

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
FINANCIAL STATEMENTS
Year Ended December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Chartered Professionals in Human Resources of BC & Yukon

Report on the Financial Statements

Opinion

We have audited the financial statements of Chartered Professionals in Human Resources of BC & Yukon (the Association), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, revenues and expenditures and cash flows 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 Association as at December 31, 2018, and the results of its operations and its cash flows 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 Association 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Billing system

The Association uses netForum, which is a web-based database system, owned by Abila in Texas, USA, to manage multiple events, various types of memberships and track payments received. The program also keeps track of registration dates and membership terms to defer revenue until such time as the event or membership dues are recognized as revenue.

As the Association heavily relies on netForum in their revenue billing system, our audit procedures were focused on testing the efficiency and accuracy of the billing system and related internal controls for consideration of assertions such as completeness and occurrence. Also, we interviewed the head of the IT department and reviewed the communications between the Association and Abila during the year to better understand the ongoing issues of the netForum system which might influence financial information recording and reporting.

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.

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Independent Auditor's Report to the Members of Chartered Professionals in Human Resources of BC & Yukon *(continued)*

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

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Independent Auditor's Report to the Members of Chartered Professionals in Human Resources of BC & Yukon (*continued*)

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

EPR

**EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS**

Langley, BC
March 15, 2019

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF FINANCIAL POSITION
December 31, 2018

	2018	2017
ASSETS		
Current		
Cash	\$ 574,003	\$ 314,681
Accounts receivable (Note 3)	269,081	169,224
Prepaid expenses (Note 4)	209,436	219,821
	1,052,520	703,726
Long-term investments (Note 5)	1,145,297	1,184,056
Tangible assets (Note 6)	122,722	44,174
Intangible assets (Note 7)	14,488	36,219
	\$ 2,335,027	\$ 1,968,175
LIABILITIES		
Current		
Accounts payable and accruals (Note 8)	\$ 193,873	\$ 181,281
Unearned revenue (Note 9)	1,606,902	1,271,252
	1,800,775	1,452,533
NET ASSETS		
Invested in capital assets (Note 2)	137,210	80,394
Unrestricted fund (Note 2)	397,042	435,248
	534,252	515,642
	\$ 2,335,027	\$ 1,968,175

Commitments (Note 11)

ON BEHALF OF THE BOARD

Director

Director

The accompanying notes are an integral part of these financial statements.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2018

	Invested in Capital Assets	Unrestricted Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 80,394	\$ 435,248	\$ 515,642	\$ 683,694
Excess of revenues over expenses	(57,334)	75,944	18,610	(168,052)
Acquisition of capital assets	114,150	(114,150)	-	-
NET ASSETS - END OF YEAR	\$ 137,210	\$ 397,042	\$ 534,252	\$ 515,642

The accompanying notes are an integral part of these financial statements.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF REVENUES AND EXPENDITURES
Year Ended December 31, 2018

	2018	2017
REVENUES		
Advertising and communication	\$ 544,826	\$ 515,901
Conference	1,217,796	1,168,127
Membership	2,671,063	2,443,909
Professional development	363,505	263,529
Other	125,418	84,856
	4,922,608	4,476,322
EXPENSES		
Advertising and communication	120,280	118,681
Amortization	57,334	38,492
Bank charges and credit card fees	113,621	101,228
Computer services	159,787	158,635
Conference	836,834	805,256
Legal and audit	34,382	32,408
Membership and professional designation	101,904	158,178
Office, printing, supplies and other	844,099	756,853
Professional development	174,198	151,399
Rent	193,610	190,400
Salaries, benefits and contracting	2,096,772	1,997,160
	4,732,821	4,508,690
Excess (deficiency) of revenues over expenses from operations	189,787	(32,368)
Other items		
Strategic initiatives expenses	130,923	220,023
Unrealized gain/loss on investment	40,254	(84,339)
	171,177	135,684
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 18,610	\$ (168,052)

