

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016

DRAFT FOR REVIEW

REVIEW ENGAGEMENT REPORT

To the Members of,
Canadian Gerontological Nursing Association

We have reviewed the statement of financial position of Canadian Gerontological Nursing Association as at December 31, 2016 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

The previous year financial statements were reviewed by another firm of Chartered Professional Accountants. As detailed in note 6, the comparative figures have been restated to correct errors discovered by management during the current year.

Ottawa, Ontario
TBD, 2017

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

| | Operating Fund | Ann Beckingham Scholarship Fund | Memorial Scholarship Fund | Total 2016 | Total 2015 |
|--------------------------------------|-------------------|------------------------------------------|---------------------------------|---------------|---------------|
| ASSETS | | | | | |
| Cash | \$ 121,810 | \$ - | \$ - | \$ 121,810 | \$ 116,318 |
| Accounts receivable | 7,038 | 6,987 | 268 | 14,293 | 10,203 |
| Prepaid expenses | 10,231 | - | - | 10,231 | 7,878 |
| Term deposits (note 2) | 179,273 | - | 20,000 | 199,273 | 199,273 |
| Restricted term deposits (note 2) | - | 483,443 | - | 483,443 | 482,108 |
| | \$ 318,352 | \$ 490,430 | \$ 20,268 | \$ 829,050 | \$ 815,780 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 20,030 | \$ - | \$ - | \$ 20,030 | \$ 19,601 |
| Deferred revenue (note 3) | 16,750 | - | - | 16,750 | - |
| Interfund payable (receivable) | 32,586 | (26,639) | (5,947) | - | - |
| | 69,366 | (26,639) | (5,947) | 36,780 | 19,601 |
| NET ASSETS | | | | | |
| Internally restricted | - | - | 26,215 | 26,215 | 25,985 |
| Externally restricted | - | 517,069 | - | 517,069 | 514,344 |
| Unrestricted | 248,986 | - | - | 248,986 | 255,850 |
| | 248,986 | 517,069 | 26,215 | 792,270 | 796,179 |
| | \$ 318,352 | \$ 490,430 | \$ 20,268 | \$ 829,050 | \$ 815,780 |

Approved on behalf of the Board:

Director

Director

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

UNAUDITED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | Operating Fund | Ann Beckingham Scholarship Fund | Memorial Scholarship Fund | Total 2016 | Total 2015 |
|-----------------------------------------------|-------------------|------------------------------------------|---------------------------------|-------------------|-------------------|
| REVENUE | | | | | |
| Membership fees | \$ 54,796 | \$ - | \$ - | \$ 54,796 | \$ 64,862 |
| Conference revenue | - | - | - | - | 48,788 |
| Educational income | 1,215 | - | - | 1,215 | - |
| Subscriptions and advertising | 2,350 | - | - | 2,350 | 1,748 |
| Interest income | 2,884 | 6,725 | 230 | 9,839 | 14,543 |
| | 61,245 | 6,725 | 230 | 68,200 | 129,941 |
| EXPENSE | | | | | |
| Annual general meeting | 4,640 | - | - | 4,640 | 9,231 |
| Computer | 4,600 | - | - | 4,600 | 6,684 |
| Journal publication | 2,180 | - | - | 2,180 | 5,837 |
| Management fees | 33,792 | - | - | 33,792 | 30,396 |
| Networking and partnership | 1,933 | - | - | 1,933 | 2,240 |
| Office expenses | 5,309 | - | - | 5,309 | 6,924 |
| Professional fees | 13,655 | - | - | 13,655 | 17,483 |
| Provincial education grants | 2,000 | - | - | 2,000 | 1,500 |
| Scholarships | - | 4,000 | - | 4,000 | 4,000 |
| | 68,109 | 4,000 | - | 72,109 | 84,295 |
| NET REVENUE (EXPENSE) FOR THE YEAR | (6,864) | 2,725 | 230 | (3,909) | 45,646 |
| NET ASSETS - BEGINNING OF YEAR | 255,850 | 514,344 | 25,985 | 796,179 | 750,533 |
| NET ASSETS - END OF YEAR | \$ 248,986 | \$ 517,069 | \$ 26,215 | \$ 792,270 | \$ 796,179 |

