

FINANCIAL STATEMENTS
For
**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**
For the year ended
DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of the

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

Opinion

We have audited the financial statements of Canadian Psychological Association/Société canadienne de psychologie (the Association), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and 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 Canadian Psychological Association/Société canadienne de psychologie as at December 31, 2019 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.

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 Canadian Psychological Association/Société canadienne de psychologie in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/Société canadienne de psychologie or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Psychological Association/Société canadienne de psychologie's financial reporting process.

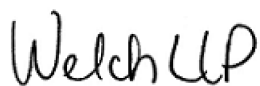
Auditor's Responsibilities for the Audit of the Financial Statements

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 Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/Société canadienne de psychologie'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 Canadian Psychological Association/Société canadienne de psychologie 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.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
April 20, 2020.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,133,185	\$ 808,000
Accounts receivable	73,327	269,460
Prepaid expenses and advances	<u>60,781</u>	<u>108,717</u>
	1,267,293	1,186,177
INVESTMENTS (note 4)	2,328,677	2,326,261
TANGIBLE CAPITAL AND INTANGIBLE ASSETS (note 5)	<u>73,111</u>	<u>84,764</u>
	<u>\$ 3,669,081</u>	<u>\$ 3,597,202</u>
<u>LIABILITIES AND FUND BALANCES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 332,713	\$ 473,719
Government remittances payable	61,783	28,459
Deferred revenue (note 6)	<u>996,421</u>	<u>1,060,012</u>
	1,390,917	1,562,190
LEASEHOLD INDUCEMENTS	<u>38,644</u>	<u>48,305</u>
	<u>1,429,561</u>	<u>1,610,495</u>
COMMITMENTS (note 7)		
CONTINGENT LIABILITIES (note 8)		
FUND BALANCES		
Unrestricted	1,846,937	1,617,278
Invested in tangible capital and intangible assets - internally restricted	73,111	84,764
Internally restricted funds (note 9)	258,085	231,099
Wesley Coons Memorial Fund - externally restricted (note 9)	<u>61,387</u>	<u>53,566</u>
	<u>2,239,520</u>	<u>1,986,707</u>
	<u>\$ 3,669,081</u>	<u>\$ 3,597,202</u>

On behalf of the Board:



Ian R. Nicholson, Ph.D., C.Psych., President (2019-2020)



Sam Mikail, Ph.D., C.Psych., ABPP, Past-President (2018-2019)

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Members:		
Membership fees	\$ 1,715,835	\$ 1,576,166
Convention	379,169	56,596
Other	<u>8,925</u>	<u>10,376</u>
	2,103,929	1,643,138
Non-members:		
ICAP 2018 revenues	-	1,703,835
Royalties	291,714	284,413
Accreditation panel	277,000	278,458
Investment	146,786	(8,973)
Sponsorship and other	146,111	142,687
Advertising	107,041	131,858
Grants and contributions	47,997	63,263
Course fees - Education Directorate	46,346	44,268
Foreign exchange gain (loss)	<u>(2,604)</u>	<u>16,691</u>
	<u>3,164,320</u>	<u>4,299,638</u>
EXPENSES		
Administration (note 10)	1,818,798	1,748,881
Less overhead allocation (note 10)	<u>(39,520)</u>	<u>(37,286)</u>
	1,779,278	1,711,595
ICAP 2018 expenses	-	1,422,180
Annual convention	308,291	100,762
Accreditation panel	259,076	244,433
Journal productions	152,255	150,773
Professional affairs	139,828	-
Practice directorate	-	128,329
Information technology	91,309	125,088
Membership	41,230	65,092
Science directorate	40,818	13,285
Psynopsis	38,167	18,279
Education directorate	30,353	18,622
Public affairs	24,295	13,547
Section management	12,340	17,773
Publications	1,348	14,855
Association development	<u>740</u>	<u>-</u>
	<u>2,919,328</u>	<u>4,044,613</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 244,992</u>	<u>\$ 255,025</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2019

