Scotia College of Counselling Therapists *(continued)*

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 auditor's 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:

- 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 auditor's 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 auditor's 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.

Sydney, Nova Scotia
November 7, 2020

Chartered Professional Accountants

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Statement of Financial Position

As at April 30, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 73,593	\$ 93,962
Short term investment	30,475	31,861
Prepaid expenses	8,958	2,426
	<hr/>	<hr/>
	113,026	128,249
Capital assets (Note 3)	7,355	2,948
Long term investment - restricted	103,305	100,000
	<hr/>	<hr/>
	\$ 223,686	\$ 231,197
	<hr/>	<hr/>
LIABILITIES		
Current		
Accounts payable	\$ 7,548	\$ 11,767
Government remittances payable	-	2,048
Deferred revenue	89,394	101,319
	<hr/>	<hr/>
	96,942	115,134
	<hr/>	<hr/>
NET ASSETS		
Unrestricted fund	23,439	16,063
Internally restricted fund (Note 5)	103,305	100,000
	<hr/>	<hr/>
	126,744	116,063
	<hr/>	<hr/>
	\$ 223,686	\$ 231,197
	<hr/>	<hr/>

COMMITMENTS (Note 7)

On behalf of the Board

_____ Director

_____ Director

See Notes to Financial Statements

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS**Statement of Revenues and Expenditures****Year Ended April 30, 2020**

	2020	2019
Revenue		
Memberships	\$ 122,378	\$ 115,336
Workshop fees	2,400	440
Interest	3,305	1,998
	<u>128,083</u>	<u>117,774</u>
Expenses		
Advertising and public relations	9,423	7,844
Amortization	7,093	905
Association fees	802	866
Audit and accounting	7,018	7,175
Honorariums	-	75
Insurance	1,140	932
Interest and bank charges	4,338	3,949
Legal fees	9,082	1,941
Meeting and travel expense	7,978	6,772
Office and administration	2,405	4,704
Rental	7,875	4,725
Salaries	57,529	53,565
Telephone	1,910	2,063
Workshops	809	2,000
	<u>117,402</u>	<u>97,516</u>
Excess of revenue over expenses	<u>\$ 10,681</u>	<u>\$ 20,258</u>

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS
Statement of Changes in Net Assets
Year Ended April 30, 2020

	Unrestricted Fund	Internally Restricted Fund	2020	2019
Net assets, beginning of year	\$ 16,063	\$ 100,000	\$ 116,063	\$ 95,805
Excess of revenue over expenses	7,376	3,305	10,681	20,258
Net assets, end of year	\$ 23,439	\$ 103,305	\$ 126,744	\$ 116,063

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NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Statement of Cash Flow

Year Ended April 30, 2020

	2020	2019
Operating activities		
Excess of revenue over expenses	\$ 10,681	\$ 20,258
Item not affecting cash:		
Amortization of capital assets	7,093	905
	<u>17,774</u>	<u>21,163</u>
Changes in non-cash working capital:		
Accounts receivable	-	1,268
Accounts payable	(4,219)	5,570
Deferred revenue	(11,925)	11,234
Prepaid expenses	(6,532)	1,169
Government remittances payable	(2,048)	1,181
	<u>(24,724)</u>	<u>20,422</u>
	<u>(6,950)</u>	<u>41,585</u>
Investing activities		
Purchase of capital assets	(11,500)	(3,854)
Long term investments - restricted	(3,305)	(100,000)
	<u>(14,805)</u>	<u>(103,854)</u>
Decrease in cash flow	(21,755)	(62,269)
Cash and cash equivalents, beginning of year	125,823	188,092
Cash and cash equivalents, end of year	\$ 104,068	\$ 125,823
Cash and cash equivalents consist of:		
Cash	\$ 73,593	\$ 93,962
Short term investment	30,475	31,861
	<u>\$ 104,068</u>	<u>\$ 125,823</u>

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2020

1. BASIS OF PRESENTATION

Nova Scotia College of Counselling Therapists (NSCCT) is the professional regulatory body for registered Counselling Therapists licensed to practice in Nova Scotia. The College is a non-profit organization exempt from tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following accounting policies:

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, accrued payables and the allowance for doubtful accounts. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash and cash equivalents

The Colleges's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts. Cash equivalents include investments in guaranteed investment certificates which mature within twelve months after issue and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of twelve months or less.

Revenue recognition

The Nova Scotia College of Counselling Therapists follows the deferral method of accounting for contributions. Contributions are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

i) Memberships

Revenue from membership fees is recognized proportionately over the fiscal period to which the fees relate.

ii) Programs and Services

Revenue from programs and services is recognized as the program or service is rendered.

(continues)

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

The accounts of the College are maintained in accordance with the principles of restricted fund accounting in order that limitations and restrictions, if any, placed on the use of available resources may be observed.

The General Fund represents revenue and expenses related to the operation and administration activities of the organization.

