

**CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

	2014	2013
<b>CURRENT ASSETS</b>		
Cash	\$ 31,308	\$ 230,460
Short term investment (note 4)	26,177	-
Accounts receivable	23,016	2,539
Prepaid expenses	42,025	76,378
	122,526	309,377
<b>LONG-TERM INVESTMENTS (note 4)</b>	130,308	151,274
<b>CAPITAL ASSETS (note 5)</b>	26,356	18,863
	\$ 279,190	\$ 479,514
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 41,052	\$ 42,541
Government remittances payable	-	6,360
Deferred revenue (note 7)	201,109	358,306
	242,161	407,207
<b>NET ASSETS</b>		
Invested in capital assets	26,356	18,863
Unrestricted	10,673	53,444
	37,029	72,307
	\$ 279,190	\$ 479,514

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, 2014

	2014	2013
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of the period	\$ 18,863	\$ 21,365
Amortization of capital assets	(14,445)	(10,770)
Acquisition of capital assets	21,938	8,268
Balance - end of the period	\$ 26,356	\$ 18,863
<b>UNRESTRICTED</b>		
Balance - beginning of the period	\$ 53,444	\$ 87,823
Net change related to capital assets	(7,493)	2,502
Net revenue (expenditure) for the period	(35,278)	(36,881)
Balance - end of period	\$ 10,673	\$ 53,444

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED DECEMBER 31, 2014

	2014	2013
<b>REVENUE</b>		
Members' dues	\$ 532,125	\$ 542,030
Annual Education Forum	590,209	373,285
CoARTE Accreditation	152,879	146,879
Services	74,562	126,039
Publications and promotion	93,327	64,370
Investment Income	6,089	2,403
Unrealized loss	-	(4,150)
	<b>1,449,191</b>	<b>1,250,856</b>
<b>EXPENDITURE</b>		
Salaries and benefits	424,063	436,971
Annual education forum	484,755	253,032
Bad debt	14,376	2,924
Telecommunications	94,372	95,629
Overhead and operations	48,216	48,304
Rent	67,215	63,898
Respiratory Therapy Society of Ontario Agreement	-	49,514
Board and special committee	64,032	67,108
CoARTE Accreditation	64,354	65,537
Publications, promotions and awards	94,744	72,849
Travel and facilities	39,073	25,432
Special projects	29,910	41,039
Professional fees	6,825	18,423
Bank charges and broker fess	38,089	36,307
Amortization	14,445	10,770
	<b>1,484,469</b>	<b>1,287,737</b>
<b>NET EXPENDITURE FOR THE PERIOD</b>	<b>\$ (35,278)</b>	<b>\$ (36,881)</b>

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED DECEMBER 31, 2014

	2014	2013
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net expenditure for the period	\$ (35,278)	\$ (36,881)
Items not affecting cash:		
Amortization of capital assets	14,445	10,770
Changes in non cash working capital items:		
Accounts receivable	(20,477)	42,094
Prepaid expenses	34,353	(34,491)
Accounts payable	(1,489)	12,271
Government remittances payable	(6,360)	(20,362)
Deferred revenue	(157,197)	204,746
	(172,003)	178,147
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(21,938)	(8,268)
(Addition to) redemption of short-term and long-term investments	(5,211)	4,167
	(27,149)	(4,101)
<b>INCREASE (DECREASE) IN CASH</b>	(199,152)	174,046
Cash beginning of the year	230,460	56,414
<b>CASH END OF YEAR</b>	\$ 31,308	\$ 230,460

# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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 are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### c) Financial instruments

Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

## 2. FUTURE OPERATIONS

The Society has operated in a loss position for the last two years. This has reduced the unrestricted net assets significantly. Management and the Board are confident that they will be able to reduce future costs. However, if future revenue does not cover costs, this will prevent the Society from meeting its obligations and from continuing with its normal operations. These financial statements have been prepared under the assumption that the Society will continue to operate normally.

## 3. FINANCIAL INSTRUMENTS

Financial instruments of the Society consist of cash, investments, accounts receivable, accounts payable and government remittances payable.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.



## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
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### 4. CONTRIBUTED GOODS AND SERVICES

The Society receives the benefit of various contributed goods and 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.

### 5. INVESTMENTS

	Market Value 2014 \$	Market Value 2013 \$
Guaranteed investment certificate's	131,160	151,274
Common shares	18,297	-
Mutual funds	7,028	-
<b>Total investments</b>	<b>156,485</b>	<b>151,274</b>

Investments consist of GICs and Common Shares and Mutual Funds. GICs have maturity dates ranging from August 26, 2015 through August 26, 2019. Interest rates range from 1.96% to 2.7%.

### 6. 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	33%

	Cost	Accumulated Amortization	2014 NBV	2013 NBV
Furniture and fixtures	\$ 549	\$ 137	\$ 412	\$ -
Office equipment	6,589	2,196	4,393	-
Computer equipment	16,868	14,112	2,756	8,378
Computer database	11,788	4,016	7,772	-
Website	19,788	8,765	11,023	10,485
	<b>\$ 55,582</b>	<b>\$ 29,226</b>	<b>\$ 26,356</b>	<b>\$ 18,863</b>

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

### 7. 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 bonds. The line of credit is unused at year-end.

### 8. DEFERRED REVENUE

	2014	2013
Annual Education Forum	\$ 100,165	\$ 258,824
CoARTE Accreditation	100,944	99,482
	<u>201,109</u>	<u>358,306</u>
Balance, beginning of the year	358,306	153,560
Less: amount recognized as revenue in the year	(358,306)	(153,560)
Plus: amount received for the subsequent year	201,109	358,306
Balance, end of the year	<u>201,109</u>	<u>358,306</u>

### 9. COMMITMENTS

The commitments of the Society under lease agreements aggregate to \$174,000. The instalments over the next five years are the following:

2015	\$ 38,000
2016	38,000
2017	38,000
2018	38,000
2019	22,000

### 10. PENSION ASSISTANCE PROGRAM

The society contributes to employees' pension plans by matching the employees' contributions. Contributions are at the rate of 5% of the employee's salary. The program is vested after two years of employment. The employer's contributions for the year were \$11,645 (2013 \$18,150). Employer contributions are accounted for in salaries and benefits.