

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Financial Statements**

**Year Ended September 30, 2022**

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

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Year Ended September 30, 2022**

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### INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of PHA Public Health Association of British Columbia

I have reviewed the accompanying financial statements of PHA Public Health Association of British Columbia (the Association) that comprise the statement of financial position as at September 30, 2022, and the statements of revenues and expenditures, changes in net assets 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 (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.

#### *Practitioner's Responsibility*

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of PHA Public Health Association of British Columbia as at September 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

#### *Other Matter*

The financial statements of PHA Public Health Association of British Columbia for the year ended September 30, 2021 were audited by this practitioner who expressed an unmodified conclusion on those financial statements on December 8, 2021.

Victoria, British Columbia  
October 31, 2022

CHARTERED PROFESSIONAL ACCOUNTANT

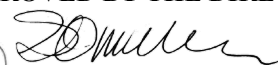
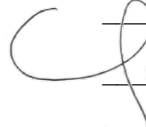
**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Financial Position**

**September 30, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 2,495,129	\$ 2,266,806
Accounts receivable	877,209	887,454
Public Service Bodies' Rebate receivable	7,055	5,928
Goods and services tax recoverable	-	10,962
Prepaid expenses	20,441	4,862
	<b>3,399,834</b>	<b>3,176,012</b>
TANGIBLE CAPITAL ASSETS <i>(Note 4)</i>	11,212	7,170
INTANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	21,442	21,227
	<b>\$ 3,432,488</b>	<b>\$ 3,204,409</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued charges	\$ 31,254	\$ 71,028
Wages payable	33,759	28,280
Goods and services tax payable	35,650	-
Employee deductions payable	5,000	3,891
Deferred revenue	931,650	1,267,501
	<b>1,037,313</b>	<b>1,370,700</b>
<b>NET ASSETS</b>		
Unrestricted fund	2,391,896	1,830,430
Endowment fund <i>(Note 6)</i>	3,279	3,279
	<b>2,395,175</b>	<b>1,833,709</b>
	<b>\$ 3,432,488</b>	<b>\$ 3,204,409</b>

**APPROVED BY THE DIRECTORS**

 Director  
 SOLÓRZANO Director

See accompanying notes to financial statements

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**  
**Statement of Revenues and Expenditures**  
**Year Ended September 30, 2022**

	2022	2021
<b>REVENUES</b>		
Project revenues and grants <i>(Note 7)</i>	\$ 3,534,637	\$ 3,094,431
Project administration <i>(Note 8)</i>	465,258	305,385
Other income	7,610	2,092
Membership fees	3,947	4,281
Interest	1,008	1,089
Conferences	273	-
Donations	-	1,630
	<u>4,012,733</u>	<u>3,408,908</u>
<b>EXPENSES</b>		
Accounting fees	10,727	19,880
Administration fee <i>(Note 8)</i>	465,258	305,385
Amortization of tangible capital assets <i>(Note 4)</i>	6,972	5,579
Bank charges and interest	3,727	2,592
Board meeting expense	20,843	-
Community development	103,803	56,108
Conference and event expenses	71,350	24,294
Consultants <i>(Note 9)</i>	785,755	780,748
Digital applications	205,205	398,485
Donations	550	175
Grants	22,000	117,268
Immunize BC advertising and promotion	256,164	340,348
Insurance	2,514	2,342
Meetings and conventions	6,247	787
Office and sundry	82,908	100,381
Professional development	1,990	1,393
Rent	11,952	9,644
Travel	46,785	7,850
Utilities and telephone	10,114	14,036
Wages and employee benefits <i>(Note 9)</i>	1,336,403	899,363
	<u>3,451,267</u>	<u>3,086,658</u>
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<u>\$ 561,466</u>	<u>\$ 322,250</u>

See accompanying notes to financial statements

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2022**

	Unrestricted Fund	Endowment Fund	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,830,430	\$ 3,279	<b>\$ 1,833,709</b>	\$ 1,511,459
EXCESS OF REVENUES OVER EXPENSES	561,466	-	<b>561,466</b>	322,250
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,391,896</b>	<b>\$ 3,279</b>	<b>\$ 2,395,175</b>	<b>\$ 1,833,709</b>

See accompanying notes to financial statements

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Statement of Cash Flows**

**Year Ended September 30, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Cash receipts from funding organizations	\$ 3,687,126	\$ 2,867,965
Cash paid to suppliers and subcontractors	(3,489,333)	(3,103,877)
Public Service Bodies' Rebate receivable	(1,127)	21,274
Interest and bank charges paid	(3,726)	(2,592)
Goods and services tax	46,612	(18,911)
	<u>239,552</u>	<u>(236,141)</u>
Cash flow from (used by) operating activities		
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets <i>(Note 4)</i>	(11,014)	(5,211)
Purchase of intangible capital assets <i>(Note 5)</i>	(215)	(1,670)
	<u>(11,229)</u>	<u>(6,881)</u>
Cash flow used by investing activities		
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>228,323</b>	<b>(243,022)</b>
Cash - beginning of year	<u>2,266,806</u>	<u>2,509,828</u>
<b>CASH - END OF YEAR <i>(Note 3)</i></b>	<b>\$ 2,495,129</b>	<b>\$ 2,266,806</b>

See accompanying notes to financial statements

# PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA

## Notes to Financial Statements

Year Ended September 30, 2022

*(Unaudited - See Compilation Engagement Report)*

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PHA Public Health Association of British Columbia (the "Association") is a charitable organization incorporated provincially under the Society Act of British Columbia. The Association received its charitable status on October 1, 2019.