Internally restricted funds are to be used for legal expenses in excess of those provided for in the annual budget.

Contributed services

Volunteers contribute in excess of 4,332 hours per year to assist in carrying out the mandate of the College. Because of the difficulty in determining fair market value, contributed services consisting of volunteer time are not recognized in the financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital assets

The cost of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise costs are expensed as occurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statements of operations when the carrying amount exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

Capital assets are measured at cost less accumulated amortization. Amortization is provided on a declining balance basis at the following rates, with one-half the normal rate in the year of acquisition:

Furniture and equipment	20%
Computer equipment	30%
Computer software	100%

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2020

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Furniture and equipment	\$ 885	\$ 248	\$ 637	\$ 796
Computer equipment	4,604	3,636	968	2,152
Computer software	915	915	-	-
Website	14,427	8,677	5,750	-
	<u>\$ 20,831</u>	<u>\$ 13,476</u>	<u>\$ 7,355</u>	<u>\$ 2,948</u>

4. CREDIT FACILITY

The College has a credit card with a credit limit of \$5,000, the balance of which was \$587 as at April 30, 2020.

5. INTER-FUND TRANSFER

No inter-fund transfers from the general fund to an internally restricted fund were made by the board of directors during the year (2019 - \$100,000). The internally restricted funds are for use in the event of a legal challenge, or other unforeseen legal expenses in excess of that provided for in the annual budget.

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2020

6. FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and deferred revenue. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The College's main credit risk relates to accounts receivable for dues from members.

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with financial liabilities. The College manages its liquidity risk by constantly monitoring forecasted and actual cash flow. Accounts payable and accrued liabilities are normally paid within thirty days.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College does not have significant exposure to changes in interest rates on its investments in guaranteed income certificates invested at 0.56% .

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, 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

Currency risk

Currency risk is the risk that the fair value of a financial instrument or related future cash flow will fluctuate because of change in foreign exchange rates. The College is not exposed to currency risk.

7. COMMITMENT

The College has entered into a two-year lease agreement with Amity Development Limited to rent office and classroom space for an annual amount of \$12,600. The lease expires on January 31, 2022.

8. COMPARATIVE FIGURES

Certain of the figures presented for comparative purposes have been reclassified to conform with the presentation adopted in the current year.

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS
Notes to Financial Statements
Year Ended April 30, 2020

9. CORONAVIRUS (COVID-19) IMPACT

COVID-19, a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets. The College has considered the impact of COVID-19 and other market volatility in preparing its financial statements. Management has assessed the impact on the College and determined that no adjustments to the financial statements were necessary.

While in management's judgment no adjustments to the financial statements were required, the dynamic and evolving nature of COVID-19, limited experience of the economic and financial impacts of such a pandemic, and the short duration between the declaration of the pandemic and the preparation of these financial statements, changes to the estimates and outcomes that have been applied in the measurement of the College's assets and liabilities may arise in the future.

Draft for discussion purposes only

**Nova Scotia College of Counselling Therapists
Budget - Current Year - 2020-2021**

Account Number	Account Name	Amount
REVENUE		
4100	Membership - RCT, RCT-C	135,000.00
4120	Membership Fees - Affiliates, Misc	200.00
4150	Candidacy Application Fees	4,000.00
4210	Membership Late Fees	700.00
4230	NSF Loss/Repayment	100.00
	Total Membership Revenue	140,000.00
4430	Workshop	2,500.00
4440	Interest Income	1,500.00
	Total Other Income	4,000.00
	Total Revenue	144,000.00
EXPENSES		
	Payroll Expense	
5410	Wages - Registrar	48,100.00
5416	Wages - Administrative Coordinator	34,000.00
5417	Wages - Bookkeeper	6,300.00
5420	EI Expense	1,814.00
5430	CPP Expense	4,391.00
	Total Payroll Expense	94,605.00
	General and Administrative Expenses	
5610	Accounting Fees	5,500.00
5620	Legal Fees	4,000.00
5625	Regulatory Network	800.00
5640	Postage	600.00
5645	Website	6,000.00
5660	Amortization Expense	500.00
5685	Insurance	2,000.00
5690	Bank Charges	75.00
5695	Credit card fees -	5,500.00
5700	Office Supplies	1,500.00
5720	Marketing and Advertising	750.00
5730	Chair Conference	2,000.00
5740	Miscellaneous Expenses	250.00
5750	Public Relations	2,000.00
5755	Training and Education	750.00
5760	Rent	14,490.00
5765	Workshop	2,500.00
5780	Telephone	2,000.00
5784	Travel - Boards & Committees	6,000.00
5789	AGM Expense	1,500.00
	Total General & Administrative Expense	58,715.00
	TOTAL EXPENSES	153,320.00
	NET INCOME	-9,320.00
	Excess funds from carried over from 2019	15,000.00
	Available Funds April 30 2020	<u>5,680.00</u>