	<u>Unrestricted</u>	<u>Investment in tangible capital and intangible assets</u>	<u>Internally restricted funds (note 9)</u>	<u>Wesley Coons Memorial Fund (note 9)</u>	<u>2019 Total</u>	<u>2018 Total</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 1,617,278	\$ 84,764	\$ 231,099	\$ 53,566	\$ 1,986,707	\$ 1,739,516
Excess of revenue over expenses	218,006	-	26,986	-	244,992	255,025
Wesley Coons Fund net revenue (net expenses) (note 9)	-	-	-	7,821	7,821	(7,834)
Tangible capital and intangible asset additions	(7,498)	7,498	-	-	-	-
Amortization of tangible capital assets	19,151	(19,151)	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ 1,846,937</u>	<u>\$ 73,111</u>	<u>\$ 258,085</u>	<u>\$ 61,387</u>	<u>\$ 2,239,520</u>	<u>\$ 1,986,707</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses - operations	\$ 244,992	\$ 255,025
- Wesley Coons Memorial Fund	<u>7,821</u>	<u>(7,834)</u>
	252,813	247,191
Items not involving cash:		
Amortization of tangible capital assets	19,151	20,365
Amortization of leasehold inducements	(9,661)	(9,661)
Change in fair value of investments	<u>(146,674)</u>	<u>16,418</u>
	115,629	274,313
Changes in non-cash components of working capital:		
Accounts receivable	196,133	(184,135)
Prepaid expenses and advances	47,936	126,558
Accounts payable and accrued liabilities	(141,006)	193,556
Government remittances payable	33,324	(53,122)
Deferred revenue	<u>(63,591)</u>	<u>34,185</u>
	<u>188,425</u>	<u>391,355</u>
INVESTING ACTIVITIES		
Tangible capital asset additions	(7,498)	(10,376)
Purchase of investments	(1,584,979)	(2,307,209)
Proceeds from sale of investments	<u>1,729,237</u>	<u>2,277,346</u>
	<u>136,760</u>	<u>(40,239)</u>
INCREASE IN CASH	325,185	351,116
CASH, BEGINNING OF YEAR	<u>808,000</u>	<u>456,884</u>
CASH, END OF YEAR	<u>\$ 1,133,185</u>	<u>\$ 808,000</u>

(See accompanying notes)

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

1. ORGANIZATION

The Canadian Psychological Association (the "Association") was organized in 1939 and incorporated under the Canada Corporations Act, Part II in May 1950. Effective August 13, 2013, the Association continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Association is a not-for-profit organization and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

Its mission is to advance and promote psychology for the benefit of all. Its objectives are:

- To improve the psychological health and welfare of all Canadians;
- To promote excellence and innovation in psychological research, education and practice;
- To promote the advancement, development, dissemination, and application of psychological knowledge: and
- To provide high quality services to members.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Association uses the restricted fund method to recognize contributions for the Wesley Coons Memorial Fund. This fund reports the activities detailed in note 9.

The Association uses the deferral method of accounting for all other contributions. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment income is recognized as revenue when earned.

Membership fees and journal subscriptions are collected on a calendar year basis and are recognized as revenue in the year to which the membership or subscription relate. Fees and subscriptions collected prior to the membership or subscription year are recorded as deferred revenue.

Convention and royalty revenues are recognized as revenue is earned.

Accreditation panel fees are levied on an annual basis for the period of September 1 to August 31 and are recognized as revenue in the year to which they relate. The portion of the collected fees relating to the period of January 1 to August 31 is recorded as deferred revenue at December 31.

Fund accounting

The unrestricted fund accounts for the Association's program delivery, journal productions and administrative activities.

The tangible capital and intangible assets fund reports the Association's investment in tangible capital and intangible assets.

