

PARAMEDIC ASSOCIATION OF CANADA
Consolidated Financial Statements
Year Ended December 31, 2021

PARAMEDIC ASSOCIATION OF CANADA
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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Paramedic Association of Canada

Qualified Opinion

We have audited the consolidated financial statements of Paramedic Association of Canada (the "Association"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Association as at December 31, 2021, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2021 and December 31, 2020, current assets as at December 31, 2021 and December 31, 2020 and net assets as at December 31, 2021 and December 31, 2020. Our audit opinion on the financial statements for the year ended December 31, 2020 was not modified because of the possible effects of this limitation in scope.

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 Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

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Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report to the Members of Paramedic Association of Canada *(continued)*

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.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke underneath the entire word.

ASCEND LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS
Sussex, New Brunswick
February 3, 2023

PARAMEDIC ASSOCIATION OF CANADA
Consolidated Statement of Revenues and Expenditures
Year Ended December 31, 2021

	General Fund Non-consolidated 2021	Endowment Fund Non-consolidated 2021	Total Consolidated 2021	Total Consolidated 2020
REVENUES				
Government grants (Note 4)	\$ 321,877	\$ -	\$ 321,877	\$ 321,653
Membership dues	202,364	-	202,364	305,472
Royalty income	12,806	-	12,806	40,620
Benevolent regalia	-	5,087	5,087	5,194
Interest	2,336	8	2,344	2,960
Donations	-	-	-	14
Shipping and delivery income	-	-	-	23
Sponsorships	-	-	-	15,000
	<u>539,383</u>	<u>5,095</u>	<u>544,478</u>	<u>690,936</u>
EXPENDITURES				
Substance Use and Addictions Program (SUAP)	286,677	-	286,677	294,824
Consulting fees	144,201	-	144,201	117,598
Sponsorship accreditation	35,514	-	35,514	35,514
Professional fees	14,039	-	14,039	22,324
Data based management	13,973	-	13,973	12,019
Travel	10,921	-	10,921	23,299
Advertising and promotion	7,949	-	7,949	4,596
Meals and entertainment	2,632	-	2,632	1,743
Insurance	2,471	-	2,471	911
PACE (Schedule 1)	1,141	-	1,141	8,318
Office	1,117	-	1,117	4,548
Telephone	1,093	-	1,093	347
Interest and bank charges	602	-	602	601
Committee	318	-	318	1,159
Memberships	75	-	75	1,000
Conference and training	-	-	-	402
Line of duty death (LODD)	-	-	-	5,000
Meetings and conventions	-	-	-	286
Bad debts (recovery)	-	-	-	(8,840)
	<u>522,723</u>	<u>-</u>	<u>522,723</u>	<u>525,649</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>16,660</u>	<u>5,095</u>	<u>21,755</u>	<u>165,287</u>
OTHER INCOME (EXPENSES)				
Other income	-	-	-	260
Loss on foreign exchange	(38)	-	(38)	(41)
	<u>(38)</u>	<u>-</u>	<u>(38)</u>	<u>219</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 16,622</u>	<u>\$ 5,095</u>	<u>\$ 21,717</u>	<u>\$ 165,506</u>

The accompanying notes are an integral part of these financial statements

PARAMEDIC ASSOCIATION OF CANADA
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2021

	2020 Balance	Excess of revenues over expenditures	Interfund transfers	2021 Balance
General Fund	\$ 458,667	\$ 16,622	\$ 5,087	\$ 480,376
Endowment Fund	47,020	5,095	(5,087)	47,028
	\$ 505,687	\$ 21,717	\$ -	\$ 527,404

	2019 Balance	Excess of revenues over expenditures	Interfund transfers	2020 Balance
General Fund	\$ 293,694	\$ 164,861	\$ 112	\$ 458,667
Endowment Fund	46,487	645	(112)	47,020
	\$ 340,181	\$ 165,506	\$ -	\$ 505,687

The accompanying notes are an integral part of these financial statements

PARAMEDIC ASSOCIATION OF CANADA
Consolidated Statement of Financial Position
December 31, 2021

	General Fund Non- consolidated 2021	Endowment Fund Non- consolidated 2021	Total Consolidated 2021	Total Consolidated 2020
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 383,737	\$ 47,028	\$ 430,765	\$ 381,571
Accounts receivable	4,351	-	4,351	10,052
Prepaid expenses (Note 5)	19,058	-	19,058	19,058
	407,146	47,028	454,174	410,681
GUARANTEED INVESTMENT CERTIFICATES (Note 6)	88,274	-	88,274	134,595
	\$ 495,420	\$ 47,028	\$ 542,448	\$ 545,276
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liability (Note 7)	\$ 14,925	\$ -	\$ 14,925	\$ 39,470
Deferred income (Note 8)	119	-	119	119
	15,044	-	15,044	39,589
NET ASSETS	480,376	47,028	527,404	505,687
	\$ 495,420	\$ 47,028	\$ 542,448	\$ 545,276

ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

PARAMEDIC ASSOCIATION OF CANADA
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 21,717	\$ 165,506
Changes in non-cash working capital:		
Accounts receivable	5,701	285,630
Prepaid expenses	-	(100)
Accounts payable and accrued liability	(24,545)	32,169
Deferred income	-	(280,942)
	<u>(18,844)</u>	<u>36,757</u>
Cash flow from operating activities	<u>2,873</u>	<u>202,263</u>
INVESTING ACTIVITY		
Redemption (purchase) of guaranteed investment certificates	<u>46,321</u>	<u>(50,723)</u>
INCREASE IN CASH FLOW	49,194	151,540
Cash and cash equivalents - beginning of year	<u>381,571</u>	<u>230,031</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 430,765	\$ 381,571
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 382,108	\$ 381,571
Guaranteed investment certificates (Note 6)	<u>48,657</u>	<u>-</u>
	\$ 430,765	\$ 381,571

The accompanying notes are an integral part of these financial statements

PARAMEDIC ASSOCIATION OF CANADA
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

1. NATURE OF OPERATIONS

Paramedic Association of Canada (the "Association") is a not-for-profit association incorporated federally under the Not-for-Profit Corporations Act of Canada. As a registered charity, the Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Association is a voluntary professional organization of paramedicine practitioners. The Association also promotes collegiality and advocate for the professional interests of paramedic practitioners.

