

Canadian Association of Emergency Physicians  
Financial Statements  
For the year ended December 31, 2019

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## Independent Auditor's Report

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To the members of  
Canadian Association of Emergency Physicians

### Opinion

We have audited the financial statements of Canadian Association of Emergency Physicians (the "Association"), which comprise the Statement of Financial Position as at December 31, 2019, and the Statement of Operations - General Programs, Statement of Changes in Research Endowment Fund, Statement of Changes in Internally Restricted Net Assets, Statement of Unrestricted Net Assets and the Statement of Cash Flows 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 Association as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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 Association 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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 generally accepted auditing standards, we exercise professional judgment 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 audit 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 Association'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 Association'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 Association 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
April 17, 2020

## Canadian Association of Emergency Physicians Statement of Financial Position

| December 31                              | 2019        | 2018         |
|--|-------------|--------------|
| Assets                                   |             |              |
| Current                                  |             |              |
| Cash                                     | \$ 402,135  | \$ 876,543   |
| Short-term investments (Note 2)          | 909,998     | 668,803      |
| Accounts receivable                      | 112,772     | 162,946      |
| HST receivable                           | 40,072      | 27,297       |
| Inventory                                | 2,961       | 4,530        |
| Prepaid expenses                         | 238,826     | 62,674       |
|  | 1,706,764   | 1,802,793    |
| Tangible capital assets (Note 3)         | 173,156     | 54,955       |
| Prepaid expenses                         | 24,919      | 9,919        |
| Intangible assets (Note 4)               | 203,715     | 175,264      |
|  | \$2,108,554 | \$ 2,042,931 |
| Liabilities and Net Assets               |             |              |
| Current                                  |             |              |
| Accounts payable and accrued liabilities | \$ 327,898  | \$ 202,197   |
| Deferred revenue (Note 5)                | 564,171     | 725,897      |
| Deferred contributions (Note 6)          | 4,489       | 13,269       |
|  | 896,558     | 941,363      |
| Deferred lease inducement                | 76,111      | 3,843        |
|  | 972,669     | 945,206      |
| Contractual obligations (Note 10)        |             |              |
| Subsequent event (Note 11)               |             |              |
| Net Assets                               |             |              |
| Research endowment fund                  | 227,198     | 219,547      |
| Internally restricted                    | 908,687     | 878,178      |
|  | 1,135,885   | 1,097,725    |
|  | \$2,108,554 | \$ 2,042,931 |

On behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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Canadian Association of Emergency Physicians  
Statement of Changes in Research Endowment Fund

| For the year ended December 31 | 2019              | 2018              |
|--------------------------------|-------------------|-------------------|
| Balance, beginning of the year | \$ 219,547        | \$ 213,426        |
| Endowment contributions        | <u>7,651</u>      | <u>6,121</u>      |
| Balance, end of the year       | <u>\$ 227,198</u> | <u>\$ 219,547</u> |

**Canadian Association of Emergency Physicians**  
**Statement of Changes in Internally Restricted Net Assets**

| For the year ended December 31                 | Operational<br>Fund | Strategic<br>Fund | Annual<br>Fund   | Total<br>2019     |
|--|---------------------|-------------------|------------------|-------------------|
| Balance, beginning of the year                 | \$ 339,536          | \$ 528,633        | \$ 10,009        | \$ 878,178        |
| Excess of revenues over expenses               | -                   | -                 | 4,851            | 4,851             |
| Internal restriction (Note 9)                  | 154,228             | (154,228)         | -                | -                 |
| Transfer from unrestricted net assets (Note 9) | -                   | 25,658            | -                | 25,658            |
| <b>Balance, end of the year</b>                | <b>\$ 493,764</b>   | <b>\$ 400,063</b> | <b>\$ 14,860</b> | <b>\$ 908,687</b> |

| For the year ended December 31               | Operational<br>Fund | Strategic<br>Fund | Annual<br>Fund   | Total<br>2018     |
|--|---------------------|-------------------|------------------|-------------------|
| Balance, beginning of the year               | \$ 305,401          | \$ 303,894        | \$ 22,550        | \$ 631,845        |
| Deficiency of revenues over expenses         | -                   | -                 | (12,541)         | (12,541)          |
| Internal restriction (Note 9)                | 34,135              | (34,135)          | -                | -                 |
| Transfer to unrestricted net assets (Note 9) | -                   | 258,874           | -                | 258,874           |
| <b>Balance, end of the year</b>              | <b>\$ 339,536</b>   | <b>\$ 528,633</b> | <b>\$ 10,009</b> | <b>\$ 878,178</b> |

