

CANADIAN COLLEGE OF HEALTH LEADERS

FINANCIAL STATEMENTS
DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members,
Canadian College of Health Leaders:

We have audited the accompanying financial statements of Canadian College of Health Leaders, which comprise the statement of financial position as at December 31, 2015 and the statement of changes in net assets, operations 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian College of Health Leaders as at December 31, 2015, 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.

Supplementary Financial Information

Our audit was performed to form an opinion on the financial statements of Canadian Colleges of Health Leaders as a whole. The supplementary information included in the Financial Schedules is presented for the purpose of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Ottawa, Ontario
March 4, 2016


OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

CANADIAN COLLEGE OF HEALTH LEADERS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 913,736	\$ 800,391
Accounts receivable	376,572	345,367
Due from related party (note 4)	28,391	23,255
Prepaid expenses	92,196	33,238
	<u>1,410,895</u>	<u>1,202,251</u>
CAPITAL ASSETS (note 2)	<u>762,791</u>	<u>827,116</u>
	<u>\$ 2,173,686</u>	<u>\$ 2,029,367</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 222,583	\$ 160,185
Government remittances payable	1,003	14,410
Due to related party (note 5)	6,084	18,175
Current portion of long-term debt (note 7)	49,661	45,128
Deferred revenue (note 6)	1,027,564	1,039,096
	<u>1,306,895</u>	<u>1,276,994</u>
LONG-TERM DEBT (note 7)	<u>96,376</u>	<u>146,385</u>
	<u>\$ 1,403,271</u>	<u>\$ 1,423,379</u>
NET ASSETS		
Invested in capital assets	616,575	635,424
Internally restricted (note 1)	25,000	25,000
Unrestricted	128,840	(54,436)
	<u>770,415</u>	<u>605,988</u>
	<u>\$ 2,173,686</u>	<u>\$ 2,029,367</u>

Approved on behalf of the Board:

Board Member

Board Member

CANADIAN COLLEGE OF HEALTH LEADERS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
INVESTED IN CAPITAL ASSETS		
Balance beginning of year	\$ 635,424	\$ 631,211
Purchase of capital assets	3,006	19,016
Amortization of tangible capital assets	(67,331)	(64,924)
Decrease in long-term debt	45,476	50,121
BALANCE END OF YEAR	\$ 616,575	\$ 635,424

INTERNALLY RESTRICTED NET ASSETS

BEGINNING AND END YEAR BALANCE	\$ 25,000	\$ 25,000
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UNRESTRICTED NET ASSETS

Balance beginning of year	\$ (54,435)	\$ (70,099)
Net change in capital assets	18,849	(4,213)
Net revenue for the year	164,426	19,877
BALANCE END OF YEAR	\$ 128,840	\$ (54,435)

CANADIAN COLLEGE OF HEALTH LEADERS

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
Membership fees	\$ 1,067,175	\$ 1,074,528
Registration	522,623	560,639
Leads Workshops and Tools	914,321	818,122
Advertising	269,431	297,921
Sponsorship	349,531	410,031
Administration fees - project (note 9)	150,172	93,239
Other	946	1,503
Interest	14,667	7,728
Publications and forum	101,998	105,177
	3,390,864	3,368,888
EXPENDITURE		
Salaries and contractors	1,443,337	1,529,306
Travel	166,857	206,101
Panelists and speakers	112,492	116,534
Catering	206,492	222,889
Office and miscellaneous	112,945	142,470
Occupancy	73,163	71,065
Leads Collaborative - salaries and contractors	584,952	552,297
Membership fees	11,903	10,392
Amortization of capital assets	67,331	64,924
Translation	22,504	24,903
Bank charges	37,181	45,057
Printing	19,510	26,716
Leads Collaborative - operating costs	276,289	240,073
Audio and visual rental	52,652	61,286
Interest on long-term debt	9,070	11,866
Professional fees	8,000	9,108
Room and facility rental	17,005	14,024
Chapter incentives	4,755	-
	3,226,438	3,349,011
NET REVENUE FOR THE YEAR	\$ 164,426	\$ 19,877

