

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS
Financial Statements
Year Ended April 30, 2024



NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nova Scotia College of Counselling Therapists

Qualified Opinion

We have audited the financial statements of Nova Scotia College of Counselling Therapists (the "Organization"), which comprise the statement of financial position as at April 30, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at April 30, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

The College derives revenues from memberships, however, the College's records did not permit us to verify the completeness of membership revenue and related accounts receivable and deferred revenue balances, in the current, and prior years. Our procedures were limited to amounts recorded in the accounting records, as there was no comprehensive listing or reconciliation that would allow us to determine whether all membership transactions had been captured.

Because of the significance of these matters, we were unable to determine whether any adjustments might be necessary to membership revenue, accounts receivable and deferred revenue, excess of revenue over expenditures and cash flows from operations for the year then ended, current assets and net assets as at April 30, 2024. Our audit opinion on the financial statements for the year ended April 30, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 ASNPO, 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.

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

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related 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

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.

Strong & Associates

Bedford, Nova Scotia
March 18, 2026

Chartered Professional Accountants Inc.

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS**Statement of Revenues and Expenditures****Year Ended April 30, 2024**

	2024	2023
REVENUES		
Memberships	\$ 292,223	\$ 235,608
Interest	406	205
	<u>292,629</u>	<u>235,813</u>
EXPENSES		
Salaries and wages	173,026	103,977
Payroll tax (Note 5)	80,540	-
Software	36,032	-
Rent	15,870	15,870
Professional Conduct	10,751	-
Accounting fees	10,679	6,500
Legal fees	9,521	22,463
Amortization	4,011	1,069
Meetings	3,644	-
Office	2,599	-
Complaints investigation	1,950	-
Interest and bank charges	1,732	324
Due, fees and registrations	1,601	9,223
Telephone	1,444	861
Insurance	-	5,484
Advertising and public relations	-	25,384
	<u>353,400</u>	<u>191,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (60,771)</u>	<u>\$ 44,658</u>

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS**Statement of Changes in Net Assets****Year Ended April 30, 2024**

	Unrestricted Fund	Internally Restricted Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 100,256	\$ 156,338	\$ 256,594	\$ 211,936
DEFICIENCY OF REVENUES OVER EXPENSES	(60,771)	-	(60,771)	44,658
Net assets - end of year	\$ 39,485	\$ 156,338	\$ 195,823	\$ 256,594

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS**Statement of Financial Position****April 30, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 310,225	\$ 336,864
Prepaid expenses	18,335	2,415
	328,560	339,279
PROPERTY AND EQUIPMENT (Note 3)	76,265	2,630
INTERNALLY RESTRICTED FUNDS - CASH	156,338	156,338
	\$ 561,163	\$ 498,247
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 38,233	\$ 19,500
Wages payable	6,584	766
Employee deductions payable (Note 5)	67,595	10,870
Deferred income (Note 4)	252,928	210,517
	365,340	241,653
NET ASSETS		
Unrestricted fund	39,485	100,256
Internally restricted fund (Note 6)	156,338	156,338
	195,823	256,594
	\$ 561,163	\$ 498,247

ON BEHALF OF THE BOARD_____
*Executive Member*_____
Executive Member

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS**Statement of Cash Flows****Year Ended April 30, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (60,771)	\$ 44,658
Item not affecting cash:		
Amortization of property and equipment	<u>4,011</u>	<u>1,069</u>
	<u>(56,760)</u>	<u>45,727</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	18,733	6,500
Deferred income	42,411	42,381
Prepaid expenses	(15,920)	-
Wages payable	5,818	-
Employee deductions payable	<u>56,725</u>	<u>-</u>
	<u>107,767</u>	<u>48,881</u>
Cash flow from operating activities	<u>51,007</u>	<u>94,608</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(77,646)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(26,639)	94,608
Cash - beginning of year	<u>336,864</u>	<u>242,256</u>
CASH - END OF YEAR	\$ 310,225	\$ 336,864

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2024

1. PURPOSE OF THE COLLEGE

Nova Scotia College of Counselling Therapists (the "College") 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.

The College operates to ensure professionals meet academic, clinical experience, and supervision requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Nova Scotia College of Counselling Therapists follows the restricted fund method of accounting for contributions.

- Memberships

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

- Program and Services

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

Cash and cash equivalents

Cash includes funds held in bank accounts with financial institutions. Cash equivalents are investments in guaranteed investment certificates ("GICs") and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Fund accounting

Nova Scotia College of Counselling Therapists follows the restricted fund method of accounting for contributions.

The General Fund accounts for the College's revenue and expenses related to the operation and administration activities. This fund reports unrestricted resources.

The Internally Restricted Fund reports only restricted resources that are to be used for legal expenses in excess of those provided for in the annual budget.

Contributed services

Volunteers contribute many hours per year to assist in carrying out the mandate of the College. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2024

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

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

The property and equipment is tested for impairment whenever events of changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statements of operation and is measured as the amount by which carrying amount of the property and equipment exceeds its fair value. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Measurement uncertainty

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. 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.

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 unrealised 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.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer software	\$ 68,644	\$ 1,716	\$ 66,928	\$ -
Computer equipment	28,948	19,872	9,076	2,304
Furniture and fixtures	885	624	261	326
	<u>\$ 98,477</u>	<u>\$ 22,212</u>	<u>\$ 76,265</u>	<u>\$ 2,630</u>

NOVA SCOTIA COLLEGE OF COUNSELLING THERAPISTS

Notes to Financial Statements

Year Ended April 30, 2024

4. DEFERRED INCOME

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 210,517	\$ 168,136
Amounts received	281,225	277,989
Amount recognized as revenue	<u>(238,814)</u>	<u>(235,608)</u>
Balance end of year	<u>\$ 252,928</u>	<u>\$ 210,517</u>

Deferred income is comprised of membership fees received in advance.

5. EMPLOYEE DEDUCTIONS PAYABLE

Subsequent to the year end, the College obtained access to its Canada Revenue Agency ("CRA") account to confirm remittance requirements and amounts outstanding. Upon review, management noted the T4 information returns for the 2021 and 2022 calendar years were not filed. Management conducted a detailed review of payroll records and filed amended returns for these years. These returns have been processed and approved by CRA. A request for relief on these interest and penalties has been submitted to CRA, however at this time, management is unable to determine whether any portion of this request will be approved by CRA. The fiscal year expense includes both the expense owed by the College and interest and penalties.

6. INTER-FUND TRANSFER

During the year no inter-fund transfers from the general fund to the internally restricted fund were made by the Board of Directors (2023 - \$NIL).

7. COMMITMENT

On January 1, 2023, the College entered into a lease agreement for the premises from which it operates. The lease term expires on December 31, 2024. Monthly payments are \$1,150 plus HST.

8. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of April 30, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The College is exposed to credit risk from its members. The College has a significant number of members which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that the College is not exposed to significant other price risks arising from these financial instruments.