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Canadian Association of Emergency Physicians  
Statement of Changes in Unrestricted Net Assets

| For the year ended December 31                        | 2019            | 2018             |
|---|-----------------|------------------|
| Balance, beginning of the year                        | \$ -            | \$ -             |
| Excess of revenues over expenses                      | 25,658          | 258,874          |
| Transfer to internally restricted net assets (Note 9) | <u>(25,658)</u> | <u>(258,874)</u> |
| Balance, end of the year                              | <u>\$ -</u>     | <u>\$ -</u>      |

## Canadian Association of Emergency Physicians Statement of Operations - General Programs

| For the year ended December 31   | 2019         | 2018       |
|----------------------------------|--------------|------------|
| Revenues                         |              |            |
| Head office (Schedule)           | \$ 1,141,249 | \$ 910,043 |
| CME - Roadshows (Note 7)         | 897,182      | 1,092,055  |
| CJEM (Note 8)                    | 131,814      | 145,962    |
| Annual conference                | 967,002      | 937,516    |
|                                  | 3,137,247    | 3,085,576  |
| Expenses                         |              |            |
| Head office (Schedule)           | 1,370,494    | 1,092,498  |
| CME - Roadshows (Note 4)         | 805,866      | 933,311    |
| CJEM                             | 420,445      | 341,350    |
| Annual conference                | 509,933      | 472,084    |
|                                  | 3,106,738    | 2,839,243  |
| Excess of revenues over expenses | \$ 30,509    | \$ 246,333 |



**Canadian Association of Emergency Physicians  
Schedule of Head Office Operations**

| For the year ended December 31              | 2019         | 2018         |
|---|--------------|--------------|
| <b>Revenues</b>                             |              |              |
| Advertising                                 | \$ 45,737    | \$ 14,263    |
| Donations                                   | 54,187       | 11,559       |
| Investment gain (loss) income               | 47,965       | (292)        |
| Membership fees                             | 869,890      | 819,438      |
| Miscellaneous                               | 40,304       | 6,262        |
| Projects                                    | 83,166       | 40,220       |
| Royalties                                   | -            | 18,593       |
|   | \$ 1,141,249 | \$ 910,043   |
| <b>Expenses</b>                             |              |              |
| Amortization of intangible assets (Note 4)  | \$ 23,454    | \$ 17,623    |
| Amortization of tangible capital assets     | 21,090       | 14,680       |
| Bank interest and service charges           | 41,681       | 25,818       |
| Committees                                  | 212,478      | 161,279      |
| Computer fees                               | 49,103       | 42,632       |
| Consulting fees                             | 24,559       | 18,515       |
| Graphic design                              | 4,262        | 5,470        |
| Insurance                                   | 14,292       | 14,424       |
| Liaison meetings                            | 1,764        | 6,265        |
| Loss on disposal of tangible capital assets | 21,821       | -            |
| Office                                      | 98,931       | 87,739       |
| Printing and photocopying                   | 1,777        | 3,220        |
| Professional fees                           | 22,913       | 37,426       |
| Projects                                    | 20,042       | 19,567       |
| Promotion                                   | 9,857        | 6,035        |
| Rent and parking                            | 97,713       | 74,998       |
| Salaries and benefits                       | 603,749      | 456,807      |
| Telephone and fax                           | 9,766        | 9,611        |
| Translation                                 | 1,666        | 821          |
| Travel                                      | 89,576       | 89,568       |
|   | \$ 1,370,494 | \$ 1,092,498 |

