

Canadian Public Health Association
Financial Statements
For the year ended December 31, 2014

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Independent Auditor's Report

To the members of
Canadian Public Health Association

We have audited the accompanying financial statements of Canadian Public Health Association, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets and cash flows for the year 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.

Auditor's 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 Canadian Public Health Association as at December 31, 2014, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

May 7, 2015

Canadian Public Health Association Statement of Financial Position

December 31	2014	2013
Assets		
Current		
Cash and cash equivalents	\$ 430,221	\$ 375,709
Accounts receivable	199,330	77,161
Inventory (Note 3)	41,465	35,322
Prepaid expenses	43,404	65,883
	714,420	554,075
Investments (Note 2)	536,032	817,363
Tangible capital assets (Note 4)	-	-
	\$1,250,452	\$ 1,371,438
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 223,650	\$ 135,892
Deferred revenues (Note 5)	269,064	622,974
	492,714	758,866
Contractual obligations (Note 6)		
Net Assets		
Internally restricted for contingencies and extraordinary services	425,000	400,000
Unrestricted	332,738	212,572
	757,738	612,572
	\$1,250,452	\$ 1,371,438

On behalf of the board:



Director



Director

Canadian Public Health Association Statement of Changes in Net Assets

<u>For the year ended December 31</u>	<u>Unrestricted</u>	<u>Internally restricted</u>	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 212,572	\$ 400,000	\$ 612,572	\$ 331,510
Excess of revenues over expenses	145,166	-	145,166	281,062
Internal restrictions	(25,000)	25,000	-	-
Balance, end of the year	\$ 332,738	\$ 425,000	\$ 757,738	\$ 612,572

Canadian Public Health Association Statement of Operations

For the year ended December 31	2014	2013
Revenues		
Projects and Conferences	\$ 2,041,416	\$ 2,442,455
National Office (Note 7)	762,303	730,004
Journal	149,971	213,446
Publication sales	80,176	105,376
Investment income	18,690	18,766
	<u>3,052,556</u>	<u>3,510,047</u>
Expenses		
Projects and Conferences	2,041,416	2,442,455
National Office (Note 4)	665,115	601,532
Journal	138,537	120,439
Publication	62,322	64,559
	<u>2,907,390</u>	<u>3,228,985</u>
Excess of revenues over expenses	<u>\$ 145,166</u>	<u>\$ 281,062</u>

Canadian Public Health Association Statement of Cash Flows

For the year ended December 31	2014	2013
Cash flows from operating activities		
Excess of revenues over expenses	\$ 145,166	\$ 281,062
Changes in non-cash working capital:		
Accounts receivable	(122,169)	110,278
Inventory	(6,143)	(14,470)
Prepaid expenses	22,479	3,312
Accounts payable and accrued liabilities	87,758	(202,228)
Deferred revenues	(353,910)	(320,624)
	(226,819)	(142,670)
 Cash flows from investing activities		
Purchase of investments	-	(612,868)
Proceeds on disposal of investments	281,331	-
	281,331	(612,868)
 Net increase (decrease) in cash and cash equivalents	 54,512	 (755,538)
Cash and cash equivalents, beginning of the year	375,709	1,131,247
Cash and cash equivalents, end of the year	\$ 430,221	\$ 375,709
 Represented by:		
Cash	\$ 229,234	\$ 174,742
Guaranteed investment certificates	200,987	200,967
	\$ 430,221	\$ 375,709

Canadian Public Health Association Notes to Financial Statements

December 31, 2014

1. Accounting Policies

Purpose of Organization The Canadian Public Health Association ("Association") was incorporated without share capital by an Act of Parliament on April 1, 1912 to represent public health in Canada with links to the international public health community. The Association's members believe in universal and equitable access to the basic conditions which are necessary to achieve health for all Canadians. The Association's mission is to enhance the health of people in Canada and to contribute to a healthier and more equitable world.

The Association is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

Basis of Accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition Revenues from projects and national office revenues are recognized based on the funding bodies' reporting requirements which are generally related directly to project expenses. Funds received from the funding bodies are recorded as deferred revenue until the revenue is recognized. The disbursement of project revenue is generally subject to audit by the funding body. Based on experience the Association believes costs ultimately disallowed, if any, would be immaterial to the financial statements. Adjustments to prior years' contributions are recorded in the year in which the funding body requests the adjustment.

Revenues from conferences are deferred and recognized in the year that the conference takes place.

Investment income is recognized when earned.

Publication sales are recognized once the title of goods has passed.