The accompanying notes are an integral part of these financial statements.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 18,610	\$ (168,052)
Item not affecting cash:		
Amortization	57,334	38,492
	75,944	(129,560)
Changes in non-cash working capital:		
Accounts receivable	(99,858)	58,454
Prepaid others	10,385	45,861
Accounts payable and accrued liabilities	12,594	(33,300)
Unearned revenue	335,650	6,673
	258,771	77,688
Cash flow from (used by) operating activities	334,715	(51,872)
INVESTING ACTIVITIES		
Increase in long-term investments(net)	38,757	(85,418)
Acquisition of capital and intangible assets	(114,150)	(43,256)
Cash flow used by investing activities	(75,393)	(128,674)
INCREASE (DECREASE) IN CASH FLOW	259,322	(180,546)
CASH - BEGINNING OF YEAR	314,681	495,227
CASH - END OF YEAR	\$ 574,003	\$ 314,681
CASH CONSISTS OF:		
Cash	\$ 574,003	\$ 314,681

The accompanying notes are an integral part of these financial statements.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

1. NATURE OF THE ORGANIZATION

Chartered Professionals in Human Resources of BC & Yukon (the "Association") was incorporated pursuant to the British Columbia Society Act in 1954. The Association is a community dedicated to advancing professional people practices that enhance organizational performance. The Association is a not-for-profit organization pursuant to Section 149(1)(L) of the Income Tax Act, and thus is not subject to income tax.

The Association changed its name to Chartered Professionals in Human Resources of BC & Yukon on June 21, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), applied on a basis consistent with that of the preceding year, and include the following significant accounting policies:

Use of Estimates

When preparing financial statement according to Canadian ASNPO, management makes estimates and assumption relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Management bases their assumptions on a number of factors including historical experience, current events, actions that the Association may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. The Association uses estimates when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets and allowance for doubtful accounts.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the term of the respective memberships.

Investment income, other than interest income, is recognized as revenue when dividends and other income are received and when an investment is sold.

Interest income is recognized in accordance with the terms of the underlying investment which is generally with passage of time.

Fees for events and services are recognized as revenue when the events are held or the services are rendered.

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end.

Tangible Capital Assets

Tangible capital assets are recorded at cost, less accumulated amortization. Amortization is being recorded on a straight-line basis as follows, except in the year of acquisition when one half of the rate is used:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	6 years

The Association changed its asset capitalization policy in April 2017 to expense individual asset purchases of less than \$2,500. The assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying value might not be recoverable.

Intangible Assets

Intangible assets are recorded at cost less accumulated amortization. Amortization was at the following rates, except in the year of acquisition when one half of the rate is used. The Association's computer software is amortized over its estimated useful life of four years on a straight-line basis. The Association's database is amortized over its estimated useful life of seven years on a straight-line basis. The assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying value might not be recoverable.

Unearned Revenue

Membership renewals occur throughout the year. Revenues from membership fees are recognized over the term of the respective memberships. Fees collected but not yet earned are recorded as unearned revenue. Revenue received from pre-registration for events occurring subsequent to the year end are also recorded as unearned revenue.

Foreign Currency Translation

The Association uses the temporal method to translate its US foreign currency transactions..

Monetary assets and liabilities are translated at the US exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the US exchange rate in effect at the transaction date. Revenue and expense items, if any, are recorded in the statement of operations at the average rate for the year. Exchange gains and losses are included in the statement of operations.

Statement of Cash Flows

The statement of cash flows is prepared on a net basis and cash from operating activities are reported using the indirect method.

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets

Net assets invested in capital assets represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted fund.

Unrestricted net assets is the cumulative excess of revenue over expenses derived from current and past years' operations. These funds are available for investment, funding of projects or to cover shortfalls in operations.

Volunteer Services

The Association and members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of donated services is not recognized in these financial statements.

3. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 257,908	\$ 166,316
Accounts receivable - Related Party	26,642	18,377
Allowance for doubtful accounts	<u>(15,469)</u>	<u>(15,469)</u>
	<u>\$ 269,081</u>	<u>\$ 169,224</u>

4. PREPAID EXPENSES

	<u>2018</u>	<u>2017</u>
Prepaid conferences expenses	\$ 188,964	\$ 146,006
Prepaid office expenses and other	6,280	59,623
Security deposit	<u>14,192</u>	<u>14,192</u>
	<u>\$ 209,436</u>	<u>\$ 219,821</u>

5. LONG TERM INVESTMENTS

The Association's long-term investments are recorded at their fair value. The fair market value at December 31, 2018 is \$1,145,297. [December 31, 2017 - \$1,184,056]. The original investment was \$700,000.00 in November 2007.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

6. TANGIBLE ASSETS

	Cost	Accumulated amortization	2018	2017
Computer equipment	\$ 123,100	\$ 86,750	\$ 36,350	\$ 43,405
Furniture and equipment	10,677	10,677	-	-
Leasehold improvement	108,459	22,087	86,372	769
	\$ 242,236	\$ 119,514	\$ 122,722	\$ 44,174

7. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2018	2017
Database	\$ 152,119	\$ 137,631	\$ 14,488	\$ 36,219
Computer software	3,090	3,090	-	-
	\$ 155,209	\$ 140,721	\$ 14,488	\$ 36,219

8. ACCOUNTS PAYABLE AND ACCRUALS

	2018	2017
Accounts payable and accruals	\$ 193,856	\$ 181,281
Goods and services tax	17	-
	\$ 193,873	\$ 181,281

9. UNEARNED REVENUE

	2018	2017
Deferred revenue - Membership	\$ 1,152,500	\$ 1,062,300
Deferred revenue - Conference	440,779	194,892
Deferred revenue - Others	13,623	14,060
	\$ 1,606,902	\$ 1,271,252

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

10. RELATED PARTY TRANSACTIONS

The Association is a member of the CPHR Canada. During the year, the Association incurred \$49,211.48 (2017: \$106,132.98) for the staff expense reimbursement with CPHR Canada. Of this amount, \$26,641.95 (2017: \$18,376.61) is included in accounts receivable at December 31, 2018.

The above amounts were incurred in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the parties.

11. COMMITMENTS

Lease of Premises

The Association has entered into a lease agreement expiring on October 31, 2021. The annual basis rent, estimated common area costs and property tax payments, including applicable taxes, is as follows:

2019	\$	168,008
2020		171,511
2021		142,926

Computer Services

The Association has entered into a computer services agreement expiring on August 31st, 2019. The estimated costs are \$73,944 in 2019.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

13. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable. Unless otherwise noted, it is management's option that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the instruments approximately their carrying values, unless otherwise noted.

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Long-term investments, which include bond, equity and dividend funds, are measured at fair value.

Financial liabilities measured at amortized cost include accounts payable.

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

13. FINANCIAL INSTRUMENTS (continued)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that has been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at December 31, 2018.

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 Association is exposed to credit risk with respect to its cash, short-term investments, accounts receivable and long-term investments. The Association assesses, on a continued basis, accounts receivable on the basis of the amount it is virtually certain to receive. The Association's cash, short-term investments, and long-term investments are invested with large financial institutions and the long-term investments are managed by professional investment managers.

Liquidity risk

Liquidity risk is the risk of being unable to meet requirement or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

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 on its short-term investments in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal as well as its long-term investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Association is exposed to market risk on its short-term investment and long-term investments.

Fair Value

The carrying value of the financial instruments reflected in the statement of financial position approximate their fair market value.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON

1101 - 1111 West Hastings Street
Vancouver, BC
V6E 2J3

March 15, 2019

EPR Maple Ridge Langley
21542 48 Avenue
Langley BC V3A 3M5

Attention: Paul Walker, FCPA, FCGA

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Chartered Professionals in Human Resources of BC & Yukon for the year ended December 31, 2018, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 18, 2019 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

2. Fraud and Non Compliance (continued)

- i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
 - c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
 - d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
 - e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the association's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

10. Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

11. Other matters

We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

Other matters (continued)

We hereby acknowledge that you have made us aware of your firm's legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize your firm to release and disclose information about the Association if and when required by statute.

