

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

FINANCIAL STATEMENTS
DECEMBER 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Society of Respiratory Therapists:

Opinion

We have audited the financial statements of Canadian Society of Respiratory Therapists ("the Entity"), which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations 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 Entity as at December 31, 2020, 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 Entity 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

OHCD LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

March 26, 2021

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	2020	2019
CURRENT ASSETS		
Cash	\$ 355,591	\$ 315,234
Short term investments (note 2)	100,228	20,000
Accounts receivable	9,085	682
Government remittances receivable	20,191	164
Prepaid expenses	113,929	85,327
	<u>599,024</u>	<u>421,407</u>
LONG-TERM INVESTMENTS (note 2)	60,000	139,518
CAPITAL ASSETS (note 3)	13,835	24,645
	<u>\$ 672,859</u>	<u>\$ 585,570</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 57,937	\$ 53,793
Deferred revenue (note 5)	112,707	171,473
	<u>170,644</u>	<u>225,266</u>
LONG-TERM LOAN (note 6)	30,000	-
	<u>200,644</u>	<u>225,266</u>
NET ASSETS		
Invested in capital assets	13,835	24,645
Internally restricted grant fund (note 8)	50,000	50,000
Unrestricted	408,380	285,659
	<u>472,215</u>	<u>360,304</u>
	<u>\$ 672,859</u>	<u>\$ 585,570</u>

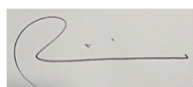
Approved on behalf of the Board:

Chitra Gnanasabesan



Director

Paul Williams



Director

Canadian Society of Respiratory Therapists

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED DECEMBER 31, 2020

	2020	2019
INVESTED IN CAPITAL ASSETS		
Balance - beginning of the period	\$ 24,645	\$ 27,459
Amortization of capital assets	(14,557)	(22,522)
Acquisition of capital assets	3,747	19,708
Balance - end of the period	\$ 13,835	\$ 24,645
INTERNALLY RESTRICTED GRANT FUND		
Balance - beginning of the period	\$ 50,000	\$ -
Transfer from unrestricted net assets	-	50,000
Balance - end of the period	\$ 50,000	\$ 50,000
UNRESTRICTED		
Balance - beginning of the period	\$ 285,659	\$ 208,126
Net change related to capital assets	10,810	2,814
Transfer to internally restricted grant fund	-	(50,000)
Net revenue for the period	111,911	124,719
Balance - end of period	\$ 408,380	\$ 285,659

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2020

	2020	2019
REVENUE		
Members' dues	\$ 709,796	\$ 699,872
Annual Education Forum	26,940	433,651
CoARTE Accreditation	2,000	85,188
Services	16,284	18,000
Publications and promotion	27,961	43,960
Government subsidies related to COVID-19	119,164	-
Investment Income	2,640	2,869
	904,785	1,283,540
EXPENDITURE		
Salaries and benefits	474,431	465,167
Annual education forum	16,745	273,069
Bad debt	-	33
Telecommunications	57,368	55,701
Overhead and operations	21,303	21,665
Rent	30,052	32,337
Board and special committee	2,396	8,304
CoARTE Accreditation	1,522	10,079
Publications, promotions and awards	57,390	113,241
Travel and facilities	3,004	34,906
Special projects	27,866	39,728
Professional fees	49,606	46,006
Bank charges and broker fess	36,634	36,063
Amortization	14,557	22,522
	792,874	1,158,821
NET REVENUE FOR THE PERIOD	\$ 111,911	\$ 124,719

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2020

	2020	2019
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the period	\$ 111,911	\$ 124,719
Items not affecting cash:		
Amortization of capital assets	14,557	22,522
Changes in non cash working capital items:		
Accounts receivable	(8,403)	6,138
Government remittances receivable	(20,027)	(164)
Prepaid expenses	(28,602)	33,383
Accounts payable	4,144	(16,102)
Deferred revenue	(58,766)	(36,003)
	<u>14,814</u>	<u>134,493</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	(3,747)	(19,708)
(Addition to) redemption of short-term and long-term investments	(710)	(1,388)
	<u>(4,457)</u>	<u>(21,096)</u>
FINANCING ACTIVITIES		
Long-term loan	30,000	-
INCREASE IN CASH	40,357	113,397
Cash beginning of the year	315,234	201,837
CASH END OF YEAR	\$ 355,591	\$ 315,234