CANADIAN COLLEGE OF HEALTH LEADERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
CASH (USED FOR) PROVIDED BY		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 164,426	\$ 19,877
Items not affecting cash:		
Amortization of capital assets	67,331	64,924
Changes in non-cash working capital items:		
Accounts receivable	(31,205)	(94,528)
Due from related party	(5,136)	35,017
Prepaid expenses	(58,957)	1,366
Accounts payable and accrued liabilities	62,398	(48,294)
Government remittances payable	(13,407)	14,410
Due to related party	(12,091)	13,745
Deferred revenue	(11,532)	20,837
	161,827	27,354
INVESTING ACTIVITIES		
Purchase of capital assets	(3,006)	(19,016)
	(3,006)	(19,016)
FINANCING ACTIVITIES		
Decrease in long-term-debt	(45,476)	(50,121)
Net change in cash and cash equivalents	113,345	(41,783)
CASH AND EQUIVALENTS BEGINNING OF YEAR	800,391	842,174
CASH AND EQUIVALENTS END OF YEAR	\$ 913,736	\$ 800,391
CASH AND EQUIVALENTS CONSIST OF:		
Cash	\$ 431,808	\$ 318,682
Term deposits	481,928	481,709
	\$ 913,736	\$ 800,391

CANADIAN COLLEGE OF HEALTH LEADERS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

The Canadian College of Health Leaders (the College) was originally incorporated without share capital under Part II of the Canada Corporations Act as the Canadian College of Health Service Executives, and was renamed under a supplementary letters patent on July 19, 2010. The College is committed to leadership in improving the health of Canadians through excellence in health service management. The College is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act (Canada).

1. 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:

Capital assets

Capital assets are initially recorded at cost. Amortization is recorded on a declining balance basis based upon the estimated useful life of the assets as follows:

Buildings	4%	declining balance
Building improvements	10%	declining balance
Office equipment	20%	declining balance
Computer equipment	55%	declining balance
Database	20%	straight line

Intangible Assets

Intangible assets are stated at a nominal value as an estimate of fair value cannot be reasonably made.

Internally restricted net assets

The Board has set aside an amount of \$25,000 as a building fund in order to defray future unforeseen maintenance costs for the office building owned by the College.

Basis of Accounting

The financial statements do not include the operations of the College's affiliated chapters.

Revenue recognition

Membership fees are assessed annually on continuing members of the college. These revenues are recognized in the year of membership. Fees received in advance of the membership year are deferred. Leads learning series, sponsorship revenue and registration fees are recorded using the deferral method and are recognized as revenue in the year in which the related event occurs. Advertising revenue is recognized when the advertisements are published. Other income is recognized as revenue in the year in which it is earned.

CANADIAN COLLEGE OF HEALTH LEADERS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

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.

Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

Cash and Cash Equivalents

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term investments with an original maturity of 90 days or less.

2. CAPITAL ASSETS

			2015	2014
	Cost	Accumulated amortization	Net	Net
Land	\$ 323,550	\$ -	\$ 323,550	\$ 323,550
Buildings	560,047	238,174	321,873	335,284
Building improvements	172,913	144,100	28,813	32,015
Office equipment	374,024	342,690	31,334	39,443
Computer equipment	436,944	379,723	57,221	96,824
	\$ 1,867,478	\$ 1,104,687	\$ 762,791	\$ 827,116

3. FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash and cash equivalents, accounts receivable, due from related party, accounts payable and accrued liabilities, government remittances payable, due to related party and long term debt. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

CANADIAN COLLEGE OF HEALTH LEADERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

4. DUE FROM RELATED PARTY

The College had two related parties at year end: the National Healthcare Leadership Conference (the 'Conference', described in Note 10) and the Canadian Leadership Network (the 'Network', described in note 12).

	<u>2015</u>	<u>2014</u>
Receivable from Conference	\$ 28,391	\$ 23,255

The receivable balance from related party is subject to normal trade terms, is unsecured, and non-interest bearing.

5. DUE TO RELATED PARTY

	<u>2015</u>	<u>2014</u>
Payable to Network	\$ 6,084	\$ 18,175

The payable balance from related party is unsecured, interest free, with no specific terms of repayment.

6. DEFERRED REVENUE

Deferred revenue consists of \$428,004 (2014 - \$455,378) in prepaid membership fees, \$348,535 (2014 - \$332,693) in deposits from event participants and sponsors, and \$251,025 (2014 - \$251,025) in restricted contributions.

7. LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
Mortgage payable, 3.98%, due November 2018, payable by monthly installments of \$4,546, principal and interest, secured by a building with a net book value of \$349,254	146,037	191,513
	<u>146,037</u>	<u>191,513</u>
Less: principal portion due within one year	<u>49,661</u>	<u>45,128</u>
	<u>\$ 96,376</u>	<u>\$ 146,385</u>

The mortgage is scheduled for renewal in 2015.

CANADIAN COLLEGE OF HEALTH LEADERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

8. FINANCING AVAILABLE

The college has an authorized operating line of credit of \$200,000 that is due on demand and bears interest at the bank's prime rate plus 1.0%. It is secured by a general security agreement covering all assets. At December 31, 2015, the College had undrawn credit capacity under this facility of \$200,000.

