

Canadian Association of Critical Care Nurses
Financial Statements
March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Association of Critical Care Nurses

Qualified Opinion

We have audited the financial statements of Canadian Association of Critical Care Nurses (the Association), which comprise the statement of financial position as at March 31, 2019, and the statements of revenue, expenditures, and Fund Balance - Operating Fund, revenue, expenditures, and Fund Balances - Dynamics Fund, and cash flows for the year then ended, and notes to the 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 financial statements present fairly, in all material respects, the financial position of the Association as at March 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue in the form of memberships, sponsors, and other miscellaneous receipts, 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 revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of 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 Financial Statements* section of our report. We are independent of the Association in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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

(continues)

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities of Management 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 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 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 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.

London, Ontario
August 29, 2019

MacNeill Edmundson

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by
The Chartered Professional Accountants of Ontario

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

Canadian Association of Critical Care Nurses

Statement of Financial Position

March 31	Operating Fund	Dynamics Fund	Total 2019 (\$)	Total 2018 (\$) <i>(restated)</i>
Assets				
Current Assets				
Cash	79,155	18,245	97,400	103,437
Investments (note 5)	324,904		324,904	370,567
Accounts receivable	4,961		4,961	7,615
Interest receivable	3,434		3,434	12,545
Due from Dynamics Fund	22,277		22,277	30,647
Prepaid expenses	196	15,032	15,228	36,950
	434,927	33,277	468,204	561,761
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	24,176		24,176	15,908
Government remittances	5,642		5,642	2,605
Due to Operating Fund		22,277	22,277	30,647
Deferred revenue (note 6)	49,684	11,000	60,684	61,315
	79,502	33,277	112,779	110,475
Long-Term Deferred Revenue (note 6)	5,480		5,480	10,305
	84,982	33,277	118,259	120,780
Fund Balances				
Fund Balances - unrestricted	349,945		349,945	440,981
	434,927	33,277	468,204	561,761

Approved on behalf of the Board:

_____, Director

_____, Director

Canadian Association of Critical Care Nurses

Operating Fund

Statement of Revenue, Expenditures and Fund Balance

Year ended March 31	2019 Total (\$)	2018 Total (\$) <i>(restated)</i>
Revenue		
Memberships	92,042	93,141
Journal advertisements	24,298	23,210
Royalties	11,767	13,156
Interest	9,094	5,554
Job Links	2,400	833
Other	1,873	8,140
	141,474	144,034
Dynamics Fund allocation (note 3)	12,856	773
Total Revenue and allocation	154,330	144,807
Expenditures		
Secretarial services	65,847	61,913
Board travel and other	54,658	34,089
Journal	37,502	41,978
Website support	17,086	2,800
Chapter reimbursement	15,308	18,320
Awards and gifts	12,096	26,952
Professional fees	11,245	11,856
Interest and bank charges	9,844	6,936
Office supplies	7,051	9,694
Postage, courier and photocopying	4,688	6,656
Telephone	4,286	5,650
Licensed software	3,120	12,852
Insurance	2,635	3,394
Standard printing		4,955
	245,366	248,045
Excess (Deficiency) of Revenue over Expenditures	(91,036)	(103,238)
Fund balance, beginning of year	440,981	544,219
Fund Balance, end of year	349,945	440,981

Canadian Association of Critical Care Nurses

Dynamics Fund

Statement of Revenue, Expenditures and Fund Balance

Year ended March 31	2019 (\$)	2018 (\$)
	Dynamics 2018	Dynamics 2017
Revenue		
Tuition	107,550	123,586
Exhibit booths	104,486	122,420
Sponsorship	19,050	19,950
Miscellaneous	8,180	8,285
Meal tickets	6,005	7,310
	<u>245,271</u>	<u>281,551</u>
Expenditures		
Conference facilities	195,105	234,349
Entertainment	10,125	1,100
Miscellaneous	9,207	3,419
Interest and bank charges	5,485	6,495
Travel	5,314	3,182
Postage and courier	3,775	245
Printing and promotion	1,781	11,591
Speakers' fees and travel	850	17,679
Gifts and awards	773	2,718
	<u>232,415</u>	<u>280,778</u>
Excess of Revenue over Expenditures	<u>12,856</u>	<u>773</u>
Surplus , end of year transferred to operating fund (note 3)	<u>12,856</u>	<u>773</u>
Fund Balance , end of year	<u>-</u>	<u>-</u>