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | 2016 | 2015 |
|-----------------------------------------------|-------------------|-------------------|
| CASH PROVIDED BY (USED FOR) | | |
| OPERATIONS | | |
| Net revenue (expense) for the year | \$ (3,909) | \$ 45,646 |
| Net change in non cash working capital items: | | |
| Accounts receivable | (4,090) | 34,187 |
| Prepaid expenses | (2,353) | (7,878) |
| Accounts payable | 429 | 3,978 |
| Deferred revenue | 16,750 | (26,646) |
| | 6,827 | 49,287 |
| INVESTING ACTIVITIES | | |
| Term deposits | (1,335) | (1,150) |
| Net change in cash for the year | 5,492 | 48,137 |
| Cash beginning of year | 116,318 | 68,181 |
| CASH END OF YEAR | \$ 121,810 | \$ 116,318 |

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016

Canadian Gerontological Nursing Association (the 'association') is a not-for-profit organization incorporated on April 7, 1987 pursuant to the Canada Corporations Act. The association promotes gerontological nursing practices and related education programs. The association is a registered charity and is exempt from income tax under the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Fund accounting

The operating fund reports the association's general operations and administrative activities.

The Ann Beckingham Scholarship Fund is an externally restricted endowment fund. It reports resources contributed for endowment purposes and the related investment income and expenses in carrying out the specified purposes of the endowment.

The Memorial Scholarship Fund is an internally restricted endowment fund. It reports resources contributed for endowment purposes and the related investment income and expenses in carrying out the specified purposes of the endowment.

b) Revenue recognition

The organization follows the deferral method of accounting. Restricted contributions related to general operations are deferred and recognized as revenue of the operating fund in the year in which the related expenses are incurred.

Unrestricted contributions including membership fees and newsletter advertising are included in revenue of the operating fund in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment purposes are recognized as direct increases in the appropriate endowment fund when received.

Investment income is recognized as revenue of the appropriate fund when earned.

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS
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c) Use of estimates

The preparation of these financial statements in conformity 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

d) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

e) Cash and cash equivalents

Cash and cash equivalents consist of cash. The association considers all highly liquid financial instrument purchases with an original maturity of three months or less to be cash equivalents.

2. TERM DEPOSITS

| | Operating Fund | Ann Beckingham Scholarship Fund | Memorial Scholarship Fund | 2016 | 2015 |
|-------------------------------|-------------------|------------------------------------------|---------------------------------|------------|------------|
| <u>Short term GIC'S</u> | | | | | |
| 1.15% maturing Jan 21, 2017 | \$ - | \$ 117,456 | \$ - | \$ 117,456 | |
| 1.4% maturing April 12, 2017 | 50,000 | - | - | 50,000 | |
| 0.3% maturing Dec 31, 2017 | 6,408 | - | - | 6,408 | |
| 1.65% maturing Mar 24, 2017 | 33,785 | - | - | 33,785 | |
| 1.75% maturing Jan 21, 2017 | 63,939 | - | - | 63,939 | |
| 1.75% maturing Jan 21, 2017 | - | 80,000 | - | 80,000 | |
| 1.15% maturing Feb 1, 2017 | - | - | 20,000 | 20,000 | |
| 1.25% maturing April 12, 2017 | - | 256,909 | - | 256,909 | |
| 1.65% maturing Mar 24, 2017 | - | 29,078 | - | 29,078 | |
| | 154,132 | 483,443 | 20,000 | 657,575 | \$ 197,670 |
| <u>Long term GIC'S</u> | | | | | |
| 1.75% maturing Mar 23, 2018 | 25,141 | - | - | 25,141 | - |
| | 25,141 | - | - | 25,141 | 483,711 |
| | \$ 179,273 | \$ 483,443 | \$ 20,000 | \$ 682,716 | \$ 681,381 |

CANADIAN GERONTOLOGICAL NURSING ASSOCIATION

NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. DEFERRED REVENUE

Deferred revenue consists mainly of conference related sponsorship and exhibitor fees paid in advance of the conference which is being held in 2017. Revenue is recognized in the appropriate fund when earned.

| | Operating Fund | Ann Beckingham Scholarship Fund | Memorial Scholarship Fund | 2016 | 2015 |
|--------------------------------------------------------|-------------------|------------------------------------------|---------------------------------|-----------|-----------|
| Balance, beginning of year | \$ - | \$ - | \$ - | \$ - | \$ 22,670 |
| Less: amount recognized as revenue in the year | - | - | - | - | (22,670) |
| Plus: amount received related to the following year | 16,750 | - | - | 16,750 | - |
| Balance, end of year | \$ 16,750 | \$ - | \$ - | \$ 16,750 | \$ - |

4. CONTRIBUTED SERVICES

Volunteers contribute time to assist the organization to carry out its service delivery activities. Because of the difficulty in determining the fair value of such contributed services, they are not recognized in the accompanying financial statements.

5. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, term deposits and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.