Acknowledged and agreed on behalf of Chartered Professionals in Human Resources of BC & Yukon by:

Susan Ryan, Chair of the Board

March 15, 2019

Date signed

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON

1101 - 1111 West Hastings Street
Vancouver, BC
V6E 2J3

March 12, 2019

EPR Maple Ridge Langley
21542 48 Avenue
Langley BC V3A 3M5

Attention: Paul Walker, FCPA, FCGA

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Chartered Professionals in Human Resources of BC & Yukon for the year ended December 31, 2018, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 18, 2019 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

2. Fraud and Non Compliance (continued)

- i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
 - c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
 - d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
 - e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the association's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

10. Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

11. Other matters

We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

Other matters (continued)

We hereby acknowledge that you have made us aware of your firm's legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize your firm to release and disclose information about the Association if and when required by statute.

Acknowledged and agreed on behalf of Chartered Professionals in Human Resources of BC & Yukon by:

Audit and Finance Committee

March 12, 2019

Date signed

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON

1101 - 1111 West Hastings Street
Vancouver, BC
V6E 2J3

March 4, 2019

EPR Maple Ridge Langley
21542 48 Avenue
Langley BC V3A 3M5

Attention: Paul Walker, FCPA, FCGA

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Chartered Professionals in Human Resources of BC & Yukon for the year ended December 31, 2018, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 18, 2019 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

2. Fraud and Non Compliance *(continued)*

- i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
 - c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
 - d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
 - e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the association's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

10. Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

11. Other matters

We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

Other matters (continued)

We hereby acknowledge that you have made us aware of your firm's legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize your firm to release and disclose information about the Association if and when required by statute.

Acknowledged and agreed on behalf of Chartered Professionals in Human Resources of BC & Yukon by:



Anthony Ariganello, CEO

March 4, 2019

Date signed

Chartered Professionals in Human Resources of BC & Yukon
Related Party Confirmation
CPHR Canada
December 31, 2018

I hereby confirm that Chartered Professionals in Human Resources of BC & Yukon is owed from **CPHR Canada** the amount of \$26,642. This amount is non-interest bearing and has no terms of repayment. I also confirm that no payments will be requested in the next fiscal year of the Company.

Director

Date



EPR Maple Ridge Langley
Chartered Professional Accountants
21542 48 Avenue, Langley, BC V3A 3M5
Tel: 604-534-1441 eprly@eprcpa.ca www.eprcpa.ca



March 4, 2019
Confidential

Chartered Professionals in Human Resources of BC & Yukon
1101 - 1111 West Hastings Street
Vancouver BC V6E 2J3

Attention: Anthony Ariganello, CEO

Dear Anthony:

Re: Chartered Professionals in Human Resources of BC & Yukon

During the course of our audit of Chartered Professionals in Human Resources of BC & Yukon for the year ended December 31, 2018, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

Audit Materials

We would like to offer our thanks and commend the organization's team on organizing this year's audit backup and documentation. The timeline for this audit is relatively tight and occurs at a busy time of the year for an Audit Firm. The hard work by the team allowed us to prepare much of the Audit work in our offices prior to attending the Association's offices.

Related Party Disclosure

Related Party Not Disclosed in Prior Year

Neither the relationship nor the transactions between the CPHR BC&YK ("CPHRBC") and CPHR Canada ("CPHRC") were disclosed.

Recommendations and Actions

In the 2018 financial statements the correct disclosures have now been made to the notes for Related Parties. We find, and agree with CPHRBC, that the CPHRBC and CPHRC are related by virtue that CPHRBC is a Member of CPHRC. CPHRC owns and controls the usage of the designation and the NKE by all its Members. Although there are some cross-representations of Board Members on the CPHRBC and CPHRC Boards, we don't feel there is a material level of influence or control as the votes are subject to a super-majority of 75% to pass a motion.

As a result of the above, there is now full disclosure in the Notes to the Financial Statements with regard to the relationship and a summary of the transactions between the two entities.

Inventory

We wish to make it known to Management and the Board that we did take into account any potential inventories, of any value, belonging to CPHRBC. These inventories could include, but not limited to, marketing materials, information materials, supplies. We have determined, with the agreement of Management's, that none of these items have any real fair market value and as such no amount has been setup as an asset for them.