## Canadian Association of Emergency Physicians Statement of Cash Flows

| For the year ended December 31              | 2019              | 2018              |
|---|-------------------|-------------------|
| Cash flows from operating activities        |                   |                   |
| Excess of revenues over expenses            | \$ 30,509         | \$ 246,333        |
| Direct increase in net assets               |                   |                   |
| - Research endowment fund                   | 7,651             | 6,121             |
| Items not affecting cash:                   |                   |                   |
| Amortization of tangible capital assets     | 21,090            | 14,680            |
| Amortization of intangible assets           | 58,954            | 69,968            |
| Unrealized (gain) loss on investments       | (35,858)          | 18,365            |
| Loss on disposal of tangible capital assets | 21,821            | -                 |
|   | <u>104,167</u>    | <u>355,467</u>    |
| Changes in non-cash working capital:        |                   |                   |
| Accounts receivable                         | 50,174            | 65,475            |
| HST receivable                              | (12,775)          | 13,381            |
| Inventory                                   | 1,569             | (1,844)           |
| Prepaid expenses                            | (191,152)         | 46,286            |
| Accounts payable and accrued liabilities    | 125,701           | (152,200)         |
| Deferred revenue                            | (161,726)         | (27,298)          |
| Deferred contributions                      | (8,780)           | (20,092)          |
| Deferred lease inducement                   | 72,268            | (7,684)           |
|   | <u>(20,554)</u>   | <u>271,491</u>    |
| Cash flows from investing activities        |                   |                   |
| Acquisition of tangible capital assets      | (161,112)         | (14,953)          |
| Acquisition of intangible assets            | (87,405)          | (98,594)          |
| Acquisition of investments                  | (347,376)         | (132,466)         |
| Maturity of investments                     | 142,039           | 191,104           |
|   | <u>(453,854)</u>  | <u>(54,909)</u>   |
| Net (decrease) increase in cash             | (474,408)         | 216,582           |
| Cash, beginning of the year                 | <u>876,543</u>    | <u>659,961</u>    |
| Cash, end of the year                       | <u>\$ 402,135</u> | <u>\$ 876,543</u> |

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# Canadian Association of Emergency Physicians

## Notes to Financial Statements

December 31, 2019

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### 1. Accounting Policies

|   |   |           |                             |                    |                          |           |                              |
|---|---|-----------|-----------------------------|--------------------|--------------------------|-----------|------------------------------|
| Purpose of Organization                                     | Canadian Association of Emergency Physicians (the "Association") is a not-for-profit organization incorporated without share capital under the Canada Not-for-profit Corporations Act. The Association's purpose is to improve and promote emergency health services in Canada. The Association is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.   |           |                             |                    |                          |           |                              |
| Basis of Accounting   | The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.  |           |                             |                    |                          |           |                              |
| Use of Estimates  | The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimate relates to the useful life of tangible capital and intangible assets.  |           |                             |                    |                          |           |                              |
| Tangible Capital Assets                                     | <p>Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the diminishing balance basis at the following annual rates:</p> <table><tr><td>Equipment</td><td>20%</td></tr><tr><td>Computer equipment</td><td>30%</td></tr></table>  | Equipment | 20%                         | Computer equipment | 30%                      |           |                              |
| Equipment   | 20%   |           |                             |                    |                          |           |                              |
| Computer equipment  | 30%   |           |                             |                    |                          |           |                              |
| Intangible Assets   | <p>Intangible assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the following methods and annual rates:</p> <table><tr><td>Websites</td><td>3 years straight-line basis</td></tr><tr><td>Course development</td><td>As courses are delivered</td></tr><tr><td>Trademark</td><td>10 years straight-line basis</td></tr></table> <p>The CTAS website will not be amortized until they are ready for use.</p> | Websites  | 3 years straight-line basis | Course development | As courses are delivered | Trademark | 10 years straight-line basis |
| Websites  | 3 years straight-line basis   |           |                             |                    |                          |           |                              |
| Course development  | As courses are delivered  |           |                             |                    |                          |           |                              |
| Trademark   | 10 years straight-line basis  |           |                             |                    |                          |           |                              |
| Impairment of Tangible Capital Assets and Intangible Assets | When a tangible capital asset or intangible asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations - general programs.  |           |                             |                    |                          |           |                              |
| Net Assets  | <p>Unrestricted</p> <p>The unrestricted net assets account for current operations and programs as well as the Association's general operations. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in these net assets.</p>  |           |                             |                    |                          |           |                              |

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# Canadian Association of Emergency Physicians

## Notes to Financial Statements

December 31, 2019

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### 1. Accounting Policies (continued)

#### Net Assets (continued)

##### Annual Fund

The Annual Fund was established to fund the annual CAEP Grant Competition and Research Abstract Awards through charitable donations from members, industry and the public.

##### Operational Fund

The Operational Fund was established to maintain sufficient resources to continue operations in the event of a catastrophic occurrence or sustained economic downturn. The fund balance represents the amount available to the Association to meet its contractual obligations in the event that the Association discontinues operations.