Revenues received from Journal subscriptions, memberships and advertising are recorded as deferred revenue and are recognized over the term of the subscription, membership or advertising period.

**Cash and Cash
Equivalents** Cash and cash equivalents include cash on deposit with financial institutions and short-term investments which consist of guaranteed investment certificates, which are cashable on demand.

Canadian Public Health Association

Notes to Financial Statements

December 31, 2014

1. Accounting Policies (continued)

Financial Instruments	<p><u>Measurement</u> The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at amortized cost, except for investments which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.</p> <p>Financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.</p> <p><u>Impairment</u> Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.</p> <p><u>Transaction costs</u> The Association recognizes its transaction costs in the statement of operations in the year incurred for financial instruments measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs in the initial measurement of the asset or liability.</p>						
Inventory	Inventory, which is comprised of publications, is valued at the lower of cost and net realized value. Cost is determined on a weighted average basis.						
Tangible Capital Assets	<p>Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the straight-line method over the following periods:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Computer equipment</td> <td style="text-align: right;">2 years</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">5 years</td> </tr> <tr> <td>Computer software</td> <td style="text-align: right;">2 to 3 years</td> </tr> </table>	Computer equipment	2 years	Equipment	5 years	Computer software	2 to 3 years
Computer equipment	2 years						
Equipment	5 years						
Computer software	2 to 3 years						
Contributed Services	Volunteers contribute numerous hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.						

2. Investments

	2014	2013
Government bonds	\$ 204,495	\$ 204,495
Mutual funds - investment savings	331,537	612,868
	\$ 536,032	\$ 817,363

**Canadian Public Health Association
Notes to Financial Statements**

December 31, 2014

3. Inventory

	2014	2013
Publications	<u>\$ 41,465</u>	<u>\$ 35,322</u>

The total amount of inventory recognized as an expense during the year was \$19,162 (2013 - \$26,152) and is included in the publication expense line.

4. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 18,676	\$ 18,676	\$ 18,676	\$ 18,676
Equipment	194,615	194,615	194,615	194,615
Computer software	48,513	48,513	48,513	48,513
	<u>\$ 261,804</u>	<u>\$ 261,804</u>	<u>\$ 261,804</u>	<u>\$ 261,804</u>
Net book value		<u>\$ -</u>		<u>\$ -</u>

5. Deferred Revenues

Deferred revenues represent revenues received from various private and government sources as well as journal subscriptions and memberships. The breakdown is as follows:

	2014	2013
Deferred revenues - projects and conferences		
Balance, beginning of year	\$ 509,366	\$ 825,514
Plus: amounts received/receivable during the year	1,697,629	2,126,307
Less: amounts recognized as revenues in the year	<u>(2,041,416)</u>	<u>(2,442,455)</u>
Balance, end of year	165,579	509,366
Deferred revenues - other		
Journal subscriptions	72,399	79,169
Memberships	<u>31,086</u>	<u>34,439</u>
Total deferred revenue	<u>\$ 269,064</u>	<u>\$ 622,974</u>

Canadian Public Health Association Notes to Financial Statements

December 31, 2014

6. Contractual Obligations

The Association entered into a lease agreement for its premises that expires in January 2018. The Association is subject to maintenance and realty tax apportionments in addition to the base rent payments. The future annual base rent payments, excluding maintenance and realty tax apportionments, is:

2015	\$	50,468
2016		50,468
2017		50,468
2018		<u>4,206</u>
	\$	<u>155,610</u>

The Association has commitments under various equipment leases with expiry dates between June 2015 and July 2018. The minimum payments under these leases are as follows:

2015	\$	20,745
2016		16,674
2017		9,350
2018		<u>5,454</u>
	\$	<u>52,223</u>

7. National Office - Revenues

National Office revenues include contributions of \$477,903 (2013 - \$424,448) from ongoing and completed projects and conferences.

Canadian Public Health Association Notes to Financial Statements

December 31, 2014

8. Financial Instruments

Liquidity risk

Liquidity risk arises from accounts payable and accrued liabilities. The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Credit risk

The Association is exposed to credit risk for its accounts receivable. The Association provides credit to its members in the normal course of its operations.

Interest rate risk

Fixed rate instruments subject the Association to a fair value risk while variable rate instruments subject it to a cash flow risk. The Association is exposed to this risk for its investments in bonds. The risk associated with investments is reduced to a minimum since these assets are invested in government bonds.

Other price risk

The Association is exposed to other price risk through its investments in mutual funds.