

**MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO**

**FINANCIAL STATEMENTS**

**YEAR ENDED MAY 31, 2020**

**UNAUDITED**

**CONTENTS**

Independent Practitioner's Review Engagement Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board Members of  
**Medical Device Reprocessing Association of Ontario**

I have reviewed the accompanying financial statements of **Medical Device Reprocessing Association of Ontario** that comprise the statement of financial position as at May 31, 2020, and the statements 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.

### *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.

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued**

*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 **Medical Device Reprocessing Association of Ontario** as at May 31, 2020, 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.



**CHARTERED PROFESSIONAL  
ACCOUNTANT  
LICENSED PUBLIC ACCOUNTANT**

**Uxbridge Ontario Canada**  
February 19, 2021

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

## Statement of Financial Position

May 31, 2020

Unaudited

	2020	2019
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 105,479	\$ 248,857
Investments (note 3)	912,355	837,488
Accounts receivable	402	54,526
HST receivable	2,420	14,987
	<u>\$ 1,020,656</u>	<u>\$ 1,155,858</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 59,026	\$ 186,262
Deferred revenue (note 4)	-	29,639
Government remittances payable	1,155	-
	<u>60,181</u>	<u>215,901</u>
<b>FUND BALANCES</b>		
Unrestricted net assets	<u>960,475</u>	<u>939,957</u>
	<u>\$ 1,020,656</u>	<u>\$ 1,155,858</u>

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

## Statement of Changes in Net Assets

Year ended May 31, 2020

Unaudited

	2020	2019
<b>Balance - beginning of year</b>	<b>\$ 939,957</b>	<b>\$ 1,037,243</b>
Excess (deficiency) of revenue over expenses	<u>20,518</u>	<u>(97,286)</u>
<b>Balance - end of year</b>	<b><u>\$ 960,475</u></b>	<b><u>\$ 939,957</u></b>

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

Statement of Operations  
Year ended May 31, 2020  
Unaudited

	2020	2019
<b>Revenue</b>		
Education revenue	\$ 311,409	\$ 231,893
Conference revenue	152,533	-
Manual workbook	84,009	68,088
Refresher course	41,718	32,026
Investment	17,256	15,419
Membership fees	16,401	16,771
Miscellaneous revenue	39	889
	<u>623,365</u>	<u>365,086</u>
<b>Expenses</b>		
Conference expense	199,280	2,500
Management fees	106,551	27,792
Professional, website and course development fees	92,818	140,027
Printing	87,616	168,536
Chapter refunds	30,000	30,000
Interest and bank charges	20,034	15,384
Executive expenses	17,307	19,686
Postage and courier	10,540	15,517
Legal and accounting	4,000	18,375
Education	3,801	67,234
Insurance	907	-
Membership fees cost	900	-
Communication	310	3,020
Office supplies	73	4,876
Administrative coordinator	-	19,103
	<u>574,137</u>	<u>532,050</u>
<b>Excess (deficiency) of revenue over expenses before the undernoted item</b>	<b>49,228</b>	<b>(166,964)</b>
<b>Unrealized and realized investment value gain</b>	<b>(28,710)</b>	<b>69,678</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 20,518</b>	<b>\$ (97,286)</b>

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

Statement of Cash Flows  
Year ended May 31, 2020  
Unaudited

	2020	2019
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 20,518	\$ (97,286)
Adjustments for		
Realized and unrealized gain (loss) on investments	<u>28,710</u>	(69,678)
	49,228	(166,964)
Changes in non-cash working capital		
Accounts receivable	54,124	(52,095)
HST receivable	12,567	(3,637)
Accounts payable and accrued liabilities	(127,236)	108,657
Deferred revenue	(29,639)	29,639
Government remittances payable	<u>1,155</u>	(1,660)
	(39,801)	(86,060)
<b>Cash flows from investing activity</b>		
Sale (purchase) of investments	<u>(103,577)</u>	180,804
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(143,378)</b>	94,744
<b>Cash and cash equivalents - beginning of year</b>	<u>248,857</u>	154,113
<b>Cash and cash equivalents - end of year</b>	<u>\$ 105,479</u>	\$ 248,857

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

Notes to Financial Statements

May 31, 2020

Unaudited

## 1. NATURE OF OPERATIONS

Medical Device Reprocessing Association of Ontario (the organization) provides education for its members, conducts research and promotes optimum standards of practice in hospital central service departments conducive to quality patient care. The organization is incorporated under Canada Not-for-profit Corporations Act and is exempt from income tax in Canada as a registered charity under Section 149(1)(f) of the Income Tax Act of Canada.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

### (a) Revenue Recognition

The Organization 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 can be reasonably estimated and collection is reasonably assured. Membership fees are recognized as revenue over the period to which they relate.

Revenues generated from events are recognized as revenue in the year in which the event is held. Other revenue is recognized in the year in which the revenue is earned.

### (b) Donation of Volunteer Services

Volunteers contribute in assisting the organization in carrying out its service delivery activities. Due to the difficulty of determining the fair market value of volunteer services, they are not recognized in the financial statements.

### (c) Financial instruments

The organization's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

### (d) Accounting estimates

The preparation of financial statements in accordance 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 amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.



# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

## Notes to Financial Statements

May 31, 2020

Unaudited

### 3. INVESTMENTS

Investments consist of:

	2020	2019
Preferred and common shares	\$ 427,817	\$ 448,485
Investment certificates and bonds	419,832	389,003
	<u>\$ 847,649</u>	<u>\$ 837,488</u>

The organization has investment certificates and federal, provincial and corporate bonds that earn interest at annual rates that range from 1.00% to 3.5% and mature between December 2021 and June 2028.

### 4. DEFERRED REVENUE

Deferred revenue consists of payments made during the year for attendance at the biannual conference to be held in the next fiscal year. As the biannual conference was held this year, there was no longer any deferred revenue.

### 5. MANAGEMENT OF NET ASSETS

The objective of organization in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate as stated in note 1 to the financial statements. It achieves its objective by strong day to day management of its cash flows and by regularly monitoring revenues and expenditures against its annual operating and capital budgets. When necessary, organization takes prompt action to raise additional revenues when actual revenues do not meet its budget and to reduce expenditures or curtail programs when alternate sources of revenue can not be found.

### 6. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

# MEDICAL DEVICE REPROCESSING ASSOCIATION OF ONTARIO

Notes to Financial Statements

May 31, 2020

Unaudited

## 6. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES, continued

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At the year-end date, the organization had the Canadian dollar equivalent of \$145,273 (2019 - \$85,442) in United States dollar investments and cash. It is management's opinion that organization's exposure to currency risk is not material.

(c) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The main market risk is in the organization's investments.

(d) Liquidity risk

Liquidity risk is the risk the organization may not be able to meet its obligations. The organization has a comprehensive plan in place to meet their obligations as they come due which is primarily from cash flow from operations.

(e) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its investment certificates and bonds. It is management's opinion that organization's exposure to interest rate risk is not material.