

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Financial Statements**

**Year Ended September 30, 2015**

*(Unaudited)*

**BURNS & CO.**

CHARTERED PROFESSIONAL ACCOUNTANT

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Index to Financial Statements**

**Year Ended September 30, 2015**

*(Unaudited)*

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Burns & Co.



Certified General Accountant

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## REVIEW ENGAGEMENT REPORT

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To the Members of PHA Public Health Association of British Columbia

I have reviewed the statement of financial position of PHA Public Health Association of British Columbia as at September 30, 2015 and the statements of operations, changes in net assets and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the society.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, British Columbia  
November 25, 2015

*Burns & Co.*  
CHARTERED PROFESSIONAL ACCOUNTANT

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Financial Position**

**September 30, 2015**

*(Unaudited)*

	2015	2014
<b>ASSETS</b>		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 1,202,420	\$ 1,619,964
Accounts receivable	4,400	23,076
Goods and services tax recoverable	24,131	17,845
Prepaid expenses	1,173	9,638
	<u>\$ 1,232,124</u>	<u>\$ 1,670,523</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable and accrued charges	\$ 36,067	\$ 60,542
Deferred revenue <i>(Note 4)</i>	700,000	1,175,929
	<u>736,067</u>	<u>1,236,471</u>
NET ASSETS		
Unrestricted fund	492,778	430,623
Endowment fund <i>(Note 5)</i>	3,279	3,429
	<u>496,057</u>	<u>434,052</u>
	<u>\$ 1,232,124</u>	<u>\$ 1,670,523</u>

**ON BEHALF OF THE BOARD**

J A MacDonald Director

S Turner Director

See accompanying notes to financial statements

**BURNS & CO.**

CHARTERED PROFESSIONAL ACCOUNTANT

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Operations**  
**Year Ended September 30, 2015**  
*(Unaudited)*

	2015	2014
<b>REVENUE</b>		
Revenue (Note 6)	\$ 1,350,227	\$ 889,642
Interest	<u>2,776</u>	<u>3,068</u>
	<u>1,353,003</u>	<u>892,710</u>
<b>EXPENSES</b>		
Accounting fees	7,617	9,942
Advertising and promotion	325,990	107,658
Bank charges and interest	483	142
Conference and event expenses	47,905	69,719
Consultants	547,733	520,278
Grants	122,228	4,500
Insurance	2,120	1,442
Office and sundry	2,996	14,470
Program Costs	147,376	56,151
Rent	5,351	5,350
Travel	7,697	18,129
Utilities and telephone	7,115	7,113
Website	<u>66,237</u>	<u>45,701</u>
	<u>1,290,848</u>	<u>860,595</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 62,155</u>	<u>\$ 32,115</u>

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Changes in Net Assets**

**Year Ended September 30, 2015**

*(Unaudited)*

	Unrestricted Fund	Endowment Fund	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 430,623	\$ 3,429	\$ 434,052	\$ 401,937
Excess of revenue over expenses	62,155	-	62,155	32,115
Change in endowment fund <i>(Note 5)</i>	-	(150)	(150)	-
<b>NET ASSETS - END OF YEAR</b>	\$ 492,778	\$ 3,279	\$ 496,057	\$ 434,052

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Cash Flow**  
**Year Ended September 30, 2015**

*(Unaudited)*

	<b>2015</b>	<b>2014</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 62,155	\$ 32,115
Changes in non-cash working capital:		
Accounts receivable	18,676	(10,140)
Accounts payable and accrued charges	(24,475)	35,199
Deferred revenue <i>(Note 4)</i>	(475,929)	461,325
Prepaid expenses	8,465	579
Goods and services tax payable	(6,286)	28,353
	<u>(479,549)</u>	<u>515,316</u>
<b>OTHER CASH FLOW ITEMS</b>		
Endowment fund <i>(Note 5)</i>	<u>(150)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(417,544)</b>	<b>547,431</b>
Cash - beginning of year	<u>1,619,964</u>	<u>1,072,533</u>
<b>CASH - END OF YEAR <i>(Note 2)</i></b>	<b><u>\$ 1,202,420</u></b>	<b><u>\$ 1,619,964</u></b>

# PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA

## Notes to Financial Statements Year Ended September 30, 2015

(Unaudited)

### PURPOSE OF THE SOCIETY

The PHA Public Health Association of British Columbia (PHABC) is a voluntary, non-profit, non-government organization, whose mission is to preserve and promote the public's health through disease and injury prevention, health protection and healthy public policy. PHABC is actively engaged in advocating the development and implementation of healthy public policy, facilitating the sharing of health and related information, encouraging research into the broad issues that affect the public's health, and working cooperatively with regional, national, and international organizations. PHABC is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act of Canada.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements of the Association were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles (GAAP).

#### Revenue recognition

The Association 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. Endowment contributions are recognized as direct increases in net assets.

#### Tangible capital assets

Management determines the useful life of tangible capital assets and that estimate determines the rate of amortization. As at September 30, 2015, the Association did not have any unamortized tangible capital assets.

#### Investments

Investments consist of guaranteed investment certificates which are recorded at cost plus accrued interest.

#### Use of Estimates

When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities, and
- Disclosure of contingent assets and liabilities

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the association may undertake in the future, and other assumptions that I believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as accrued payables.



PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year Ended September 30, 2015

(Unaudited)

2. CASH AND CASH EQUIVALENTS

The major components of cash and cash equivalents are as follows:

	2015	2014
Cash on deposit	\$ 1,026,123	\$ 1,451,523
Less cheques issued and outstanding	(8,507)	(14,191)
Subtotal	1,017,616	1,437,332
Bank term deposits bearing interest at rates from 0.85% to 1.20%	184,804	182,632
	<u>\$ 1,202,420</u>	<u>\$ 1,619,964</u>

3. FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially recorded at fair value. Subsequent measurement of all financial assets and liabilities are at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at cost include accounts payable and accrued charges.

The Association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The principal risks assumed by the Association are credit risk, liquidity risk, and interest rate risk.

Credit risk

Credit risks arise from three sources: cash and cash equivalents, accounts receivable, and accounts payable and accrued charges. Cash and cash equivalents are deposited with reputable, major financial institutions to limit the credit risk exposure. The credit risk from counter parties not paying accounts receivable is not considered to be significant. The investments include investments issued by high-credit quality corporations and financial institutions, and I consider the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk exposure is dependent on the receipt of funds from membership fees and other sources to enable the Association to pay its liabilities as they become due.

Interest rate risk

The Association is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents and investments. Changes in interest rates can affect the cash flows related to interest income and expenses.

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**  
**Year Ended September 30, 2015**  
*(Unaudited)*

**4. DEFERRED REVENUE**

	<u>2015</u>	<u>2014</u>
<b>Deferred revenue consists of the following grant revenue and conference fees:</b>		
Public Health Agency of Canada	\$ -	\$ 5,417
Vancouver Coastal Health Authority	-	5,000
2014 Conference fees	-	22,050
Provincial Health Services Authority	-	593,462
Province of British Columbia	<u>700,000</u>	<u>550,000</u>
	<u>\$ 700,000</u>	<u>\$ 1,175,929</u>

**5. ENDOWMENT FUND**

Endowment fund consists of the Phyllis M. Baird Memorial Award Public Health Nursing. The funds are restricted such that a yearly maximum award of \$250 can be given to reward a public health nurse who demonstrates excellence in practice. The fund was established in 1984 with an original donation of \$2,500. The award is not given out each year and the intention is that the fund will never be less than \$2,500.

**6. REVENUE**

	<u>2015</u>	<u>2014</u>
<b>Included in revenue is government funding from the following sources:</b>		
Public Health Agency of Canada	\$ 160,000	\$ 19,000
Province of BC Ministry of Health	<u>955,000</u>	<u>846,492</u>
	<u>\$ 1,115,000</u>	<u>\$ 865,492</u>

**7. COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform with the financial statement presentation adopted in the current year.