

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

FINANCIAL STATEMENTS
DECEMBER 31, 2016



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, 2016, 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, 2016, 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.

OHCID LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
March 9, 2017

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

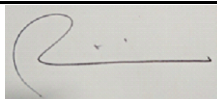
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	2016	2015
CURRENT ASSETS		
Cash	\$ 193,575	\$ 180,543
Short term investment (note 4)	-	26,779
Accounts receivable	14,699	6,038
Prepaid expenses	45,340	35,935
	253,614	249,295
LONG-TERM INVESTMENTS (note 4)		
	157,451	131,232
CAPITAL ASSETS (note 5)		
	22,599	21,328
	\$ 433,664	\$ 401,855
LIABILITIES		
Accounts payable and accrued liabilities	\$ 69,295	\$ 71,835
Deferred revenue (note 7)	262,235	251,697
	331,530	323,532
NET ASSETS		
Invested in capital assets	22,599	21,328
Unrestricted	79,535	56,995
	102,134	78,323
	\$ 433,664	\$ 401,855

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, 2016

	2016	2015
INVESTED IN CAPITAL ASSETS		
Balance - beginning of the period	\$ 21,328	\$ 26,356
Amortization of capital assets	(15,495)	(14,709)
Acquisition of capital assets	16,766	9,681
Balance - end of the period	\$ 22,599	\$ 21,328
UNRESTRICTED		
Balance - beginning of the period	\$ 56,995	\$ 10,673
Net change related to capital assets	(1,271)	5,028
Net revenue for the period	23,811	41,294
Balance - end of period	\$ 79,535	\$ 56,995

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31, 2016

	2016	2015
REVENUE		
Members' dues	\$ 588,754	\$ 565,277
Annual Education Forum	407,281	378,067
CoARTE Accreditation	137,857	152,277
Services	47,941	47,142
Publications and promotion	71,569	79,131
Investment Income	1,074	3,519
	1,254,476	1,225,413
EXPENDITURE		
Salaries and benefits	444,584	482,276
Annual education forum	311,391	264,028
Bad debt	1,329	126
Telecommunications	81,218	81,911
Overhead and operations	38,995	40,884
Rent	40,996	39,410
Board and special committee	57,401	51,016
CoARTE Accreditation	28,398	78,786
Publications, promotions and awards	74,766	54,382
Travel and facilities	25,637	20,109
Special projects	67,364	7,361
Professional fees	7,000	6,800
Bank charges and broker fess	36,091	42,321
Amortization	15,495	14,709
	1,230,665	1,184,119
NET REVENUE FOR THE PERIOD	\$ 23,811	\$ 41,294

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2016

	2016	2015
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the period	\$ 23,811	\$ 41,294
Items not affecting cash:		
Amortization of capital assets	15,495	14,709
Changes in non cash working capital items:		
Accounts receivable	(8,661)	16,978
Prepaid expenses	(9,405)	6,090
Accounts payable	(2,540)	30,783
Deferred revenue	10,538	50,588
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	29,238	160,442
INVESTING ACTIVITIES		
Acquisition of capital assets	(16,766)	(9,681)
(Addition to) redemption of short-term and long-term investments	560	(1,526)
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	(16,206)	(11,207)
INCREASE (DECREASE) IN CASH	13,032	149,235
Cash beginning of the year	180,543	31,308
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CASH END OF YEAR	\$ 193,575	\$ 180,543
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CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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

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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 2016 \$	Market Value 2015 \$
Guaranteed investment certificate's	157,451	133,630
Common shares	-	18,154
Mutual funds	-	6,227
Total investments	157,451	158,011

Investments consist of GICs. GICs have maturity dates ranging from June 18, 2018 through June 16, 2021. Interest rates range from 1.1% to 1.6%.

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	20%				
		Cost	Accumulated Amortization	2016 NBV	2015 NBV
Furniture and fixtures		\$ 2,627	\$ 1,055	\$ 1,572	\$ 843
Office equipment		7,439	7,155	284	2,763
Computer equipment		21,271	19,043	2,228	1,414
Computer database		30,808	18,369	12,439	7,759
Website		19,788	13,712	6,076	8,549
		\$ 81,933	\$ 59,334	\$ 22,599	\$ 21,328

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

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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

	2016	2015
Annual Education Forum	\$ 190,775	\$ 156,940
CoARTE Accreditation	85,460	94,757
	<u>276,235</u>	<u>251,697</u>
Balance, beginning of the year	251,697	358,306
Less: amount recognized as revenue in the year	(251,697)	(358,306)
Plus: amount received for the subsequent year	276,235	251,697
Balance, end of the year	<u>276,235</u>	<u>251,697</u>

8. COMMITMENTS

The commitments of the Society under lease agreements aggregate to \$98,000. The instalments over the next three years are the following:

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 \$13,000 (2015 \$13,522). Employer contributions are accounted for in salaries and benefits.