

**CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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## 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, 2021, 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, 2021, 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

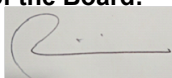
March 16, 2022

# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	2021	2020
<b>CURRENT ASSETS</b>		
Cash	\$ 547,182	\$ 355,591
Short term investments (note 2)	100,228	100,228
Accounts receivable	22,141	9,085
Government remittances receivable	4,020	20,191
Prepaid expenses	93,733	113,929
	<u>767,304</u>	<u>599,024</u>
LONG-TERM INVESTMENTS (note 2)	60,720	60,000
CAPITAL ASSETS (note 3)	7,050	13,835
	<u>\$ 835,074</u>	<u>\$ 672,859</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 98,042	\$ 57,937
Deferred revenue (note 5)	79,660	112,707
	<u>177,702</u>	<u>170,644</u>
LONG-TERM LOAN (note 6)	30,000	30,000
	<u>207,702</u>	<u>200,644</u>
<b>NET ASSETS</b>		
Invested in capital assets	7,051	13,835
Internally restricted grant fund (note 8)	50,000	50,000
Unrestricted	570,321	408,380
	<u>627,372</u>	<u>472,215</u>
	<u>\$ 835,074</u>	<u>\$ 672,859</u>

Approved on behalf of the Board:



Director



Director

## Canadian Society of Respiratory Therapists

### STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED DECEMBER 31, 2021

	2021	2020
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of the period	\$ 13,835	\$ 24,645
Amortization of capital assets	(6,784)	(14,557)
Acquisition of capital assets	-	3,747
Balance - end of the period	\$ 7,051	\$ 13,835
<b>INTERNALLY RESTRICTED GRANT FUND</b>		
Balance - beginning of the period	\$ 50,000	\$ 50,000
Transfer from unrestricted net assets	-	-
Balance - end of the period	\$ 50,000	\$ 50,000
<b>UNRESTRICTED</b>		
Balance - beginning of the period	\$ 408,380	\$ 285,659
Net change related to capital assets	6,783	10,810
Transfer to internally restricted grant fund	-	-
Net revenue for the period	155,158	111,911
Balance - end of period	\$ 570,321	\$ 408,380

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

### STATEMENT OF OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2021

	2021	2020
<b>REVENUE</b>		
Members' dues	\$ 738,365	\$ 709,796
Annual Education Forum	114,528	26,940
CoARTE Accreditation	2,000	2,000
Services	34,567	16,284
Publications and promotion	65,900	27,961
Government subsidies related to COVID-19	173,052	119,164
Investment Income	2,331	2,640
	<b>1,130,743</b>	<b>904,785</b>
<b>EXPENDITURE</b>		
Salaries and benefits	548,919	474,431
Annual education forum	48,397	16,745
Bad debt	-	-
Telecommunications	64,202	57,368
Overhead and operations	24,418	21,303
Rent	25,509	30,052
Board and special committee	1,000	2,396
CoARTE Accreditation	1,714	1,522
Publications, promotions and awards	83,469	57,390
Travel and facilities	265	3,004
Special projects	80,035	27,866
Professional fees	57,227	49,606
Bank charges and broker fees	33,646	36,634
Amortization	6,784	14,557
	<b>975,585</b>	<b>792,874</b>
<b>NET REVENUE FOR THE PERIOD</b>	<b>\$ 155,158</b>	<b>\$ 111,911</b>

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2021

	2021	2020
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue for the period	\$ 155,158	\$ 111,911
Items not affecting cash:		
Amortization of capital assets	6,784	14,557
Changes in non cash working capital items:		
Accounts receivable	(13,056)	(8,403)
Government remittances receivable	16,171	(20,027)
Prepaid expenses	20,196	(28,602)
Accounts payable	40,105	4,144
Deferred revenue	(33,047)	(58,766)
	<u>192,311</u>	<u>14,814</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	-	(3,747)
(Addition to) redemption of short-term and long-term investments	(720)	(710)
	<u>(720)</u>	<u>(4,457)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term loan	-	30,000
		<u>30,000</u>
<b>INCREASE IN CASH</b>	<b>191,591</b>	<b>40,357</b>
Cash beginning of the year	355,591	315,234
<b>CASH END OF YEAR</b>	<b>\$ 547,182</b>	<b>\$ 355,591</b>

# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 2022 through June 2024, and interest rates ranging from .95% to 1.8%.

### 3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2021 NBV	2020 NBV
Furniture and fixtures	\$ 2,627	\$ 2,627	\$ -	\$ 66
Office equipment	10,953	10,953	-	1,339
Computer equipment	44,131	44,131	-	8,455
Computer database	41,788	40,302	1,486	5,689
Website	30,913	25,349	5,564	9,096
	<u>\$ 130,412</u>	<u>\$ 123,362</u>	<u>\$ 7,050</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

	2021	2020
Balance, beginning of the year	112,707	171,473
Less: amount recognized as revenue in the year	(112,707)	(171,473)
Plus: amount received for the subsequent year	79,660	112,707
Balance, end of the year	<u>79,660</u>	<u>112,707</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, 2023 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 \$86,500. The instalments over the next four years are the following:

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 \$22,864 (2020 - \$19,579). 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 (2020 - \$nil), to establish a grant fund with the intention of providing funding opportunities for targeted research and scholarships across the profession.