Internally and externally restricted funds report the revenue, expenses and fund balances of the activities of the Association for which the funding is restricted to that activity and are described in note 9.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2019

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

Sections processing charge

The Association and its 32 Sections represent the interests and promote the advancement of the discipline of psychology in Canada. The Association has significant influence over these Sections. The cash balances for the sections totaled \$149,611 (2018 - \$113,370) and are not included in these financial statements

Allocation of administration expenses

A portion of administration expense is allocated as overhead to the accreditation panel. Administration is allocated based on a percentage of 18% of the direct expenses of the accreditation panel.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Cash and publicly traded securities are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Tangible capital and intangible assets

Tangible capital and intangible assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital or intangible asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital and intangible assets are amortized over their estimated useful lives as follows:

Declining balance basis:

Office furniture and equipment	20%
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Straight line basis:

Computers	five years
Leasehold improvements	term of the lease
Computer software	three years

Leasehold inducements

Leasehold inducements are deferred and amortized over the term of the lease. Annual amortization is recorded as a credit to rent expense.

Use of estimates

The preparation of the financial statements in accordance 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 revenue and expenses during the year. Significant estimates include collectibility of accounts receivable, the useful life of tangible capital assets and the determination of accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2019

3. FINANCIAL RISK MANAGEMENT

The Association is exposed to and manages various financial risks resulting from both its operations and its investment activities and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Association's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association's maximum exposure to credit risk is the sum of the carrying value of its cash, its investments and accounts receivable. The Association's cash and investments are deposited with a Canadian chartered bank and as a result, management believes the risk of loss of these items to be remote. Accounts receivable balances are managed and analysed on an ongoing basis and accordingly, management believes all amounts receivable will be collected and has determined that a provision for bad debts is not required.

Liquidity risk

Liquidity risk is the risk that the Association cannot meet a demand for cash or fund its obligations as they become due. The Association meets its liquidity requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfil its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Association's exposure to financial risks as a result of foreign currency exchange rate fluctuations and the volatility of these rates is limited to its US dollar cash of \$54,185 (2018 - \$26,656).

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

The Association believes it is not exposed to significant interest rate risk on its fixed interest rate financial instruments, as this risk is limited to its investments in guaranteed investment certificates and coupon bonds as disclosed in note 4.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Association is exposed to other price risk as it has investments in publicly traded securities (equities and mutual funds) that are subject to market fluctuations.

Changes in risk

There have been no significant changes in the Association's risk exposures from the prior year.

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2019

4. INVESTMENTS

Investments consist of the following:

	<u>2019</u>	<u>2018</u>
Guaranteed investment certificates	\$ 1,448,308	\$ 1,576,984
Equities and mutual funds	829,299	649,098
Coupon bonds	<u>51,070</u>	<u>100,179</u>
	<u>\$ 2,328,677</u>	<u>\$ 2,326,261</u>

Guaranteed investment certificates have interest rates from 1.75% to 4.00% (2018 - 1.90% to 4.00%) and maturity dates ranging from March 16, 2020 to September 19, 2022.

Coupon bonds have interest rates of 4.85% (2018 - 4.00% to 4.85%) and maturity date of November 12, 2020.

5. TANGIBLE CAPITAL AND INTANGIBLE ASSETS

Tangible capital and intangible assets consists of the following:

	<u>2019</u>			<u>2018</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Tangible capital assets:				
Office furniture and equipment	\$ 90,217	\$ 68,419	\$ 21,798	\$ 27,247
Computers	84,165	60,742	23,423	22,654
Leasehold improvements	<u>68,972</u>	<u>41,082</u>	<u>27,890</u>	<u>34,863</u>
	243,354	170,243	73,111	84,764
Intangible assets:				
Computer software	<u>11,577</u>	<u>11,577</u>	-	-
	<u>\$ 254,931</u>	<u>\$ 181,820</u>	<u>\$ 73,111</u>	<u>\$ 84,764</u>

6. DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2019</u>	<u>2018</u>
Membership fees	\$ 826,885	\$ 902,725
Accreditation panel fees	140,667	136,767
Practice directorate	5,820	-
Journal subscriptions	700	150
Other	<u>22,349</u>	<u>20,370</u>
	<u>\$ 996,421</u>	<u>\$ 1,060,012</u>

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2019

7. COMMITMENTS

The Association is committed to payments under an operating lease for office space which expires December 31, 2023. The minimum aggregate rent payable to the expiry date is as follows:

2020	\$ 73,062
2021	73,062
2022	73,062
2023	<u>73,062</u>
	<u>\$ 292,248</u>

8. CONTINGENT LIABILITIES

The Association allows employees to accrue sick days and carry them forward to future years to be used as short-term disability, as necessary. These amounts do not vest with the employee and have not been recorded in these financial statements.

