

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

Financial Statements

Year Ended October 31, 2017

MPW

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Gerontological Nursing Association Ontario

We have audited the accompanying financial statements of The Gerontological Nursing Association Ontario, which comprise the statement of financial position as at October 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Gerontological Nursing Association Ontario derives revenue from membership fees 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 Gerontological Nursing Association Ontario. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended October 31, 2017, current assets and net assets as at October 31, 2017.

(continues)

Independent Auditor's Report to the Members of The Gerontological Nursing Association Ontario *(continued)*

Qualified Opinion

In our qualified opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Gerontological Nursing Association Ontario as at October 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

We draw attention to the fact that the financial statements of the Gerontological Nursing Association Ontario for the year ended October 31st, 2016 were audited by other auditors who expressed a qualified opinion on those statements on February 22, 2017.

**Strathroy, Ontario
March 9, 2018**

MPW

**Chartered Professional Accountants LLP
Licensed Public Accountants**

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO
Statement of Financial Position
October 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 37,620	\$ 25,366
Term deposits, <i>at market value (Note 3)</i>	16,496	18,894
HST recoverable	602	176
Prepaid expenses	5,000	-
	59,718	44,436
LONG TERM DEPOSITS, <i>at market value (Note 3)</i>	42,054	38,863
	\$ 101,772	\$ 83,299
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,023	\$ 6,237
NET ASSETS, Unrestricted	97,749	77,062
LIABILITIES AND NET ASSETS	\$ 101,772	\$ 83,299

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

Statement of Changes in Net Assets

Year Ended October 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 77,062	\$ 87,670
EXCESS OF REVENUES OVER EXPENSES	20,687	(10,608)
NET ASSETS - END OF YEAR	\$ 97,749	\$ 77,062

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO
Statement of Revenues and Expenditures
Year Ended October 31, 2017

	2017	2016
REVENUES		
Membership fees	\$ 70,236	\$ 65,228
CGNA conference	17,307	-
Student grants	2,600	-
HST rebates	1,617	1,111
Interest income	797	734
Other Income	437	355
	92,994	67,428
EXPENSES		
Administration services and expenses	4,963	8,441
CGNA fees	30,325	31,785
Honorary and free membership	347	412
Insurance	680	680
Meetings and conventions	3,386	4,855
Membership rebates to regional chapters	13,641	15,322
Office	3,825	2,526
Professional fees	7,699	6,802
Travel and meetings	7,441	7,213
	72,307	78,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 20,687	\$ (10,608)

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

Statement of Cash Flow

Year Ended October 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 20,687	\$ (10,608)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(2,214)	(3,421)
Prepaid expenses	(5,000)	-
HST payable	(426)	1,605
	(7,640)	(1,816)
Cash flow from (used by) operating activities	13,047	(12,424)
INVESTING ACTIVITY		
Long term deposits, at market value	(3,191)	(38,863)
INCREASE (DECREASE) IN CASH FLOW	9,856	(51,287)
Cash - beginning of year	44,260	95,547
CASH - END OF YEAR	\$ 54,116	\$ 44,260
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	\$ (797)	\$ (734)
CASH CONSISTS OF:		
Cash	\$ 37,620	\$ 25,366
Term deposits	16,496	18,894
	\$ 54,116	\$ 44,260

See notes to financial statements

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

Notes to Financial Statements

Year Ended October 31, 2017

1. PURPOSE OF THE ORGANIZATION

GNAO (the "association") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Province. As a registered charity the association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The association operates to promote a high standard of nursing care in all aspects relating to health of elderly, to foster growth of gerontological nurses through education, to communicate and co-operate with other gerontological groups, and to advocate for and with older adults and gerontological nurses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash includes cash and guaranteed investment certificates maturing within one year including accrued interest and are presented at market value. Guaranteed investment certificates with maturity dates beyond one year are shown as long term deposits and are presented at market value.

Measurement uncertainty

The preparation of 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 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Management is of the opinion that the organization is not exposed to significant credit, market, currency, interest rate or other price risks due to the nature of its operations and investments.

Revenue recognition

The Gerontological Nursing Association Ontario 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 to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Investment income is recognized as revenue when earned.

Seminar and other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured

THE GERONTOLOGICAL NURSING ASSOCIATION ONTARIO

Notes to Financial Statements

Year Ended October 31, 2017

3. TERM DEPOSITS

Term deposits are comprised of Scotiabank Guaranteed Income Certificates (GIC) and are recorded at market value.

	2017	2016
GIC, 1.10%, Matures April 2018	\$ 16,136	\$ 16,136
GIC, 2.15%, Matures March 2020	12,000	12,000
GIC, 2.16%, Matures October 2021	10,995	-
GIC, 1.50%, Matures October 2019	10,727	10,727
GIC, 2.00%, Matures April 2020	7,724	-
GIC, 1.10%, Matures October 2017	-	7,556
GIC, 0.95%, Matures October 2017	-	10,840
Subtotal	57,582	57,259
Accrued interest receivable	968	498
Less: Long-term portion of Guaranteed Investment Certificate	(42,054)	(38,863)
	\$ 16,496	\$ 18,894

4. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Prior year figures have been audited by another firm, who expressed a qualified opinion.