

CANADIAN PUBLIC HEALTH ASSOCIATION

FINANCIAL STATEMENTS
DECEMBER 31, 2017



INDEPENDENT AUDITORS' REPORT

To the Members,
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, 2017 statements of changes in net assets, operations 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.

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 Canadian Public Health Association as at December 31, 2017, 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.

OHCD LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
May 27, 2018

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	2017	2016
CURRENT ASSETS		
Cash	\$ 518,371	\$ 374,843
Term deposits (note 5)	-	341,521
Accounts receivable	324,264	107,438
Inventory (note 3)	30,976	25,748
Prepaid expenses	45,070	45,524
	918,681	895,074
LONG TERM INVESTMENTS (note 5)	211,448	204,495
	\$ 1,130,129	\$ 1,099,569
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 143,729	\$ 184,117
Deferred revenue (note 7)	622,082	401,151
	765,811	585,268
FUND BALANCES		
Internally restricted for contingencies and extraordinary services	425,000	425,000
Unrestricted (deficit)	(60,682)	89,301
	364,318	514,301
	\$ 1,130,129	\$ 1,099,569

Approved on behalf of the Board:



Director



Director

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Internally restricted	2017	2016
Balance, beginning of year	\$ 89,301	\$ 425,000	\$ 514,301	\$ 490,785
Net revenue (expense) for the year	(149,983)	-	(149,983)	23,516
Balance, end of year	\$ (60,682)	\$ 425,000	\$ 364,318	\$ 514,301

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF OPERATIONS AND FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
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REVENUE		
Projects and conferences	\$ 2,190,673	\$ 1,945,098
National Office	396,868	743,572
Journal	171,259	159,284
Publication sales	68,855	97,247
Investment income	18,154	14,800
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	\$ 2,845,809	\$ 2,960,001
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EXPENSE		
Projects and conferences	\$ 2,190,673	\$ 1,945,098
National Office	590,882	783,443
Journal	155,276	146,408
Publication	58,961	61,536
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	\$ 2,995,792	\$ 2,936,485
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NET REVENUE (EXPENSE) FOR THE YEAR	\$ (149,983)	\$ 23,516
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CANADIAN PUBLIC HEALTH ASSOCIATION

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

	2017	2016
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ (149,983)	\$ 23,516
Change in non-cash working capital items:		
Accounts receivable	(216,826)	(10,555)
Inventory	(5,228)	1,992
Prepaid expenses	454	(7,769)
Accounts payable and accrued liabilities	(40,388)	73,081
Deferred revenue	220,931	(406,995)
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FUNDS PROVIDED (USED) BY OPERATING ACTIVITIES	(191,040)	(326,730)
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INVESTING AND FINANCING ACTIVITIES		
(Increase) decrease in investments	334,568	(3,524)
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INCREASE IN CASH	143,528	(330,254)
Cash beginning of year	374,843	705,097
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CASH END OF YEAR	\$ 518,371	\$ 374,843
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CANADIAN PUBLIC HEALTH ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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 revenues 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.

(b) 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.

(c) Inventory

Inventory, which is comprised of publications, is valued at the lower cost and net realized value. Cost is determined on a weighted average basis.

(d) Capital assets

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

(e) 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.

(f) Contributed services

Volunteers contribute numerous hours per year to assist the Association in carrying out service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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3. INVENTORY

	2017	2016
Publications	\$ 30,976	\$ 25,748

The total amount of inventory recognized as an expense during the year was \$20,867 (2016 - \$26,538) and is included in the publication expense.

4. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, investments and accounts payable and accrued liabilities.

The organization is exposed to currency, interest rate and market risks through its investments. The organization follows investment policies and practices to control the amount of risk to which it is exposed. The maximum investment risk is represented by the fair value of investments. It is management's opinion that the carrying amounts of the financial instruments approximate their fair value.

5. INVESTMENTS

	2017	2016
Short term		
Mutual funds - Investment savings	\$ -	\$ 341,521
Long term		
Government bonds	211,448	204,495
	\$ 211,448	\$ 546,016

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2017 NBV	2016 NBV
Computer equipment	\$ 18,676	\$ 18,676	\$ -	\$ -
Equipment	194,615	194,615	-	-
Computer software	48,513	48,513	-	-
	\$ 261,804	\$ 261,804	\$ -	\$ -

7. DEFERRED REVENUE

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

	2017	2016
Deferred revenues - projects and conferences		
Balance - beginning of year	\$ 336,392	\$ 710,423
Plus: amounts received during the year	2,557,759	2,076,972
Less: amounts recognized as revenues in the year	(2,328,907)	(2,451,003)
Balance - end of year	565,244	336,392
Deferred revenues - other		
Journal subscriptions	26,145	34,889
Memberships	30,693	29,870
Total deferred revenues	\$ 622,082	\$ 401,151

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8. COMMITMENT

The Association entered into a lease agreement for its premises that expires in January 2028. 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:

2018	\$	10,069
2019		50,468
2020		50,468
2021		50,468
2022		50,468

The Association has commitments under various equipment leases with expiry dates between December 2018 and November 2020. The minimum payments under these leases are as follows:

2018	\$	17,656
2019		8,079
2020		<u>7,405</u>
	\$	<u>33,140</u>

The Association has entered into agreements with hotels that will provide the facilities for the conferences held between 2018 and 2023. Should either of these conferences be cancelled, fees range between approximately \$178,000 and \$510,000, depending on the timing of cancellation.

9. NATIONAL OFFICE REVENUES

National office revenues include contributions of \$159,606 (2016 - \$412,915) from ongoing and completed projects and conferences.

10. ALLOCATION OF EXPENSES

The Association engages in various projects. The cost of each project include expenses directly related to the project. The Association also incurs a number of general and administrative support expenses that are common to the administration and organization of its projects.

The salary and benefit costs are allocated to each of these projects in an amount that is proportional to the services provided. Similarly, the cost of rent is proportionally allocated to the projects where allowable under the contribution agreements.

The salaries allocated to projects in 2017 was \$563,047 (2016 - \$394,538), and the total rent allocated was \$57,742 (2016 - \$40,789).