Personnel Changes

Baldev Gill left the organization in November 2018, after being with CPHRBC for roughly four years. He was responsible for Finance, HR, and IT. We are confident that these areas are being adequately looked after based on discussions and observations during the audit attendance.

The Finance duties are now being looked after by Claudia Wang, and she reports directly to Anthony Ariganello. We are very satisfied with the state of the Finance department.

HR and IT responsibilities have been assumed by a new member to the CPHRBC team, Sheh Shohajee. Sheh's title is Director of Operations and she oversees HR, IT, and Administration, she reports to Anthony Ariganello.

We have no observed issues with the staffing or function of the Finance or IT departments within CPHRBC. Everything appears to be working well.

IT Systems

Ticketed Issues

The communications between CPHRBC and Abila, the NetForm platform provider, is based on ticket response format. The severity of the issues are prioritized into five levels of tickets. It is good to see that the IT department keeps track of the detail of each ticket, this is a strong control. We would recommend that Management undertake a comprehensive analysis, regularly, based on the available information, such as frequency of issue occurrence, IT responses time, type of user complaint, etc. This will allow Management to better understand the inherent risks of the current IT system and be better equipped to communicate with Abila any IT system improvement needs.

Disaster Recovery Plan

We would strongly recommend for management to look into establishing a system-wide Disaster Recovery Plan ("DRP"). A (DRP) is a documented process and/or set of procedures to execute an organization's recovery after a disaster or catastrophic event. This will account, not only for data safety and recovery, but to enable a swift and efficient rebuild of the organization's IT infrastructure, including hardware, in the event of a disaster. It is a comprehensive manual of specific actions to be taken before, during and after a disaster. The disaster could be natural, environmental or man-made. Man-made disasters could be intentional (for example, an act of terrorism) or unintentional (accidental, such as breakage or errors in judgment).

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

EPR MAPLE RIDGE LANGLEY

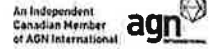
CHARTERED PROFESSIONAL ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Paul Walker', with a horizontal line extending to the right.

Paul Walker, FCPA, FCGA
Partner
pwalker@eprcpa.ca



EPR Maple Ridge Langley
Chartered Professional Accountants
21542 48 Avenue, Langley, BC V3A 3M5
Tel: 604-534-1441 eprly@eprcpa.ca www.eprcpa.ca



March 12, 2019
Confidential

Chartered Professionals in Human Resources of BC & Yukon
1101 - 1111 West Hastings Street
Vancouver BC V6E 2J3

Attention: Anthony Ariganello, CEO

Dear Audit Committee Members:

We have been engaged to audit the financial statements of Chartered Professionals in Human Resources of BC & Yukon for the year ending December 31, 2018.

The purpose of this letter is to communicate with you regarding all relationships between Chartered Professionals in Human Resources of BC & Yukon and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

The following comments have been prepared to facilitate our discussion with you regarding independence matters arising since March 16, 2018, the date of our last letter.

We hereby confirm that we:

- have complied with the requirements regarding independence in the Rules of Conduct of the Chartered Professional Accountants of British Columbia; and
- have disclosed all relationships and other matters between the Firm, network firm and the entity that in our opinion may reasonably be thought to bear on independence.

We are not aware of any relationships between Chartered Professionals in Human Resources of BC & Yukon and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from March 16, 2018 to March 12, 2019.

This letter is intended solely for the use of the audit committee, the board of directors, management, and others within the association and should not be used for any other purpose.

We look forward to discussing with you the matters addressed in this letter at our upcoming meeting on .

Yours truly,

EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

Paul Walker, FCPA, FCGA

Chartered Professionals in Human Resources of BC & Yukon
 Summary of identified misstatements
 Year end: December 31, 2018

Effect of uncorrected misstatements from prior periods			-	-	
Uncorrected misstatements to be carried forward			5,225	5,225	

EVALUATION OF MISSTATEMENTS	PSC? Y/N	PSC? Initials	W/P ref	Responses and any difficulties encountered
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Prepared by	Manager review	Partner review	PDF
RZ 2/23/19		PGW 3/05/19	

Chartered Professionals in Human Resources of BC & Yukon
 Summary of identified misstatements
 Year end: December 31, 2018

