

**CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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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, 2018, 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, 2018, 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

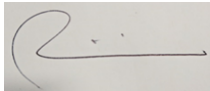
April 17, 2019

# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	2018	2017
<b>CURRENT ASSETS</b>		
Cash	\$ 201,837	\$ 262,930
Short term investment (note 3)	20,000	30,000
Accounts receivable	6,820	10,170
Prepaid expenses	118,710	66,232
	<u>347,367</u>	<u>369,332</u>
LONG-TERM INVESTMENTS (note 3)	138,130	128,130
CAPITAL ASSETS (note 4)	27,459	42,392
	<u>\$ 512,956</u>	<u>\$ 539,854</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 69,895	\$ 66,550
Deferred revenue (note 6)	207,476	311,515
	<u>277,371</u>	<u>378,065</u>
<b>NET ASSETS</b>		
Invested in capital assets	27,459	42,392
Unrestricted	208,126	119,397
	<u>235,585</u>	<u>161,789</u>
	<u>\$ 512,956</u>	<u>\$ 539,854</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, 2018

	2018	2017
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of the period	\$ 42,392	\$ 22,599
Amortization of capital assets	(16,275)	(17,921)
Acquisition of capital assets	1,342	37,714
Balance - end of the period	\$ 27,459	\$ 42,392
<b>UNRESTRICTED</b>		
Balance - beginning of the period	\$ 119,397	\$ 79,535
Net change related to capital assets	14,933	(19,793)
Net revenue for the period	73,796	59,655
Balance - end of period	\$ 208,126	\$ 119,397

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED DECEMBER 31, 2018

	2018	2017
<b>REVENUE</b>		
Members' dues	\$ 691,600	\$ 634,559
Annual Education Forum	461,247	352,746
CoARTE Accreditation	126,470	132,898
Services	29,836	34,985
Publications and promotion	62,595	117,159
Investment Income	1,437	2,114
	<b>1,373,185</b>	<b>1,274,461</b>
<b>EXPENDITURE</b>		
Salaries and benefits	473,604	514,557
Annual education forum	310,829	265,535
Bad debt	633	564
Telecommunications	97,488	76,542
Overhead and operations	99,917	39,384
Rent	41,796	41,713
Board and special committee	55,919	56,843
CoARTE Accreditation	20,790	40,098
Publications, promotions and awards	70,793	66,515
Travel and facilities	24,503	30,061
Special projects	38,509	28,279
Professional fees	15,060	6,900
Bank charges and broker fess	33,273	29,894
Amortization	16,275	17,921
	<b>1,299,389</b>	<b>1,214,806</b>
<b>NET REVENUE FOR THE PERIOD</b>	<b>\$ 73,796</b>	<b>\$ 59,655</b>

## CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2018

	2018	2017
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the period	\$ 73,796	\$ 59,655
Items not affecting cash:		
Amortization of capital assets	16,275	17,921
Changes in non cash working capital items:		
Accounts receivable	3,350	4,529
Prepaid expenses	(52,478)	(20,892)
Accounts payable	3,345	(2,745)
Deferred revenue	(104,039)	49,280
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	(59,751)	107,748
INVESTING ACTIVITIES		
Acquisition of capital assets	(1,342)	(37,714)
(Addition to) redemption of short-term and long-term investments	-	(679)
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	(1,342)	(38,393)
INCREASE IN CASH		
	(61,093)	69,355
Cash beginning of the year	262,930	193,575
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CASH END OF YEAR	\$ 201,837	\$ 262,930
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# CANADIAN SOCIETY OF RESPIRATORY THERAPISTS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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, 2018

### 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 2019 through December 2021, and interest rates ranging from 1.15% to 1.6%.

### 4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 NBV	2017 NBV
Furniture and fixtures	\$ 2,627	\$ 2,231	\$ 396	\$ 982
Office equipment	10,453	8,443	2,010	-
Computer equipment	31,676	21,477	10,199	5,259
Computer database	31,288	27,297	3,991	32,548
Website	30,913	20,050	10,863	3,603
	<u>\$ 106,957</u>	<u>\$ 79,498</u>	<u>\$ 27,459</u>	<u>\$ 42,392</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

	2018	2017
Annual Education Forum	\$ 128,709	\$ 228,639
CoARTE Accreditation	78,767	82,876
	<u>207,476</u>	<u>311,515</u>
Balance, beginning of the year	311,515	262,235
Less: amount recognized as revenue in the year	(311,515)	(262,235)
Plus: amount received for the subsequent year	207,476	311,515
Balance, end of the year	<u>207,476</u>	<u>311,515</u>

## **CANADIAN SOCIETY OF RESPIRATORY THERAPISTS**

NOTES TO FINANCIAL STATEMENTS  
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### **7. COMMITMENTS**

The commitments of the Society under lease agreements aggregate to \$185,000. The instalments over the next five years are the following:

2019	32,000
2020	33,500
2021	32,000
2022	33,500
2023	32,000

### **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 \$20,981 (2017 \$21,528). Employer contributions are accounted for in salaries and benefits.