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CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH 2017 COMPARISONS)

DRAFT
FOR DISCUSSION PURPOSES ONLY
DATE: June 21, 2019

CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTICE TO READER

1. Statement of Financial Position
 2. Statement of Changes in Net Assets
 3. Statement of Operations
- Notes to the Financial Statements

FOR DISCUSSION PURPOSES ONLY
DATE: - June 21, 2019

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Canadian Positive Psychology Association as at December 31, 2018 and the statements of retained earnings, operations and changes in financial position for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Respectfully submitted,

Toronto, Canada
June 21, 2019

TATOR, ROSE & LEONG,
Chartered Accountants
Licensed Public Accountants

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CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(WITH 2017 COMPARISONS)

	2018	2017
<u>ASSETS</u>		
Current		
Cash and cash equivalents (Note 3)	\$ 58,685	\$ 25,897
Accounts receivable	8,779	21,542
Prepaid expenses	3,627	27,996
Government sales tax receivable	-	1,007
	71,091	76,442
Intangible assets (Note 4)	969	969
TOTAL ASSETS	\$ 72,060	\$ 77,411
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 4,505	\$ 6,329
Government sales tax payable	4,911	-
Deferred revenue	3,991	31,168
	13,407	37,497
TOTAL LIABILITIES		
 <u>NET ASSETS</u>		
Unrestricted (Per Statement 2)	58,653	39,914
TOTAL LIABILITIES & NET ASSETS	\$ 72,060	\$ 77,411

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The accompanying notes form an integral part of these financial statements.

UNAUDITED - SEE NOTICE TO READER

STATEMENT 1

CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH 2017 COMPARISONS)

<u>UNRESTRICTED NET ASSETS</u>	2018	2017
Balance, January 1	\$ 39,914	\$ 30,909
Less: Excess of revenue over expenditures (Per Statement 3)	18,739	9,005
	\$ 58,653	\$ 39,914
Balance, December 31		

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STATEMENT 2

CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH 2017 COMPARISONS)

	2018	2017
REVENUE		
Conference revenue (Note 6)	\$ 157,926	\$ 32,386
Membership fees	16,078	15,137
Other income (Note 7)	23,120	24,303
Realized Foreign Exchange Gain/Loss	6,611	-
TOTAL REVENUE	<u>203,735</u>	<u>71,826</u>
EXPENSES		
Conference	145,020	19,539
Contract services	7,727	14,035
Occupancy fees	5,701	6,343
Professional fees	4,870	6,322
PayPal and bank services	7,100	1,903
General administration	4,311	2,015
Website and software administration	5,705	3,717
Insurance	1,331	2,485
Advertising	3,231	6,462
TOTAL EXPENSES	<u>184,996</u>	<u>62,821</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 18,739</u>	<u>\$ 9,005</u>

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STATEMENT 3

CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. NATURE OF ORGANIZATION

Canadian Positive Psychology Association (herein referred to as "CPPA" or "the Association") is a not-for-profit Association without share capital whose purpose is to improve psychological health of all Canadians through the research and application of positive psychology across Canada. By statute, the Association is generally exempt from income taxes in Canada. The Association was incorporated on January 19, 2012.

With an active membership that represents over 250 researchers, practitioners, teachers and students, the Association actively promotes its vision through public advocacy initiatives, educational events and professional conferences.

All persons in the Board of Directors serve in a volunteer capacity.

2. SUMMARY OF ACCOUNTING POLICIES

Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Amortization is provided using the following rates based on their estimated useful life:

No amortization

Due to the nature of the intangible asset owned by CPPA, no amortization is recorded. The incorporation cost's useful life is equal to that of the entity. The life of the entity is considered to be indefinite unless the entity's ongoing concern is in question. CPPA does not face ongoing concern issue as of December 31, 2018. Therefore, the life of the Association, thus the life of the incorporation cost, is deemed to indefinite.

Revenue Recognition

Membership, conference, workshop, and webinar fees are recognized when registrations are processed and payments are received.

Advertising and sponsorships are recognized at the earlier of the invoice date and the date that payment is received.

Merchandise sales are recognized upon receipt of the merchandise by the customer.

Affiliate Fees are recognized upon the first day of the certificate program.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, bank indebtedness, cheques issued and outstanding.

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CANADIAN POSITIVE PSYCHOLOGY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Contributed Materials and Services

Contributions of materials and services are recognized when fair value can be reasonably estimated and when the materials and services are used in normal course of CPPA's operations and would otherwise have been purchased. Contribution is measured at fair value in relation to the purchase of similar materials and services. The fair market value of office space, which is provided to CPPA without cost, is estimated by management and recognized as revenue and expense in the financial statement.

3. CASH AND CASH EQUIVALENTS

A portion of the Cash and Cash Equivalents relates to bank account opened on April 11, 2013 in relation to CPPA's VISA account. \$1000 was transferred into this account for the purpose of putting aside cash in the event that the VISA cannot be paid otherwise. The amount of this bank account at year-end is \$991.

4. INTANGIBLE ASSETS

	2018		
	Cost	Accumulated amortization	Net book value
Incorporation Cost	\$ 969	\$ -	\$ 969

5. COMMITMENTS

Insurance

CPPA has renewed their contract for D&O insurance with Canadian Insurance Brokers Inc. for the period March 22, 2018 to March 22, 2019. Another contract for general liability was entered with Canadian Insurance Brokers for the period November 1, 2018 to October 31, 2019.

Occupancy Costs

CPPA has entered into a lease agreement with the Centre for Social Innovation (CSI) to rent office space for the period September 1, 2018 to August 31, 2019, the lease is automatically renewal upon last date. The rate is \$400 per month including HST from January to December 2018. An additional \$65 plus HST will be charged monthly for shared amenities and will be paid in advance together with the monthly base rent.

IT & Software

Subscription with Wild Apricot was renewed for 2018 for the period May 7, 2018 to May 6, 2019.

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

6. CONFERENCE REVENUE

Conference revenue consists of the following:

	<u>2018</u>	<u>2017</u>
Conference registrations	\$ 114,361	\$ 32,386
Sponsorships	29,423	-
Merchandise	-	-
Pre-conference workshops	10,388	-
Advertising	-	-
Exhibitor	3,754	-
Hotel Room Rebate	-	-
	<u>\$ 157,926</u>	<u>\$ 32,386</u>

7. OTHER INCOME

Other income consists of the following:

	<u>2018</u>	<u>2017</u>
Affiliate Fees	\$ 22,102	\$ 23,158
Special Events	1,018	1,145
	<u>\$ 23,120</u>	<u>\$ 24,303</u>

In September 2015, an affiliate certificate program was developed by CPPA and The Flourishing Center in a certification of applied positive psychology. A 10% fee is charged in exchange for marketing the certificate.

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