

**Registered Massage Therapists'
Association of British Columbia**

**Financial Statements
(Unaudited)**

September 30, 2015

Registered Massage Therapists' Association of British Columbia

Financial Statements (Unaudited)

September 30, 2015

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Review Engagement Report

To the Directors of Registered Massage Therapists' Association of British Columbia

We have reviewed the statement of financial position of Registered Massage Therapists' Association of British Columbia as at September 30, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Vancouver, Canada
March 10, 2016


Chartered Professional Accountants

Registered Massage Therapists' Association of British Columbia

Statement of Operations (Unaudited)

For the year ended September 30,	2015	2014
Revenues		
Memberships	\$ 1,327,563	\$ 1,248,184
Workshop revenue	77,913	280,875
Conference revenue	-	121,361
Interest income	18,290	17,640
Other income	13,457	75,466
	1,437,223	1,743,526
Expenditures		
Accounting and legal	77,840	124,163
AGM	39,259	-
Amortization	9,652	7,540
Communications	201,127	245,443
Conference	-	96,190
Credit Card Processing Fees	41,582	39,704
Equipment rental	2,699	4,180
Insurance	2,200	1,425
Member Direct Services (note 3)	205,214	64,720
Office	74,523	80,750
Per diem reimbursements	70,225	71,625
Rent	58,542	59,006
Research	127,047	150,535
Salaries and benefits	382,773	357,517
Telephone	18,998	14,737
Travel	57,024	48,904
Workshops	149,480	241,084
	1,518,185	1,607,523
Excess (deficiency) of revenues over expenditures	\$ (80,962)	\$ 136,003

Registered Massage Therapists' Association of British Columbia

**Statement of Changes in Net Assets
(Unaudited)**

For the year ended September 30, 2015

	2015		
	Total	Internally Restricted	Unrestricted
Balance, beginning of year	\$ 994,097	\$ 283,155	\$ 710,942
Deficiency of revenues over expenditures	(80,962)	-	(80,962)
Internal transfers (note 11)	-	498,170	(498,170)
Balance, end of year	\$ 913,135	\$ 781,325	\$ 131,810

	2014		
	Total	Internally Restricted	Unrestricted
Balance, beginning of year	\$ 858,094	\$ 233,155	\$ 624,939
Excess of revenues over expenditures	136,003	-	136,003
Internal transfers (note 11)	-	50,000	(50,000)
Balance, end of year	\$ 994,097	\$ 283,155	\$ 710,942

Registered Massage Therapists' Association of British Columbia

Statement of Financial Position (Unaudited)

September 30, 2015 2014

Assets

Current

Cash	\$ 410,705	\$ 567,164
Short-term deposits (note 4)	1,001,900	894,280
Accounts receivable	23,263	29,234
Prepaid expenses	2,280	6,156

1,438,148 1,496,834

Long-term deposits (note 4)	22,955	52,955
Property and equipment (note 5)	22,490	22,925

\$ 1,483,593 **\$ 1,572,714**

Liabilities

Current

Accounts payable and accrued liabilities (note 6)	\$ 72,918	\$ 38,116
Deferred revenue (note 7)	497,540	540,501

570,458 578,617

Net Assets

Internally Restricted (note 8)	781,325	283,155
Unrestricted	131,810	710,942

913,135 994,097

\$ 1,483,593 **\$ 1,572,714**

Commitments (note 9)

Approved on behalf of the board:

_____ Director

_____ Director

Registered Massage Therapists' Association of British Columbia

Statement of Cash Flows (Unaudited)

For the year ended September 30,	2015	2014
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ (80,962)	\$ 136,003
Item not affecting cash		
Amortization	9,652	7,540
	(71,310)	143,543
Change in non-cash working capital items		
Accounts receivable	5,971	(13,043)
Prepaid expenses	3,876	22,337
Accounts payable and accrued liabilities	34,802	(49)
Deferred revenue	(42,961)	111,643
	(69,622)	264,431
Financing activity		
Term deposit to mature within one year	30,000	-
Investing activity		
Purchase of property and equipment	(9,217)	(18,731)
Increase (decrease) in cash and cash equivalents	(48,839)	245,700
Cash and cash equivalents, beginning of year	1,461,444	1,215,744
Cash, end of year	\$ 1,412,605	\$ 1,461,444
Cash consists of:		
Cash	\$ 410,705	\$ 567,164
Short-term deposits	1,001,900	894,280
	\$ 1,412,605	\$ 1,461,444

Registered Massage Therapists' Association of British Columbia

Notes to the Financial Statements (Unaudited)

September 30, 2015

1. Nature of operations

The Registered Massage Therapists' Association of British Columbia is organized to provide its members educational and practice related services and to promote the interests of its members with the public and government bodies. The Association is incorporated under the Society Act of British Columbia, is a not-for-profit organization and is non-taxable under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

The Association follows the deferral method of accounting for contributions.

The Internally Restricted Fund includes a contingency reserve fund and a prudent reserve fund to provide for unusual or unexpected events and circumstances.

The Unrestricted Fund accounts for the Association's general operations of providing educational and practice related services, conferences, and other general sources of income.