##### Strategic Fund

The Strategic Fund was established to fund future strategic initiatives as approved by the Board of Directors.

##### Research Endowment Fund

The Research Endowment Fund was established to provide financial support for research in emergency medicine in Canada. The Association is seeking donations to this fund from members, industry and the public.

#### 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.

Revenue from CME roadshows, conferences and projects is recorded in the year in which the roadshow, conference or project takes place.

Unrestricted investment income is recognized as revenue when earned.

Revenue from membership fees are recognized over the year of membership.

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# Canadian Association of Emergency Physicians

## Notes to Financial Statements

December 31, 2019

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### 1. Accounting Policies (continued)

**Revenue Recognition (continued)** Revenue from CJEM advertising is recognized in the year the related advertisement is published in the Canadian Journal of Emergency Medicine (CJEM).

Endowment contributions are recognized as direct increases in net assets.

Investment income related to the Endowment Fund is recognized as revenue in the year in which the related expenses are incurred.

**Deferred Revenue** Deferred membership fees are amounts received in advance of the membership year.

Deferred roadshow sponsorships and registrations are amounts received prior to the roadshow being held.

Deferred conference sponsorships are amounts received prior to the conference being held.

Deferred contributions are amounts received that have been externally designated to fund the following years' grants and awards. Internally restricted donations are recognized in the statement of operations - general programs in the year received.

### Financial Instruments

#### Initial and subsequent measurement

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at amortized cost, except for investments which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations - general programs.

#### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

#### Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations - general programs in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations - general programs over the life of the instrument using the straight-line method.

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## Canadian Association of Emergency Physicians Notes to Financial Statements

December 31, 2019

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### 1. Accounting Policies (continued)

|                                    |   |
|------------------------------------|---|
| Contributed Materials and Services | Contributed materials and services which are used in the normal course of the Association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.  |
| Deferred Lease Inducement          | The rent inducement, which is recorded as a reduction to rent expense in Rent and parking, is deferred and amortized over the term of the lease.  |
| Allocation of Expenses             | <p>The Association allocates some of its expenses based on the following:</p> <ul style="list-style-type: none"><li>-Salaries and benefits: allocated based on estimated time spent on specifically identified projects. Remaining balance based on the number of staff in each department.</li><li>-Premises costs, computer fees, office expenses, and telecommunication expenses: based on the number of staff of each department.</li><li>-Bank interest and service charges: allocated to different revenue streams/departments based on percentage of total revenues.</li><li>-Conference booth costs: based on representation of department staff.</li></ul> |

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Canadian Association of Emergency Physicians  
Notes to Financial Statements

December 31, 2019

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2. Investments

|  | 2019       | 2018       |
|--|------------|------------|
| Short-term investments   |            |            |
| Mutual funds   | \$ 816,125 | \$ 526,764 |
| Haventree Bank GIC, 2.50%, maturing March 12, 2020               | 93,873     | -          |
| Canadian Western Bank GIC, 1.90%, matured during the year        | -          | 41,948     |
| Vancity Credit Union 90 Day GIC, 1.350%, matured during the year | -          | 100,091    |
|  | \$ 909,998 | \$ 668,803 |

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3. Tangible Capital Assets

|                        | 2019       |                          | 2018       |                          |
|------------------------|------------|--------------------------|------------|--------------------------|
|                        | Cost       | Accumulated Amortization | Cost       | Accumulated Amortization |
| Equipment              | \$ 87,113  | \$ 15,783                | \$ 77,555  | \$ 46,892                |
| Computer equipment     | 46,372     | 22,347                   | 71,754     | 47,462                   |
| Leasehold Improvements | 81,896     | 4,095                    | -          | -                        |
|                        | \$ 215,381 | \$ 42,225                | \$ 149,309 | \$ 94,354                |
| Net book value         |            | \$ 173,156               |            | \$ 54,955                |

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## Canadian Association of Emergency Physicians Notes to Financial Statements

December 31, 2019

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#### 4. Intangible Assets

|                                   | 2019              |                             | 2018              |                             |
|-----------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                                   | Cost              | Accumulated<br>Amortization | Cost              | Accumulated<br>Amortization |
| Course development                | 88,669            | 35,500                      | 163,455           | 84,879                      |
| CTAS website under<br>development | 10,611            | -                           | 10,611            | -                           |
| Trademark                         | 34,590            | 6,819                       | 23,838            | 3,898                       |
| Websites                          | 148,096           | 35,932                      | 81,536            | 15,399                      |
|                                   | <b>\$ 281,966</b> | <b>\$ 78,251</b>            | <b>\$ 279,440</b> | <b>\$ 104,176</b>           |
| Net book value                    |                   | <b>\$ 203,715</b>           |                   | <b>\$ 175,264</b>           |

Amortization of the course during the year was \$35,500 (2018 - \$52,345) and included in CME - Roadshows expenses on the statement of operations - general programs.