9. NATIONAL HEALTHCARE LEADERSHIP CONFERENCE

The National Healthcare Leadership Conference (the 'Conference') is a partnership between the College and the Canadian Healthcare Association. Accounts for the Conference, for which the College acts as secretariat, are not included in these financial statements. Conference proceeds and costs are shared equally among the partners. The College's share of excess revenue for 2015 was \$117,158 (2014 - \$63,370) and is included in the revenue line 'Administration fees - project' on the Statement of Operations. Administration fees earned by the College for acting as secretariat are also included in this line item.

The following presents the College's share of the assets, liabilities, revenues and expenses of the partnership:

	2015	2014
Revenue	\$ 350,943	\$ 291,292
Expenses	233,785	227,922
Excess of revenue over expenses	\$ 117,158	\$ 63,370
Total assets	\$ 85,026	\$ 104,008
Total liabilities	\$ (85,026)	\$ (104,008)

As identified in note 4, there exists a balance payable at year end from the Conference to the College of \$28,390 (2014 - \$23,255).

10. CANADIAN HEALTH LEADERSHIP NETWORK

The Canadian Health Leadership Network (the 'Network') is an unincorporated entity of which the College is a member and for which it acts as host secretariat. In its role as host secretariat the College acts as its legal entity and maintains a separate set of accounts on the Network's behalf. Neither the assets nor liabilities held by the Network at December 31, 2015, nor the revenues earned or expenses incurred by the Network during the fiscal year then ended are included in these financial statements.

The College holds funds in trust for the Network in the amount of \$148,325 (2014 - \$131,421) at December 31, 2015. These trust funds are held in a separate bank account in the College's name.

As identified in note 5, there exists a balance payable at year end from the College to the Network of \$6,084 (2014 - \$18,175).

CANADIAN COLLEGE OF HEALTH LEADERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

11. DEFINED CONTRIBUTION PENSION PLAN

Some of the employees in the College are members of a defined contribution pension plan. A College employee can contribute up to 6% of their annual base salary and the College will match it. Contributions to the plan during the year on behalf of the College employees totalled \$2,487 (2014 - \$2,309) and are included in the expense line 'Salaries and contractors' on the Statement of Operations.

12. DEFINED BENEFIT PENSION PLAN

Substantially all of the College's employees are members of the Hospitals of Ontario Pension Plan (the 'Plan'), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members in the Ontario Hospitals Association.

Variance between the actuarial funding estimates and actual experience may be material and any differences are generally to be funded by employers and employees. As at December 31, 2014, the Plan was 115% funded. The Plan administrators believe that the Plan is fully funded on a solvency basis. Contributions to the Plan made during the year by the College on behalf of its employees totalled \$92,196 (2014 - \$85,459) and are included in the expense line 'Salaries and contractors' on the Statement of Operations.

13. COMMITMENTS

The College is committed to rent office equipment under a 66 month lease that extends to March 2018. Annual lease costs approximate \$7,000 annually.

CANADIAN COLLEGE OF HEALTH LEADERS

LEADS COLLABORATIVE SCHEDULE OF FINANCIAL POSITION (UNAUDITED) AS AT DECEMBER 31, 2015

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 193,198	\$ 97,186
Accounts receivable	266,563	253,348
Prepaid expenses	49,152	413
	<u>508,913</u>	<u>350,947</u>
CAPITAL ASSETS		
	7,428	9,076
	<u>\$ 516,341</u>	<u>\$ 360,023</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 96,322	\$ 51,934
Due to related party	52,537	22,435
Deferred revenue	281,095	263,343
	<u>429,954</u>	<u>337,712</u>
NET ASSETS		
Invested in capital assets	7,428	9,076
Unrestricted	78,959	13,235
	<u>86,387</u>	<u>22,311</u>
	<u>\$ 516,341</u>	<u>\$ 360,023</u>

CANADIAN COLLEGE OF HEALTH LEADERS

LEADS COLLABORATIVE SCHEDULE OF CHANGES IN NET ASSETS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2015

	2015		2014	
INVESTED IN CAPITAL ASSETS				
Balance beginning of year	\$	9,076	\$	6,022
Purchase of capital assets		1,147		6,000
Amortization of capital assets		(2,795)		(2,946)
BALANCE END OF YEAR	\$	7,428	\$	9,076

UNRESTRICTED NET ASSETS

Balance beginning of year	\$	13,235	\$	(41,837)
Net change in capital assets		1,648		(3,054)
Current year activity		64,076		58,126
BALANCE END OF YEAR	\$	78,959	\$	13,235