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The Canadian Society of Respiratory Therapists (the Society) is a national organization established to promote the professional of respiratory therapy. This national organization is dedicated to supporting respiratory therapists in the practice of cardiorespiratory care. As the credentialing body for respiratory therapists - health professionals who assist in the diagnosis, treatment and care of patients with respiratory and cardiopulmonary disorders, the Society's mandate is that a minimum national standard in the field is maintained and promoted. The Society is incorporated without share capital under Part II of the Canada Corporations Act and, as a not-for-profit organization, is exempt from income taxes under subsection 149(1)(1) of the Income Tax Act.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

1. SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

b) Revenue recognition

The Society follows the deferral method of accounting for contributions and other revenues. Revenues related to the Annual Education Forum Restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. CoARTE Accreditation, services, publications, promotions, and investment revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at amortized cost.

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

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

d) Capital assets

Capital assets are recorded at cost and are amortized on an annual basis using the straight-line method as follows:

Furniture and fixtures	25%
Office equipment	33%
Computer equipment	33%
Website	12.5%
Computer database	20%

e) Contributed goods and services

The Society receives the benefit of numerous hours of volunteer time. Due to the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

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2. INVESTMENTS

Investments consist of Guaranteed Investment Certificates with maturity dates ranging from June 2021 through June 2024, and interest rates ranging from .95% to 1.8%.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 NBV	2019 NBV
Furniture and fixtures	\$ 2,627	\$ 2,627	\$ -	\$ 66
Office equipment	10,953	10,786	167	1,339
Computer equipment	44,131	41,380	2,751	8,455
Computer database	41,788	38,200	3,588	5,689
Website	30,913	23,584	7,329	9,096
	<u>\$ 130,412</u>	<u>\$ 116,577</u>	<u>\$ 13,835</u>	<u>\$ 24,645</u>

4. BANK LOAN

The Society has an authorized line of credit of \$75,000, at prime lending rate plus 2.5%. This line of credit is secured by the Society's investment in guaranteed investment certificates. The line of credit is unused at year-end.

5. DEFERRED REVENUE

	2020	2019
Balance, beginning of the year	171,473	207,476
Less: amount recognized as revenue in the year	(171,473)	(207,476)
Plus: amount received for the subsequent year	112,707	171,473
Balance, end of the year	<u>112,707</u>	<u>171,473</u>

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

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6. LONG-TERM LOAN

The Society received an interest-free loan in the amount of \$40,000 from the Government of Canada under the Canada Emergency Business Account (CEBA) program. The loan is to help cover operating costs during a period where revenues have been temporarily reduced due to the economic impacts of the COVID-19 virus. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of \$10,000. This forgiveness has been recorded as revenue in the current year.

7. COMMITMENTS

The commitments of the Society under lease agreements aggregate to \$120,000. The instalments over the next four years are the following:

2021	33,500
2022	33,500
2023	33,500
2024	19,500

8. PENSION ASSISTANCE PROGRAM

The Society contributes to employees' pension plans at a rate of 5-6% of the employee's salary. The program is vested after two years of employment. The employer's contributions for the year were \$19,579 (2019 - \$20,952). Employer contributions are accounted for in salaries and benefits.

9. INTERNALLY RESTRICTED GRANT FUND

The board approved an internal restriction of \$nil during the year (2019 - \$50,000), to establish a grant fund with the intention of providing funding opportunities for targeted research and scholarships across the profession.

10. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year.

11. FUTURE OPERATIONS

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. This has caused disruption in the operations of the Society. The extent of the impact of COVID-19 on the Society's operational and financial performance will depend on certain developments and factors, including the duration and spread of the outbreak, impact on the Society's members, funders, employees and vendors, all of which are uncertain and cannot be predicted. As such, the extent to which COVID-19 may impact the Society's financial condition or results of operations cannot be reasonably estimated at this time.