The vision of the Association is to have paramedicine recognized in health care legislation and particularly in primary health care. Their mission is to provide quality care for the public through leadership in the advancement of the profession of paramedicine throughout Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Association follows fund accounting.

The general fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The endowment fund reports resources contributed for endowment, in addition to the sale of benevolent pins and benevolent challenge coins. Investment income earned on resources of the benevolent fund are reported in the endowment fund.

The endowment fund (the "benevolent fund") reports only restricted resources that are to be used to provide financial support and access to scholarship funds for families of members of the national community of Paramedic Practitioners who have lost their lives in the line of duty.

Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Association subsequently measures its financial assets and liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and guaranteed investment certificates.

Financial liabilities measured at amortized cost include accounts payable and accrued liability, and deferred income.

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PARAMEDIC ASSOCIATION OF CANADA
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Measurement Uncertainty

The preparation of the 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 consolidated 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. Significant items subject to estimates and assumptions include:

- Allowance for doubtful accounts.

Revenue recognition

The Association follows the deferred fund 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 of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Endowment contributions are recognized as direct increases in net assets.

Government grants

Government grants are recorded when there is a reasonable assurance that the Association had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. There were no donated goods during the year.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills with maturities at the date of purchase of less than ninety days and highly liquid investments with maturities of one year or less at the date of purchase and are valued at the cost plus accrued interest.

PARAMEDIC ASSOCIATION OF CANADA
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

3. FINANCIAL INSTRUMENT RISKS

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 December 31, 2021:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Association does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. An allowance for doubtful accounts is established, when necessary, based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association's revenues are earned by various provincial paramedic associations and government grants which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Association may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Association has access to enough readily available funds to cover its financial obligations as they become due. The Association manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable and accrued liability.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant market risks arising from these consolidated financial statements.

4. GOVERNMENT GRANTS

The Association entered into the Substance Use and Addictions Program ("SUAP") agreement with the Government of Canada in July 2018. The Government of Canada will contribute up to \$1,198,368 over the course of 4 years to the Association for eligible expenditures relating to the SUAP program. If any of the approved amounts per year is not claimed, it cannot be carried forward. In the current year, \$321,877 (2020 - \$321,653) was received in support of operations. The full amount is recognized as income in the current year. There is \$213,265 (2020 - \$536,058) available at year end to be reimbursed up until May 2022 with \$916 (2020 - \$47,908) expired at year end.

5. PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
<u>General fund</u>		
Memberships and dues	\$ 17,757	\$ 17,757
Insurance	1,301	1,301
	<u>\$ 19,058</u>	<u>\$ 19,058</u>

PARAMEDIC ASSOCIATION OF CANADA
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

6. GUARANTEED INVESTMENT CERTIFICATES

The Association has invested in low-risk Guaranteed Investment Certificates (GIC) for interest earning potential.

	Maturity date	Interest rate	Principal value	Projected value
Flexible GIC	2022-02-28	0.65%	\$ 21,132	\$ 21,274
Flexible GIC	2022-07-19	0.40%	5,242	5,253
Flexible GIC	2022-07-19	0.40%	5,242	5,253
Flexible GIC	2022-07-19	0.40%	5,242	5,253
Flexible GIC	2022-07-19	0.40%	5,242	5,253
Flexible GIC	2022-11-29	0.40%	6,557	6,580
Short term			48,657	48,866
EasyBuilder GIC	2024-04-14	1.50%	29,229	30,218
EasyBuilder GIC	2025-04-14	1.60%	29,415	30,967
EasyBuilder GIC	2026-04-17	1.45%	29,630	31,509
Long term			88,274	92,694
			\$ 136,931	\$ 141,560

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

	2021	2020
<u>General fund</u>		
Trade payables	\$ 7,820	\$ 32,670
Accrued liability	6,800	6,800
Visa payable	305	-
	<u>\$ 14,925</u>	<u>\$ 39,470</u>

The Association has a Visa credit facility with CIBC, with a maximum authorized limit of \$25,000. As at year end, the Association has \$24,695 (2020 - \$25,000) available for use.

8. DEFERRED INCOME

	2021	2020
<u>General fund</u>		
Membership fees	\$ 119	\$ 119

9. CONTINGENT LIABILITY

For the purpose of the accompanying consolidated financial statements, contingent liabilities have been evaluated by management and there were no contingent liabilities that would have a material impact on these consolidated financial statements.

PARAMEDIC ASSOCIATION OF CANADA
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

10. SUBSEQUENT EVENTS

For the purpose of the accompanying consolidated financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these consolidated financial statements.

11. SIGNIFICANT EVENT

In March 2020, a world-wide pandemic was announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified. No allowances or accruals have been recognized in these consolidated financial statements.

PARAMEDIC ASSOCIATION OF CANADA
Schedule of PACE Revenues and Expenditures
Year Ended December 31, 2021

(Schedule 1)

	2021	2020
EXPENDITURES		
Merchant fees	\$ 1,141	\$ 321
Miscellaneous	-	7,997
	\$ 1,141	\$ 8,318

The accompanying notes are an integral part of these financial statements