CANADIAN COLLEGE OF HEALTH LEADERS

LEADS COLLABORATIVE SCHEDULE OF OPERATIONS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
360 Assessments	\$ 221,666	\$ 328,963
Leads Workshop Programs	677,100	471,784
Coach referral and certification fees	2,200	9,350
Event revenue	3,500	2,025
Sponsorship	6,855	4,000
License of Intellectual Property	3,000	2,000
Book revenue - admin	13,791	35,320
	928,112	853,442
EXPENDITURE		
Salaries and benefits	254,248	159,753
Contractors	330,704	392,544
Outreach and partnership	56,127	43,250
Strategic plan - contractors	-	51,289
Program Development - Leads Learning Series	65,850	38,775
Rent	20,000	-
Translation	2,202	2,856
Travel	74,477	52,743
Legal	12,902	8,930
Catering	6,442	4,854
Materials	2,790	3,036
Internet and computer supplies - admin	3,955	6,415
Printing - workshops	14,759	17,968
Tool development	5,000	-
360 License fees	1,066	-
Amortization of capital assets	2,795	2,946
Office supplies	3,110	2,680
Telephone	5,085	4,598
Courier	2,295	2,538
Bank charges	229	141
	864,036	795,316
NET REVENUE FOR THE YEAR	\$ 64,076	\$ 58,126

CANADIAN COLLEGE OF HEALTH LEADERS

SCHEDULE OF FINANCIAL POSITION - EXCLUDES LEADS COLLABORATIVE (UNAUDITED) AS AT DECEMBER 31, 2015

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 720,538	\$ 703,205
Accounts receivable	110,009	72,019
Due from related party	80,928	47,515
Prepaid expenses	43,044	32,825
	<u>954,519</u>	<u>855,564</u>
CAPITAL ASSETS		
	755,363	818,040
	<u>\$ 1,709,882</u>	<u>\$ 1,673,604</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 126,261	\$ 108,251
Government remittances payable	1,003	14,410
Due to related party	6,084	-
Current portion of long-term debt	49,661	45,128
Deferred revenue	746,469	775,753
	<u>929,478</u>	<u>943,542</u>
LONG-TERM DEBT		
	96,376	146,385
	<u>1,025,854</u>	<u>1,089,927</u>
NET ASSETS		
Invested in capital assets	609,147	626,348
Internally restricted	25,000	25,000
Unrestricted	49,881	(67,671)
	<u>684,028</u>	<u>583,677</u>
	<u>\$ 1,709,882</u>	<u>\$ 1,673,604</u>

CANADIAN COLLEGE OF HEALTH LEADERS

SCHEDULE OF CHANGES IN NET ASSETS - EXCLUDES LEADS COLLABORATIVE (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2015

	2015		2014	
INVESTED IN CAPITAL ASSETS				
Balance beginning of year	\$	626,348	\$	625,189
Purchase of capital assets		1,859		13,016
Amortization of capital assets		(64,536)		(61,978)
Decrease in long-term debt		45,476		50,121
BALANCE END OF YEAR	\$	609,147	\$	626,348
INTERNALLY RESTRICTED NET ASSETS				
Balance beginning of year	\$	25,000	\$	25,000
Current year activity		-		-
BALANCE END OF YEAR	\$	25,000	\$	25,000
UNRESTRICTED NET ASSETS				
Balance beginning of year	\$	(67,670)	\$	(28,262)
Net change in capital assets		17,201		(1,159)
Net revenue (expenditure) for the year		100,350		(38,249)
BALANCE END OF YEAR	\$	49,881	\$	(67,670)

CANADIAN COLLEGE OF HEALTH LEADERS

SCHEDULE OF OPERATIONS - EXCLUDES LEADS COLLABORATIVE (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
Membership fees	\$ 1,067,175	\$ 1,074,528
Registration	522,623	560,639
Advertising	269,431	297,921
Sponsorship	349,531	410,031
Administration fees - project	150,172	93,239
Other	946	1,503
Interest	14,667	7,728
Publications and forum	88,207	69,857
	2,462,752	2,515,446
EXPENDITURE		
Salaries and contractors	1,443,337	1,529,306
Travel	166,857	206,101
Panelists and speakers	112,492	116,534
Catering	206,492	222,889
Office and miscellaneous	112,945	142,470
Occupancy	73,163	71,065
Membership fees	11,903	10,392
Amortization of capital assets	64,536	61,978
Translation	22,504	24,903
Bank charges	37,181	45,057
Printing	19,510	26,716
Audio and visual rental	52,652	61,286
Interest on long-term debt	9,070	11,866
Professional fees	8,000	9,108
Room and facility rental	17,005	14,024
Chapter incentives	4,755	-
	2,362,402	2,553,695
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ 100,350	\$ (38,249)