

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

FINANCIAL STATEMENTS
DECEMBER 31, 2017



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, 2017, 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, 2017, 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 HARVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
April 4, 2018

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	2017	2016
CURRENT ASSETS		
Cash	\$ 262,930	\$ 193,575
Short term investment (note 3)	30,000	-
Accounts receivable	10,170	14,699
Prepaid expenses	66,232	45,340
	<u>369,332</u>	<u>253,614</u>
LONG-TERM INVESTMENTS (note 3)	128,130	157,451
CAPITAL ASSETS (note 4)	42,392	22,599
	<u>\$ 539,854</u>	<u>\$ 433,664</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 66,550	\$ 69,295
Deferred revenue (note 6)	311,515	262,235
	<u>378,065</u>	<u>331,530</u>
NET ASSETS		
Invested in capital assets	42,392	22,599
Unrestricted	119,397	79,535
	<u>161,789</u>	<u>102,134</u>
	<u>\$ 539,854</u>	<u>\$ 433,664</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, 2017

	2017	2016
INVESTED IN CAPITAL ASSETS		
Balance - beginning of the period	\$ 22,599	\$ 21,328
Amortization of capital assets	(17,921)	(15,495)
Acquisition of capital assets	37,714	16,766
Balance - end of the period	\$ 42,392	\$ 22,599
UNRESTRICTED		
Balance - beginning of the period	\$ 79,535	\$ 56,995
Net change related to capital assets	(19,793)	(1,271)
Net revenue for the period	59,655	23,811
Balance - end of period	\$ 119,397	\$ 79,535

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Members' dues	\$ 634,559	\$ 588,754
Annual Education Forum	352,746	407,281
CoARTE Accreditation	132,898	137,857
Services	83,936	47,941
Publications and promotion	68,208	71,569
Investment Income	2,114	1,074
	<u>1,274,461</u>	<u>1,254,476</u>
EXPENDITURE		
Salaries and benefits	514,557	444,584
Annual education forum	265,535	311,391
Bad debt	564	1,329
Telecommunications	76,542	81,218
Overhead and operations	39,384	38,995
Rent	41,713	40,996
Board and special committee	56,843	57,401
CoARTE Accreditation	40,098	28,398
Publications, promotions and awards	66,515	74,766
Travel and facilities	30,061	25,637
Special projects	28,279	67,364
Professional fees	6,900	7,000
Bank charges and broker fess	29,894	36,091
Amortization	17,921	15,495
	<u>1,214,806</u>	<u>1,230,665</u>
NET REVENUE FOR THE PERIOD	\$ 59,655	\$ 23,811

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2017

	2017	2016
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the period	\$ 59,655	\$ 23,811
Items not affecting cash:		
Amortization of capital assets	17,921	15,495
Changes in non cash working capital items:		
Accounts receivable	4,529	(8,661)
Prepaid expenses	(20,892)	(9,405)
Accounts payable	(2,745)	(2,540)
Deferred revenue	49,280	10,538
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	107,748	29,238
INVESTING ACTIVITIES		
Acquisition of capital assets	(37,714)	(16,766)
(Addition to) redemption of short-term and long-term investments	(679)	560
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	(38,393)	(16,206)
INCREASE IN CASH		
	69,355	13,032
Cash beginning of the year	193,575	180,543
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CASH END OF YEAR	\$ 262,930	\$ 193,575
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CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

3. INVESTMENTS

Investments consist of Guaranteed Investment Certificates with maturity dates ranging from June 18, 2018 through December 16, 2021, and interest rates ranging from 1.1% to 1.6%.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2017 NBV	2016 NBV
Furniture and fixtures	\$ 2,627	\$ 1,645	\$ 982	\$ 1,572
Office equipment	7,439	7,439	-	284
Computer equipment	28,019	22,760	5,259	2,228
Computer database	61,774	29,226	32,548	12,439
Website	19,788	16,185	3,603	6,076
	<u>\$ 119,647</u>	<u>\$ 77,255</u>	<u>\$ 42,392</u>	<u>\$ 22,599</u>

5. 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.

6. DEFERRED REVENUE

	2017	2016
Annual Education Forum	\$ 228,639	\$ 176,775
CoARTE Accreditation	82,876	85,460
	<u>311,515</u>	<u>262,235</u>
Balance, beginning of the year	262,235	251,697
Less: amount recognized as revenue in the year	(262,235)	(251,697)
Plus: amount received for the subsequent year	311,515	262,235
Balance, end of the year	<u>311,515</u>	<u>262,235</u>

CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

7. COMMITMENTS

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

2018	38,000
2019	22,000

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 \$21,378 (2016 \$18,518). Employer contributions are accounted for in salaries and benefits.