9. FUND BALANCES

Internally restricted funds

Internally restricted funds consist of the following:

	Balance, beginning of year	Excess of revenue over expenses	Interfund transfer	Balance, end of year
Accreditation panel fund	\$ 140,031	\$ 17,924	\$ -	\$ 157,955
IUPsyS fund	7,268	-	-	7,268
Publications reserve fund	80,073	9,062	-	89,135
Section support fund	<u>3,727</u>	<u>-</u>	<u>-</u>	<u>3,727</u>
	<u>\$ 231,099</u>	<u>\$ 26,986</u>	<u>\$ -</u>	<u>\$ 258,085</u>

Internally restricted fund balances are committed for specific purposes, which reflect the application of the Association's reserve policy as follows:

The Accreditation panel fund is established as an internally dedicated source of funds for accreditation activities and related special projects.

The IUPsyS fund is established to fund attendance at IUPsyS conferences and the annual general meeting.

The Publications reserve fund represents an internally dedicated source of funds for new publications or future editions of current publications.

The Section support fund is established to fund section activities.

Externally restricted funds

The Wesley Coons Memorial fund was established by the Estate of Wesley Coons to fund annual eligible expenses by members of the Board and designated senior staff.

The fund's activities are summarized below:

	<u>2019</u>	<u>2018</u>
Investment income	\$ 9,490	\$ (4,724)
Eligible expenses	<u>1,669</u>	<u>3,110</u>
Net revenue	<u>\$ 7,821</u>	<u>\$ (7,834)</u>

**CANADIAN PSYCHOLOGICAL ASSOCIATION/
SOCIÉTÉ CANADIENNE DE PSYCHOLOGIE**

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2019

10. ADMINISTRATION EXPENSES

Administration expenses prior to allocation consist of the following:

	<u>2019</u>	<u>2018</u>
Salaries and benefits	\$ 1,234,328	\$ 1,261,665
Rent and operating	158,073	158,528
Board, annual general meeting and report	152,939	81,817
Legal and professional	95,913	94,640
Bank charges and processing fees	72,545	57,337
Office	66,114	56,493
Amortization - office	19,151	20,365
Other	14,955	12,713
Equipment and maintenance	<u>4,780</u>	<u>5,322</u>
	<u>\$ 1,818,798</u>	<u>\$ 1,748,880</u>

Expenses were allocated into the various functions on the statement of operations as follows:

	<u>2019</u>	<u>2018</u>
Accreditation panel	<u>\$ 39,520</u>	<u>\$ 37,286</u>

11. COMPARATIVE FIGURES

During the year, the Association revised its policy on the allocation of administration expenses. Beginning in 2019, administration expenses are only allocated to departments with identified third party funding.

Certain comparative figures have been reclassified, where applicable, to conform to the presentation adopted for the current year.

12. SUBSEQUENT EVENT

In March 2020, subsequent to the Association's year end, the Government of Canada instituted emergency measures in response to the public health concerns originating from the spread of COVID-19. As a result, the Association cancelled its annual conference which was to occur in May 2020. Since the Association is currently in negotiation with vendors to cancel contracts and is considering cancellation options for delegates, exhibitors and sponsors, the impact of this event on the financial statements for the year ended December 31, 2020 is not yet determinable.

The rapid geographical expansion of COVID-19 and the high contamination rates worldwide has spread fear and disrupted global economic activity. Investors have been concerned and stock markets across the globe have suffered significant losses. These events have had an impact on the Association's investment portfolio. At the time of issuance of these financial statements, a high degree of overall economic uncertainty remains and the impact this will have on the Association's operations and investment portfolio is not yet known. As of March 31, 2020, subsequent to the December 31, 2019 year end, the Association's equities and mutual funds declined by 8% and \$110,000.