The Association's 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)(f) 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).

#### Fund accounting

PHA Public Health Association of British Columbia follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund.

Endowment contributions are reported in the Endowment Fund. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or Unrestricted Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

#### Cash and cash equivalents

Cash and cash equivalents are defined as cash on deposit, less outstanding items, and guaranteed investment certificates, which are recorded at cost plus accrued interest.

#### Goods and Services Tax

Goods and Services Tax is charged on taxable supplies and input tax credits are recorded at 100% for expenses related to such supplies.

For all other expenses, input tax credits are recoverable at 50% under the Public Service Bodies' rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

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**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**

**Year Ended September 30, 2022**

*(Unaudited - See Compilation Engagement Report)*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives as determined by management on a declining balance basis at the following rates and methods:

Computer equipment	55% declining balance method
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The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible capital assets

The software costs and website development costs are being amortized on a declining balance basis at a rate of 100%.

Indefinite-life intangible capital assets

Indefinite-life intangible capital assets consist of costs related to trademarks. These assets are tested for impairment annually or more frequently when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing their carrying value to estimates of their fair value based on estimates of discounted future cash flows or other valuation methods. When the fair value is determined to be less than carrying value, the resulting impairment is reported in the income statement.

Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued charges and deferred revenue.

The Association's financial instruments are initially measured at fair value when issued or acquired. At each subsequent reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**

**Year Ended September 30, 2022**

*(Unaudited - See Compilation Engagement Report)*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

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.

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.

- Project revenue and grants received are deferred and revenue is recognized over the life of the project.
- Administration fees are recognized as revenue at the commencement date of the applicable funding agreements.
- Seminar, conference and summer school fees are recognized as revenue when the events are held.
- Membership fees are recognized based on the portion of the fees applicable to the current fiscal year.
- Interest income is recognized as revenue when earned.
- Contributions by other parties and funds received for swag from third-party merchant services are recorded as revenue when the funds are received.

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**

**Year Ended September 30, 2022**

*(Unaudited - See Compilation Engagement Report)*

**2. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of September 30, 2022.

*(a) 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 a reputable, major financial institution to limit the credit risk exposure. Cash and cash equivalents include investments issued by a high-credit quality financial institution and I consider the risk of non-performance of these instruments to be remote. The credit risk from counter parties not paying accounts receivable is not considered to be significant.

*(b) 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.

*(c) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities.

**3. CASH AND CASH EQUIVALENTS**

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

	<u>2022</u>	<u>2021</u>
Cash on deposit	\$ 2,502,591	\$ 2,233,097
Cheques issued and outstanding	(209,393)	(164,053)
Deposits in transit	4,131	970
	<u>2,297,329</u>	<u>2,070,014</u>
Bank term deposits bearing interest at rates ranging from 0.35% to 0.70% (2021 - 0.40% to 0.65% per annum)	197,800	196,792
	<u>\$ 2,495,129</u>	<u>\$ 2,266,806</u>

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Computer equipment	\$ 37,392	\$ 26,180	\$ 11,212	\$ 7,170

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**

**Year Ended September 30, 2022**

*(Unaudited - See Compilation Engagement Report)*

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**5. INTANGIBLE CAPITAL ASSETS**

	<u>2022</u>	<u>2021</u>
Trademarks	<u>\$ 21,442</u>	<u>\$ 21,227</u>

**6. 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.

**7. ECONOMIC DEPENDENCE**

The Association received approximately 58% (2021 - 46%) of its funding from the British Columbia government. Should this funder substantially change its dealings with the Association, management is of the opinion that continued operations would be viable.

**8. PHABC ADMINISTRATION FEE**

Effective in the 2020 year, the expense item "Administration fee" is used to reflect the 10-12% fee charged to cover administration costs. The previous treatment had the costs recorded to the specific expense account.

Administrative fee (12%) covers: teleconference and Videoconference (Momentum/Zoom/BigBlueButton), Bookkeeping/Accounting, Legal, Insurance, Office Utilities/Rent, Administrator/Project Coordinator Time (Extra work required by Administrator/Project Coordinator will be charged to project - PHABC will inform if work requested is beyond scope of Admin Fee), Equipment (Laptops), Standardized Software (MS Office, Project), PHABC Server Hosting (website, file server & email), Banking Fees (PayPal, Stripe, Coast Capital), and Employer portions of Taxes.

**9. DISCLOSURES UNDER THE NEW SOCIETIES ACT**

On November 28, 2016, the new British Columbia Societies Act ("Act") came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors and the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Association paid no remuneration to directors.

There were four employees (2021 - three) that received over \$75,000 during the year, for combined total payments of \$436,336 (2021 - \$337,523).

There were one contractor (2021 - three) that received over \$75,000 during the year, for combined total payments of \$108,985 (2021 - \$269,219).

**PHA PUBLIC HEALTH ASSOCIATION OF BRITISH COLUMBIA**

**Notes to Financial Statements**

**Year Ended September 30, 2022**

*(Unaudited - See Compilation Engagement Report)*

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**10. IMPACT OF COVID-19**

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operation for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of operations of the Company for future periods.

**11. COMPARATIVE FIGURES**

Certain comparative figures were prepared on an audit engagement basis and are presented for comparative purposes only.