

**CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
**Canadian Society of Respiratory Therapists:**

We have audited the accompanying financial statements of the Canadian Society of Respiratory Therapists, which comprise the statement of financial position as at December 31, 2015, and the statements of changes in net assets, operations and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility 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.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Society of Respiratory Therapists as at December 31, 2015, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*OHCD LLP.*

**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario  
April 6, 2016

# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	2015	2014
<b>CURRENT ASSETS</b>		
Cash	\$ 180,543	\$ 31,308
Short term investment (note 4)	26,779	26,177
Accounts receivable	6,038	23,016
Prepaid expenses	35,935	42,025
	249,295	122,526
<b>LONG-TERM INVESTMENTS (note 4)</b>	131,232	130,308
<b>CAPITAL ASSETS (note 5)</b>	21,328	26,356
	\$ 401,855	\$ 279,190
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 71,835	\$ 41,052
Deferred revenue (note 7)	251,697	201,109
	323,532	242,161
<b>NET ASSETS</b>		
Invested in capital assets	21,328	26,356
Unrestricted	56,995	10,673
	78,323	37,029
	\$ 401,855	\$ 279,190

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, 2015

	2015	2014
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of the period	\$ 26,356	\$ 18,863
Amortization of capital assets	(14,709)	(14,445)
Acquisition of capital assets	9,681	21,938
Balance - end of the period	\$ 21,328	\$ 26,356
<b>UNRESTRICTED</b>		
Balance - beginning of the period	\$ 10,673	\$ 53,444
Net change related to capital assets	5,028	(7,493)
Net revenue (expenditure) for the period	41,294	(35,278)
Balance - end of period	\$ 56,995	\$ 10,673

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED DECEMBER 31, 2015

	2015	2014
<b>REVENUE</b>		
Members' dues	\$ 565,277	\$ 532,125
Annual Education Forum	378,067	590,209
CoARTE Accreditation	152,277	152,879
Services	47,142	74,562
Publications and promotion	79,131	93,327
Investment Income	3,519	6,089
	<b>1,225,413</b>	<b>1,449,191</b>
<b>EXPENDITURE</b>		
Salaries and benefits	482,276	424,063
Annual education forum	264,028	484,755
Bad debt	126	14,376
Telecommunications	81,911	94,372
Overhead and operations	40,884	48,216
Rent	39,410	67,215
Board and special committee	51,016	64,032
CoARTE Accreditation	78,786	64,354
Publications, promotions and awards	54,382	94,744
Travel and facilities	20,109	39,073
Special projects	7,361	29,910
Professional fees	6,800	6,825
Bank charges and broker fess	42,321	38,089
Amortization	14,709	14,445
	<b>1,184,119</b>	<b>1,484,469</b>
<b>NET REVENUE (EXPENDITURE) FOR THE PERIOD</b>	<b>\$ 41,294</b>	<b>\$ (35,278)</b>

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2015

	2015	2014
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue (expenditure) for the period	\$ 41,294	\$ (35,278)
Items not affecting cash:		
Amortization of capital assets	14,709	14,445
Changes in non cash working capital items:		
Accounts receivable	16,978	(20,477)
Prepaid expenses	6,090	34,353
Accounts payable	30,783	(1,489)
Government remittances payable	-	(6,360)
Deferred revenue	50,588	(157,197)
	160,442	(172,003)
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(9,681)	(21,938)
(Addition to) redemption of short-term and long-term investments	(1,526)	(5,211)
	(11,207)	(27,149)
<b>INCREASE (DECREASE) IN CASH</b>	149,235	(199,152)
Cash beginning of the year	31,308	230,460
<b>CASH END OF YEAR</b>	\$ 180,543	\$ 31,308

# **CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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. FINANCIAL INSTRUMENTS**

Financial instruments of the Society consist of cash, investments, accounts receivable, and accounts 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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### 3. 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.

### 4. INVESTMENTS

	Market Value 2015 \$	Market Value 2014 \$
Guaranteed investment certificate's	133,630	131,160
Common shares	18,154	18,297
Mutual funds	6,227	7,028
<b>Total investments</b>	<b>158,011</b>	<b>156,485</b>

Investments consist of GICs and Common Shares and Mutual Funds. GICs have maturity dates ranging from August 26, 2016 through September 15, 2020. Interest rates range from 2.21% to 2.7%.

### 5. 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	2015 NBV	2014 NBV
Furniture and fixtures		\$ 1,307	\$ 464	\$ 843	\$ 412
Office equipment		7,439	4,676	2,763	4,393
Computer equipment		18,990	17,576	1,414	2,756
Computer database		17,740	9,981	7,759	7,772
Website		19,788	11,239	8,549	11,023
		<b>\$ 65,264</b>	<b>\$ 43,936</b>	<b>\$ 21,328</b>	<b>\$ 26,356</b>



## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
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### 6. 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.

### 7. DEFERRED REVENUE

	2015	2014
Annual Education Forum	\$ 156,940	\$ 100,165
CoARTE Accreditation	94,757	100,944
	<u>251,697</u>	<u>201,109</u>
Balance, beginning of the year	201,109	358,306
Less: amount recognized as revenue in the year	(201,109)	(358,306)
Plus: amount received for the subsequent year	251,697	201,109
Balance, end of the year	<u>251,697</u>	<u>201,109</u>

### 8. COMMITMENTS

The commitments of the Society under lease agreements aggregate to \$136,000. The instalments over the next four years are the following:

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

### 9. 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 \$13,522 (2014 \$11,645). Employer contributions are accounted for in salaries and benefits.