(b) Revenue recognition

Membership fees are recognized as revenue when received or the amount to be received can be reasonably estimated and collection is reasonably assured. Grants received for a specific project or purpose are accounted for as deferred revenue and are recognized in income as related costs are incurred. Revenue from other sources is recognized when the amount is estimatable and collection is reasonably assured.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

(d) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives on a declining balance basis. The annual amortization rates are as follows:

Video Library	20%
Furniture and equipment	30%
Computer equipment	30%-100%
Computer software	100%

Registered Massage Therapists' Association of British Columbia

Notes to the Financial Statements (Unaudited)

September 30, 2015

2. Significant accounting policies (continued)

(e) Use of estimates

The preparation of the financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(g) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The company subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash, accounts receivable, short and long term deposits.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

Registered Massage Therapists' Association of British Columbia

Notes to the Financial Statements (Unaudited)

September 30, 2015

3. Member Direct Services

Member direct services are expenses that are specifically designated for members of the Association. It includes a portion of the legal and accounting expenses, the monthly life insurance premium, the Member Assistance Program and promotional materials for the members.

4. Term deposits

The term deposits bear interest from 1.40% to 3.30% and mature between November 13, 2015 and October 16, 2017.

	2015	2014
Term deposit # 39, 1.40% interest, maturity date Nov 21, 2014	\$ -	\$ 350,000
Term deposit # 43, 1.40% interest, maturity date Nov 26, 2015	551,900	544,280
Term deposit # 44, 1.40% interest, maturity date Nov 27, 2015	420,000	-
Term deposit # 41, 3.30% interest, maturity date Nov 13, 2015	30,000	-
Short-term deposits	1,001,900	894,280
Term deposit # 10, 1.55% interest, maturity date Oct 16, 2017	22,955	22,955
Term deposit # 41, 3.30% interest, maturity date Nov 13, 2015	-	30,000
Long-term deposits	22,955	52,955
	\$ 1,024,855	\$ 947,235

Term deposit #10 in the amount of \$22,955 (2014 - \$22,955) is held as a collateral for the line of credit (Note 10).

5. Property and equipment

	2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value
Video Library	\$ 3,261	\$ 2,751	\$ 510	\$ 638
Furniture and equipment	42,861	28,081	14,780	13,138
Computer equipment	46,428	39,699	6,729	9,149
Computer software	4,396	3,925	471	-
	\$ 96,946	\$ 74,456	\$ 22,490	\$ 22,925

Registered Massage Therapists' Association of British Columbia

Notes to the Financial Statements (Unaudited)

September 30, 2015

6. Accounts payable and accrued liabilities

	2015	2014
Accounts payable and accrued liabilities	\$ 68,360	\$ 30,209
Government remittances payable	4,281	7,263
GST payable	277	644
	\$ 72,918	\$ 38,116

7. Deferred revenue

Deferred revenue is comprised of \$497,540 (2014 - \$540,501) relating to prepaid membership fees, workshop fees, insurance premium and other unearned amounts received in the current year that are related to expenses to be incurred in the subsequent year.

8. Internally Restricted Net Assets

The Association has established a \$22,955 (2014 - \$22,955) Member Restricted Contingency Fund, expenditures from which must be approved by the Members.

The Association has also internally restricted \$740,080 (2014 - \$260,200) as Prudent Reserve for other contingencies. The amounts are not available for other purposes without the approval of the Board of Directors.

The Association has established an \$18,290 Research Fund (2014 - Nil). Purpose of the Fund is to finance the Research Foundation which will be established soon.

9. Commitments

The Association leases an office under a lease expiring in July 2016. The minimum lease and property rental payments for the next year are:

2016	\$ 40,130
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10. Bank loan

The Association has a line of credit authorized to a maximum of \$22,000, and bears interest at bank's prime lending rate plus 1.50% per annum. The line of credit is secured by a term deposit of \$22,955 held in the name of the Association. As at September 30, 2015, the outstanding balance is \$nil (2014 - \$nil).

Registered Massage Therapists' Association of British Columbia

Notes to the Financial Statements (Unaudited)

September 30, 2015

11. Interfund Transfers

During the year, \$479,880 (2014 - \$50,000) was transferred from the Unrestricted Fund to the Prudent Reserve Fund.

As well \$18,290 (2014 - \$nil) was transferred from the Unrestricted Fund to the Research Fund.

12. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

13. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The financial instruments of the Association and the nature of the risks to which it may be subject are as follows:

(a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Association is exposed to credit risk in its cash and cash equivalents as the majority of its cash and cash equivalents are held at one financial institution. The Association limits its credit risk by placing its cash with major financial institutions.

The Association is also exposed to credit risk in the event of non-performance by counterparties in connection with accounts receivable. The Association does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant losses for non-performance.

(b) Liquidity risk

Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association's exposure to liquidity risk is dependent on the receipt of funds from its related sources, whether in the form of revenue or advances. The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; monitors and manages its cash balance to ensure adequate cash flow is available to repay trade creditors as payments become due.

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Notes to the Financial Statements (Unaudited)

September 30, 2015

13. Financial instruments (continued)

(c) 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 Association is exposed to interest rate risk from the interest rate differentials between the market rate and the rates used on these financial instruments.