

CANADIAN ACADEMY OF HEALTH SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

CONTENTS

Independent Auditor's Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Cash Flow
Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Directors:

Opinion

We have audited the accompanying financial statements of the Canadian Academy of Health Sciences, which comprise the statement of financial position as at December 31, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Canadian Academy of Health Sciences as at December 31, 2022, and the results of its operations and its cash flows for the period then ended in accordance with Accounting Standards for Not-For-Profit Organizations (ASNPO).

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 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.

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 DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash (note 5)	\$ 113,832	\$ 387,074
Accounts receivable (note 6)	86,949	59,278
Prepaid expenses	30,454	32,049
	\$ 231,235	\$ 478,401
INVESTMENTS (note 5)	308,790	51,533
	\$ 540,025	\$ 529,934
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 7)	\$ 104,902	\$ 26,196
Deferred contributions (notes 8 and 11)	28,185	60,396
	133,087	86,592
NET ASSETS (note 9)	406,938	443,342
	\$ 540,025	\$ 529,934

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 DECEMBER 31, 2022
(with comparative figures for the nine months ended)

	Dec. 2022	Dec. 2021
NET ASSETS		
Balance beginning of year	\$ 443,342	\$ 361,239
Excess (deficiency) of revenues over expenditures	(36,404)	82,103
Balance end of year	406,938	443,342

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

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the nine months ended)

	2022	2021
REVENUE - OPERATIONS		
Annual general meeting and forum	130,796	49,880
Memberships and donations	158,927	114,172
Miscellaneous income	13,861	14,149
Project management income	199,676	103,160
	503,260	281,361
EXPENSE - OPERATIONS		
Annual general meeting and forum	95,922	40,171
Central operations	328,164	141,654
Governance	22,188	851
Special projects- strategic planning and EDI	78,756	-
Nominations	3,730	3,481
Professional fees	4,500	4,500
IT services	6,404	2,582
	539,664	193,239
REVENUE - PROJECTS		
HHRI Project revenue	732,292	-
ASDI Assessment (note 11)	395,686	669,117
	1,127,978	669,117
EXPENSE - PROJECTS		
HHRI Project expenses	732,292	-
Complex Systems Assessment	-	6,019
ASDI Assessment (note 11)	395,686	669,117
	1,127,978	675,136
EXCESS OF REVENUE OVER EXPENSE - OPERATIONS	(36,404)	88,122
EXCESS OF REVENUE OVER EXPENSE - PROJECTS	-	(6,019)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	(36,404)	82,103

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

CANADIAN ACADEMY OF HEALTH SCIENCES

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2022
 (with comparative figures for the nine months ended)

	Dec. 2022	Dec. 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ (36,404)	\$ 82,103
Net changes in non-cash items related to operations:		
Accounts receivable	(27,671)	43,440
Prepaid expense	1,595	(5,001)
Accounts payable and accrued liabilities	78,706	(35,337)
Deferred contributions	(32,211)	(129,998)
	20,419	(126,896)
INVESTING ACTIVITIES		
Investments	(257,257)	(51,533)
INCREASE IN CASH AND EQUIVALENTS	(273,242)	(96,326)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	387,074	483,400
CASH AND EQUIVALENTS, END OF YEAR	\$ 113,832	\$ 387,074

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

CANADIAN ACADEMY OF HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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 DECEMBER 31, 2022

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 INVESTMENTS

Cash and equivalents consists of cash. .

Investments consist of GICs of \$301,533 including accrued interest \$7,257 (2021 - 50,003).

The investments mature in 2024 with rates ranging from 3.45% to 4.4%.

6. ACCOUNTS RECEIVABLE

The components of accounts receivable are as follows:

	2022	2021
Membership dues receivable	\$ 28,230	\$ 13,985
GST/HST recoverable	36,005	26,567
Other amounts receivable	32,714	23,726
	96,949	64,278
Less: allowance for doubtful accounts	(10,000)	(5,000)
	<u>\$ 86,949</u>	<u>\$ 59,278</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable consist of \$60,535 (2021 - \$5,208) in trade payables, \$6,000 (2021 - \$4,500) audit accrual and \$38,367 (2021-\$16,488) for payroll taxes.

CANADIAN ACADEMY OF HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following amounts:

	<u>2022</u>	<u>2021</u>
ASDI	\$ -	\$ 40,721
HHRI	11,684	-
Membership dues	16,501	19,675
	<u>\$ 28,185</u>	<u>\$ 60,396</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 the period January 1, 2022 to December 31, 2023 for an annual base cost of \$180,000 plus HST.

11. HHRI PROJECT/GOVERNMENT FUNDING

Pursuant to a contribution agreement with Health Canada, the Academy is responsible to carry out the project entitled Assessment on the State of Health Human Resources (HHRI). Total funding for the project is \$937,057 of which \$743,976 was received in fiscal 2022. Total expenses incurred were \$732,292 resulting in deferred contributions of \$11,684 (note 8). The balance of the funding of \$193,081 is anticipated in 2023. Should the Ministry upon their final review determine that certain expenses are not allowable, the adjustment, if applicable, will be recorded when determined.