

CANADIAN ACADEMY OF HEALTH SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Directors:

Qualified Opinion

We have audited the accompanying financial statements of the Canadian Academy of Health Sciences, which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of adjustments, if any, which we might have determined necessary had we been able to satisfy ourselves concerning the completeness of conference revenue and expense as described in the following paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Canadian Academy of Health Sciences as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-For-Profit Organizations (ASNPO).

Basis for Qualified Opinion

The organization receives its allocation of conference revenues and expenses from an unaudited source. The completeness of these amounts are not subject to satisfactory audit verification. We were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, or net assets.

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 Organization 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 the financial statements in accordance with ASNPO 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Auditing Standards (CASs), we exercise professional judgement 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 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 Organization'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 Organization'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 Organization 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.

The prior year was audited by another firm.

Date of Approval
Smiths Falls, Ontario

Nephin Winter Bingley
Chartered Professional Accountants
Robert Winter CPA,CA, Partner

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and investments (note 5)	\$ 337,044	\$ 308,971
Accounts receivable (note 6)	91,386	166,147
Prepaid expenses	25,703	1,429
	<u>\$ 454,133</u>	<u>\$ 476,547</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 11,071	\$ 23,341
Deferred contributions (note 8)	175,487	195,884
	<u>186,558</u>	<u>219,225</u>
NET ASSETS (note 9)	<u>267,575</u>	<u>257,322</u>
	<u>\$ 454,133</u>	<u>\$ 476,547</u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

The accompanying notes are an integral part of the financial statements.

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
NET ASSETS		
Balance beginning of year	\$ 257,322	\$ 225,183
Excess of revenues over expenditures	10,253	32,139
Balance end of year	267,575	257,322

The accompanying notes are an integral part of the financial statements.

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUE - OPERATIONS		
CCA assessment support	\$ 10,000	\$ 40,000
Annual general meeting and forum	155,488	148,221
Memberships	117,009	111,431
Miscellaneous income	5,015	5,493
	287,512	305,145
EXPENSE - OPERATIONS		
Annual general meeting and forum	114,509	110,214
Central operations	136,486	192,974
Governance	16,102	21,586
Nominations	3,959	3,673
Professional fees	6,538	32,648
IT services	7,494	27,675
	285,088	388,770
REVENUE - PROJECTS		
Dementia Assessment	30,575	289,849
Optimizing Health Care Report	20,000	-
	50,575	289,849
EXPENSE - PROJECTS		
Dementia Assessment	32,746	174,085
Optimizing Health Care Report, allocated administration	10,000	-
	42,746	174,085
EXCESS OF REVENUE OVER EXPENSE - OPERATIONS	2,424	(83,625)
EXCESS OF REVENUE OVER EXPENSE - PROJECTS	7,829	115,764
EXCESS OF REVENUE OVER EXPENSE	10,253	32,139

The accompanying notes are an integral part of the financial statements.

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 10,253	\$ 32,139
Net changes in non-cash items related to operations:		
Accounts receivable	74,761	333,170
Prepaid expense	(24,274)	-
Accounts payable and accrued liabilities	(12,270)	(3,680)
Deferred contributions	(20,397)	(274,604)
	17,820	54,886
INCREASE IN CASH	28,073	87,025
CASH, BEGINNING OF YEAR	308,971	221,946
CASH, END OF YEAR	\$ 337,044	\$ 308,971

The accompanying notes are an integral part of the financial statements.

CANADIAN ACADEMY OF HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

1. ORGANIZATION

The objective of the Canadian Academy of Health Sciences is to provide assessments of and advice on key issues relevant to the health of Canadians. The principal sources of revenue are derived from the annual dues charged to members and the contributions received to conduct expert panel assessments.

The Academy is a registered charity incorporated under the laws of Canada without share capital and is exempt from income taxes.

2. GENERAL

Basis of Presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

Revenue and expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) *Revenue Recognition*

The Academy follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships and annual meeting contributions are recognized in the year in which they apply.

(c) *Use of estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts recorded in the financial statements and notes to the financial statements. Estimates are used for, but not limited to, the calculation of accrued interest receivable, allowance for doubtful accounts and accounts payable and accrued liabilities. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Actual results may differ from these estimates.

CANADIAN ACADEMY OF HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

4. FINANCIAL INSTRUMENTS

The Academy's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The book values of these financial instruments approximate their fair values due to their short-term nature. It is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

5. CASH AND EQUIVALENTS

Cash and equivalents consists of cash and short-term GICs.

Investments consist of GICs of \$225,315 including accrued interest (2019 - 209,697).

6. ACCOUNTS RECEIVABLE

The components of accounts receivable are as follows:

	2020	2019
Membership dues receivable	\$ 55,900	\$ 76,705
GST/HST recoverable	14,588	79,442
Other amounts receivable	25,898	10,000
	96,386	166,147
Less: allowance for doubtful accounts	(5,000)	-
	<u>\$ 91,386</u>	<u>\$ 166,147</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable consist of \$5,071 (2019 - \$15,241) in trade payables and a \$6,000 (2019 - \$8,100) audit accrual.

CANADIAN ACADEMY OF HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following amounts:

	2020	2019
Other projects	\$ 42,322	\$ 30,000
Chronic Care assessment	25,000	25,000
AGM contributions	15,000	57,500
Membership dues	93,165	83,384
	<u>\$ 175,487</u>	<u>\$ 195,884</u>

9. CAPITAL MANAGEMENT

As a not-for-profit organization, the Academy's operations are reliant on revenues generated annually. The Academy has accumulated unrestricted net assets over its history. A portion of the accumulated net assets is retained as working capital which may be required from time to time due to timing of revenue generation. The remaining surplus is available for use of the Academy at the Board's discretion. The Academy's net assets are not restricted.

10. CONTRACTUAL OBLIGATIONS

The organization has entered into a management services agreement for \$121,000 prorated for the period June 15, 2020 until March 31, 2021. For the period April 1, 2021 to March 31, 2022 the annual amount will increase by the CPI index plus 1%.

11. SUBSEQUENT EVENT

In mid March 2020, the World Health Organization declared a pandemic due to the coronavirus COVID 19. This has impacted the organization as the 2020 Forum was cancelled with the resultant loss of \$20,000 to \$40,000 profit to the organization. The Board is of the opinion that the economic impact to the organization is manageable, through cost efficiencies and additional revenues.