1. Revise the overall/performance materiality for any new information obtained that would have caused a different amount to have been initially determined, and then describe the new information. Consider changes in financial statement users, operations and financial results.	Y	RZ	A-420	Preliminary (Form A-420) Overall materiality: <u>\$45,000</u> Performance materiality: <u>\$27,000</u> Final: Overall materiality: <u>\$45,000</u> Performance materiality: <u>\$27,000</u>
2. Describe additional work required:				
a. As a result of a change in overall/performance materiality.	Y	RZ		No changes
b. Where the aggregate of accumulated misstatements approaches or exceeds performance materiality.	Y	RZ		No such issue
c. Where the nature of the misstatements and the circumstances of their occurrence indicate that other misstatements may exist.	Y	RZ		No such issue
d. To determine whether misstatements remain in a class of transactions, account balance or disclosure where management was requested by the auditor to examine and then correct the detected misstatements. This situation could result from management's unwillingness to accept an auditor's projection of misstatements in an audit sample.	Y	RZ		No such issue
3. Identify and discuss with management:	Y	RZ		
a. Any patterns in the misstatements that might indicate possible management bias (such as estimates) or possible fraud.	Y	RZ		No such issue
b. The effect of identified misstatements (including misclassifications) on:	Y	RZ		No such issue
i. Compliance with regulatory requirements, debt or other contractual covenants (such as expenses funded by a government program), or	NA	RZ		No debt
ii. Individual line items or sub totals (such as turning a loss into a profit).	Y	RZ		No such issue
4. Ask management to correct all identified misstatements. Document and assess management's reasoning of why any misstatements have not been corrected.				

Prepared by	Manager review	Partner review	PDF
RZ 2/23/19		PGW 3/05/19	

Chartered Professionals in Human Resources of BC & Yukon
 Summary of identified misstatements
 Year end: December 31, 2018

EVALUATION OF MISSTATEMENTS	PSC? Y/N	PSC? Initials	W/P ref	Responses and any difficulties encountered
a. Communicate with TCWG any uncorrected misstatements by management (including the effect of uncorrected misstatements related to prior periods) and the effect that they, individually or in aggregate, may have on the audit opinion.	Y	RZ		Communicated
b. Request of TCWG to correct the misstatements and document and assess the reasoning of why any misstatements have not been corrected.	Y	RZ		Requested

Conclusion

In my opinion, the identified and uncorrected misstatements (if any) are not material, either individually or in aggregate, to the financial statements.
 (If misstatements are material, explain why and describe the impact on the auditor's opinion.)

Richard Zhao

Date March 5, 2019

Describe the basis for the conclusion reached (such as all misstatements identified have been corrected)

Prepared by	Manager review	Partner review	PDF
RZ 2/23/19		PGW 3/05/19	



INDEPENDENT AUDITOR'S REPORT

To the Members of Chartered Professionals in Human Resources of BC & Yukon

Report on the Financial Statements

Opinion

We have audited the financial statements of Chartered Professionals in Human Resources of BC & Yukon (the Association), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, revenues and expenditures and cash flows 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 Association as at December 31, 2018, and the results of its operations and its cash flows 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 Association 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Billing system

The Association uses netForum, which is a web-based database system, owned by Abila in Texas, USA, to manage multiple events, various types of memberships and track payments received. The program also keeps track of registration dates and membership terms to defer revenue until such time as the event or membership dues are recognized as revenue.

As the Association heavily relies on netForum in their revenue billing system, our audit procedures were focused on testing the efficiency and accuracy of the billing system and related internal controls for consideration of assertions such as completeness and occurrence. Also, we interviewed the head of the IT department and reviewed the communications between the Association and Abila during the year to better understand the ongoing issues of the netForum system which might influence financial information recording and reporting.

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.

(continues)

Independent Auditor's Report to the Members of Chartered Professionals in Human Resources of BC & Yukon (continued)

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

(continues)

Independent Auditor's Report to the Members of Chartered Professionals in Human Resources of BC & Yukon (*continued*)

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

EPR

**EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS**

Langley, BC
March 15, 2019