

CANADIAN PUBLIC HEALTH ASSOCIATION

FINANCIAL STATEMENTS
DECEMBER 31, 2018



INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Public Health Association:

Opinion

We have audited the financial statements of Canadian Public Health Association ("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.

OHCI LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

April 28, 2019

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
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CURRENT ASSETS		
Cash	\$ 1,029,229	\$ 518,371
Accounts receivable	234,734	324,264
Inventory (note 4)	38,612	30,976
Prepaid expenses	47,814	45,070
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	1,350,389	918,681
LONG TERM INVESTMENTS (note 5)	208,495	211,448
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	\$ 1,558,884	\$ 1,130,129
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CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 334,468	\$ 143,729
Deferred revenue (note 7)	696,797	622,082
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	1,031,265	765,811
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FUND BALANCES		
Internally restricted for contingencies and extraordinary services	425,000	425,000
Unrestricted (deficit)	102,619	(60,682)
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	527,619	364,318
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	\$ 1,558,884	1,130,129
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Approved on behalf of the Board:



Director



Director

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2018

	Unrestricted	Internally restricted	2018	2017
Balance, beginning of year	\$ (60,682)	\$ 425,000	\$ 364,318	\$ 514,301
Net revenue (expense) for the year	163,301	-	163,301	(149,983)
Balance, end of year	\$ 102,619	\$ 425,000	\$ 527,619	\$ 364,318

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUE		
Projects and conferences	\$ 3,439,004	\$ 2,190,673
National Office	610,799	396,868
Journal	174,773	171,259
Publication sales	69,896	68,855
Investment income	8,894	18,154
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	\$ 4,303,366	\$ 2,845,809
EXPENSE		
Projects and conferences	\$ 3,439,004	\$ 2,190,673
National Office	563,673	590,882
Journal	92,111	155,276
Publication	45,277	58,961
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	\$ 4,140,065	\$ 2,995,792
NET REVENUE (EXPENSE) FOR THE YEAR	<hr/>	<hr/>
	\$ 163,301	\$ (149,983)

CANADIAN PUBLIC HEALTH ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ 163,301	\$ (149,983)
Change in non-cash working capital items:		
Accounts receivable	89,530	(216,826)
Inventory	(7,636)	(5,228)
Prepaid expenses	(2,744)	454
Accounts payable and accrued liabilities	190,739	(40,388)
Deferred revenue	74,715	220,931
FUNDS PROVIDED (USED) BY OPERATING ACTIVITIES	507,905	(191,040)
INVESTING AND FINANCING ACTIVITIES		
(Increase) decrease in investments	2,953	334,568
INCREASE IN CASH	510,858	143,528
Cash beginning of year	518,371	374,843
CASH END OF YEAR	\$ 1,029,229	\$ 518,371

CANADIAN PUBLIC HEALTH ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

CANADIAN PUBLIC HEALTH ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

3. 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.

4. INVENTORY

	2018	2017
Publications	\$ 38,612	\$ 30,976

The total amount of inventory recognized as an expense during the year was \$19,586 (2017 - \$20,867) and is included in the publication expense.

5. INVESTMENTS

	2018	2017
Long term Government bonds	\$ 208,495	\$ 211,448
	\$ 208,495	\$ 211,448

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 NBV	2017 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:

	2018	2017
Deferred revenues - projects and conferences		
Balance - beginning of year	\$ 565,244	\$ 336,392
Plus: amounts received during the year	3,851,876	2,557,759
Less: amounts recognized as revenues in the year	(3,767,114)	(2,328,907)
Balance - end of year	650,006	565,244
Deferred revenues - other		
Journal subscriptions	21,524	26,145
Memberships	25,267	30,693
Total deferred revenues	\$ 696,797	\$ 622,082

CANADIAN PUBLIC HEALTH ASSOCIATION

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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:

2019	\$	50,468
2020		50,468
2021		50,468
2022		50,468
2023		53,354

The Association has commitments under an equipment lease with an expiry date of November 2020. The minimum payments under the lease are as follows:

2019	\$	7,124
2020		<u>6,554</u>
	\$	<u>13,678</u>

The Association has entered into agreements with hotels that will provide the facilities for the conferences held between 2019 and 2023. Should any of these conferences be cancelled, fees range between approximately \$128,000 and \$249,000, depending on the timing of cancellation.

9. NATIONAL OFFICE REVENUES

National office revenues include contributions of \$361,016 (2017 - \$159,606) 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 2018 was \$650,904 (2017 - \$563,047), and the total rent allocated was \$45,861 (2017 - \$57,742).