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#### 5. Deferred Revenue

|   | 2019              |           | 2018           |  |
|---|-------------------|-----------|----------------|--|
| Membership fees                         | \$ 206,572        | \$        | 456,129        |  |
| Roadshow sponsorships and registrations | 225,308           |           | 171,334        |  |
| CTAS/CPAS                               | 6,210             |           | 5,067          |  |
| Conference sponsorships                 | 108,550           |           | 82,500         |  |
| Interest - Research endowment fund      | 17,531            |           | 10,867         |  |
|   | <b>\$ 564,171</b> | <b>\$</b> | <b>725,897</b> |  |

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## Canadian Association of Emergency Physicians Notes to Financial Statements

December 31, 2019

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### 6. Deferred Contributions

Deferred contributions represents externally restricted donations received in the current year to cover grant costs in the subsequent year. The variation in the balance of deferred contributions is as follows:

|  | 2019            | 2018             |
|--|-----------------|------------------|
| Balance, beginning of the year                           | \$ 13,269       | \$ 33,361        |
| Plus: amounts received in the year                       | 14,905          | 14,904           |
| Plus: unused grants returned from recipients in the year | -               | -                |
| Less: amounts recognized as revenue in the year          | (23,685)        | (34,996)         |
| Balance, end of the year                                 | <u>\$ 4,489</u> | <u>\$ 13,269</u> |

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### 7. CME - Roadshows

|                     | 2019              | 2018                |
|---------------------|-------------------|---------------------|
| CME - Gate receipts | \$ 775,265        | \$ 880,765          |
| CME - Online        | 85,540            | 93,925              |
| CME - Sun           | -                 | 70,740              |
| Miscellaneous       | 36,377            | 46,625              |
|                     | <u>\$ 897,182</u> | <u>\$ 1,092,055</u> |

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### 8. Canadian Journal of Emergency Medicine (CJEM)

The Association had entered into an agreement of publication to have the electronic online edition of the CJEM manufactured, published, promoted and distributed. In consideration of the rights granted within the agreement the Association was entitled to a royalty based on fifty percent of the operating profit generated from CJEM. The agreement of publication is effective to December 31, 2020.

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# Canadian Association of Emergency Physicians

## Notes to Financial Statements

December 31, 2019

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### 9. Internal Restrictions

During 2019 the Board approved a transfer of \$25,658 (2018 - \$258,874) from unrestricted net assets to the Strategic Fund in order to fund strategic initiatives during the year.

During 2019 the Board approved a transfer of \$154,228 (2018 - \$34,135) from the Strategic Fund to the Operational Fund to fund anticipated contractual obligations.

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### 10. Contractual Obligations

The Association has entered into an operating lease for office space beginning expiring September 30, 2029. Future minimum lease payments total \$499,136 and include the following payments over the next five years:

|      |    |        |
|------|----|--------|
| 2020 | \$ | 45,376 |
| 2021 | \$ | 46,085 |
| 2022 | \$ | 48,212 |
| 2023 | \$ | 48,921 |
| 2024 | \$ | 51,048 |

#### Commitments Related to Future Conference Agreements

The Association has entered into multiple agreements for future conferences for which the Association would be subject to cancellation fees totaling \$431,096.

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### 11. Subsequent Event

On January 30, 2020, the World Health Organization ('WHO') announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the 'COVID-19 outbreak') and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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## Canadian Association of Emergency Physicians Notes to Financial Statements

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### 12. Financial Instruments

#### Credit risk

The Association is exposed to credit risk for its accounts receivable. The majority of the Association's receivables are from event sponsors and member registration fees. The Association provides credit to its members and event sponsors in the normal course of its operations. A provision for bad debt expense is taken where appropriate.

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### 13. Comparative Figures

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.