

Canadian Public Health Association
Financial Statements
For the year ended December 31, 2015

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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, 2015, 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, 2015, 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 5, 2016

**Canadian Public Health Association
Statement of Financial Position**

<u>December 31</u>	<u>2015</u>	<u>2014</u>
Assets		
Current		
Cash	\$ 705,097	\$ 229,234
Guaranteed investment certificates	200,739	200,987
Accounts receivable	96,883	199,330
Inventory (Note 2)	27,740	41,465
Prepaid expenses	37,755	43,404
	<u>1,068,214</u>	<u>714,420</u>
Investments (Note 3)	341,753	536,032
Tangible capital assets (Note 4)	<u>-</u>	<u>-</u>
	\$1,409,967	\$ 1,250,452
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 111,036	\$ 223,650
Deferred revenues (Note 5)	808,146	269,064
	<u>919,182</u>	<u>492,714</u>
Contractual obligations (Note 6)		
Net Assets		
Internally restricted for contingencies and extraordinary services	425,000	425,000
Unrestricted	65,785	332,738
	<u>490,785</u>	<u>757,738</u>
	\$1,409,967	\$ 1,250,452

On behalf of the board:

Avollman

Director

Amr Duchon

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>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 332,738	\$ 425,000	\$ 757,738	\$ 612,572
Excess (deficiency) of revenues over expenses	<u>(266,953)</u>	-	<u>(266,953)</u>	145,166
Balance, end of the year	\$ 65,785	\$ 425,000	\$ 490,785	\$ 757,738

Canadian Public Health Association Statement of Operations

For the year ended December 31	2015	2014
Revenues		
Projects and Conferences	\$ 1,639,015	\$ 2,041,416
National Office (Note 7)	380,887	762,303
Journal	166,845	149,971
Publication sales	78,888	80,176
Investment income	15,594	18,690
	2,281,229	3,052,556
Expenses		
Projects and Conferences	1,639,015	2,041,416
National Office	685,878	665,115
Journal	153,808	138,537
Publication	69,481	62,322
	2,548,182	2,907,390
Excess (deficiency) of revenues over expenses	\$ (266,953)	\$ 145,166

Canadian Public Health Association Statement of Cash Flows

For the year ended December 31	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (266,953)	\$ 145,166
Changes in non-cash working capital:		
Accounts receivable	102,447	(122,169)
Inventory	13,725	(6,143)
Prepaid expenses	5,649	22,479
Accounts payable and accrued liabilities	(112,614)	87,757
Deferred revenues	539,082	(353,910)
	281,336	(226,820)
Cash flows from investing activities		
Proceeds from disposal of investments	194,527	281,312
	475,863	54,492
Net increase in cash	475,863	54,492
Cash, beginning of the year	229,234	174,742
	\$ 705,097	\$ 229,234
Cash, end of the year	\$ 705,097	\$ 229,234

Canadian Public Health Association

Notes to Financial Statements

December 31, 2015

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.

Canadian Public Health Association

Notes to Financial Statements

December 31, 2015

1. Accounting Policies (continued)

Financial Instruments

Initial and subsequent measurement

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 of these financial instruments are recognized in the statement of operations in the year incurred.

Financial instruments measured at amortized cost are cash and guaranteed investment certificates, accounts receivable and accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations.

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

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 and following periods:

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.

Canadian Public Health Association Notes to Financial Statements

December 31, 2015

2. Inventory

	2015	2014
Publications	\$ 27,740	\$ 41,465

The total amount of inventory recognized as an expense during the year was \$20,716 (2014 - \$19,162) and is included in the publication expense.

3. Investments

	2015	2014
Government bonds	\$ 204,495	\$ 204,495
Mutual funds - investment savings	137,258	331,537
	\$ 341,753	\$ 536,032

4. Tangible Capital Assets

	2015		2014	
	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
	\$ 261,804	\$ 261,804	\$ 261,804	\$ 261,804
Net book value		\$ -		\$ -

Canadian Public Health Association Notes to Financial Statements

December 31, 2015

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:

	2015	2014
Deferred revenues - projects and conferences		
Balance, beginning of year	\$ 165,579	\$ 509,366
Plus: amounts received	2,183,859	1,697,629
Less: amounts recognized as revenues in the year	(1,639,015)	(2,041,416)
Balance, end of year	710,423	165,579
Deferred revenues - other		
Journal subscriptions	67,146	72,399
Memberships	30,577	31,086
Total deferred revenue	\$ 808,146	\$ 269,064

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, are:

2016	\$ 50,468
2017	50,468
2018	4,205
	\$ 105,141

The Association has commitments under various equipment leases with expiry dates between April 2016 and November 2020. The minimum payments under these leases are as follows:

2016	\$ 17,787
2017	17,429
2018	13,533
2019	8,079
2020	7,406
	\$ 64,234

Canadian Public Health Association Notes to Financial Statements

December 31, 2015

7. National Office Revenues

National Office revenues include contributions of \$119,501 (2014 - \$477,903) from ongoing and completed projects and conferences.

8. Financial Instruments

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. 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 Guaranteed investment certificates and in government bonds.

Other price risk

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