Canadian Association of Critical Care Nurses

Statement of Cash Flows

Year ended March 31	2019 (\$)	2018 (\$) <i>(restated)</i>
Cash Flows From (Used in) Operating Activities		
Excess (deficiency) revenues over expenditures - Operating Fund	(91,036)	(103,238)
Less non cash items:		
	(91,036)	(103,238)
Net change in non-cash operational balances		
Accounts receivable	2,655	2,178
Interest receivable	9,111	2,317
Prepaid expenses	21,719	18,887
Accounts payable and accrued expenses	8,270	(25,727)
Deferred revenue	(5,456)	(15,936)
Government remittances	3,037	(2,201)
Cash Flows From (Used in) Operating Activities	(51,700)	(123,720)
Cash Flows From (Used in) Investing Activities		
Redemption (acquisition) of investments	45,663	24,817
Change in Cash during Year	(6,037)	(98,903)
Cash Resources, beginning of Year	103,437	202,340
Cash Resources, end of Year	97,400	103,437
Cash Resources		
Cash - Operating fund	79,155	102,970
Cash - Dynamics fund	18,245	467
	97,400	103,437

Canadian Association of Critical Care Nurses

Notes to the Financial Statements

March 31, 2019

1. Accounting Policies

The Canadian Association of Critical Care Nurses follows Canadian accounting standards for not-for-profit organizations in preparing its financial statements. The significant accounting policies used are as follows:

(a) Organization

Canadian Association of Critical Care Nurses is a non-profit organization incorporated under the *Canada Corporations Act* without share capital. The purpose of the Association is to further the technical knowledge and skills of the members and the medical community.

(b) Fund Accounting

The Association has identified the following funds:

Operating Fund, which is for the ongoing operations of the association;

Dynamics Fund, which is for the operation of the annual conference.

(c) Revenue recognition

These financial statements have been prepared using the deferral method of accounting available to non-profit organizations. Under this method of accounting, all revenue and expenditures are recorded in the fiscal period of the activity to which they relate. Accordingly, expenditures that relate to activities of future accounting periods are recorded as prepaid expenses, and revenues received before the services are rendered are recorded as deferred revenue.

(d) Capital Assets

Capital assets are stated at cost. Amortization is provided on the basis and at the annual rates indicated as follows:

Computer equipment	2 years	Straight line method
Website development	5 years	Straight line method
Membership database	5 years	Straight line method

(e) Income Taxes

The Canadian Association of Critical Care Nurses is a non-profit organizations and it is exempt from income taxes under Paragraph 149(1)(e) of the *Income Tax Act*.

Canadian Association of Critical Care Nurses

Notes to the Financial Statements

March 31, 2019

1. Accounting Policies (continued)

(f) 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.

2. Capital Assets

	Cost	Accumulated amortization	2019 net book value	2018 net book value
Computer equipment	5,023	5,023	-	-
Website development	36,700	36,700	-	-
Membership database	19,500	19,500	-	-
	61,223	61,223	-	-

3. Dynamics Fund

Each year, the organization holds a Dynamics Conference in a selected Canadian city. The revenue and expenditures of the conference have been disclosed separately for a more meaningful presentation. The results reported in the fiscal year ending March 31, 2019 are for the conference held in Calgary, AB in September 2018 (September 2017 - Toronto, ON).

The financial results of the Dynamics Conferences are reported as additions to or deductions from the general operating fund for the year. The Association advances funds to the organizing committees for expenditures that are related to future years' conferences, which are recorded as prepaid conference expenses. Revenue that is received before the fiscal year end, which is related to the future conference, is recorded as deferred revenue.

4. Financial Instruments

The Canadian Association of Critical Care Nurses financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is the Board's opinion that the Canadian Association of Critical Care Nurses is not exposed to significant interest rates, currency, liquidity or credit risks arising from its financial instruments. The fair value of the financial instruments approximates their carrying value, unless otherwise noted.

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Notes to the Financial Statements

March 31, 2019

5. Investments

Investments are comprised of the following:

	2019 (\$)	2018 (\$)
CIBC GIC due June 11, 2018		42,582
CIBC GIC due June 12, 2018		45,500
CIBC GIC due June 12, 2018		45,500
CIBC GIC due June 12, 2018		45,331
CIBC GIC due June 18, 2019	43,138	
CIBC GIC due June 18, 2019	47,649	
CIBC GIC due December 18, 2019	47,685	
CIBC GIC due December 18, 2019	47,472	
BMO GIC due April 9, 2018		52,945
BMO GIC due December 14, 2020	37,084	37,084
BMO GIC due April 9, 2023	58,742	
TD GIC due October 27, 2018		10,168
TD GIC due February 1, 2019		58,658
TD GIC due May 2, 2019	32,799	32,799
TD GIC due April 27, 2020	10,335	
	324,904	370,567

The GIC's earn interest at rates ranging from 0.2935% to 2.2%.

6. Deferred revenue

Deferred revenue is comprised of the following:

	2019 (\$)	2018 (\$)
Memberships (current)	49,684	57,665
Dynamics conference	11,000	3,650
	60,684	61,315
Memberships (long-term)	5,480	10,305

7. Prior Period Restatement

During the year, it was discovered that one-year membership revenues were not being deferred for amounts that related to subsequent fiscal years and that two-year membership revenues were not being deferred based on the month that the membership was issued. As a result, the opening fund balance declined \$48,163, membership revenue declined \$4,401, and deferred revenue increased \$52,564.
