

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**

**Financial Statements**

**Year Ended October 31, 2019**

**MPW**

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
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**Year Ended October 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Gerontological Nursing Association of Ontario

### *Qualified Opinion*

We have audited the financial statements of The Gerontological Nursing Association of Ontario (the Association), which comprise the statement of financial position as at October 31, 2019, and the statements of changes in net assets, revenues and expenses 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 October 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Association 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 Association. Therefore, we were not able to determine whether any adjustments might be necessary to membership fees excess of revenues over expenses, and cash flows from operations for the year ended . Our audit opinion on the financial statements for the year ended October 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 related 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.

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*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 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.

**MPW**

**Forest, Ontario  
April 14, 2020**

**Chartered Professional Accountants LLP  
Licensed Public Accountants**

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Statement of Financial Position**  
**October 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 33,885	\$ 20,323
Restricted cash and term deposits <i>(Note 5)</i>	34,337	32,777
Term deposits <i>(Note 4)</i>	20,980	11,057
Accounts receivable	-	7,828
HST recoverable	1,756	1,760
Prepaid expenses	5,000	-
	<b>95,958</b>	<b>73,745</b>
<b>LONG TERM INVESTMENTS <i>(Note 4)</i></b>	<b>42,859</b>	<b>62,663</b>
	<b>\$ 138,817</b>	<b>\$ 136,408</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 8,179	\$ 3,935
<b>DEFERRED FUNDS - RESTRICTED <i>(Note 5)</i></b>	<b>34,337</b>	<b>32,777</b>
	<b>42,516</b>	<b>36,712</b>
<b>NET ASSETS</b>	<b>96,301</b>	<b>99,696</b>
	<b>\$ 138,817</b>	<b>\$ 136,408</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

See notes to financial statements

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Statement of Changes in Net Assets**  
**Year Ended October 31, 2019**

	<b>2019</b>	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 99,696</b>	\$ 97,749
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>(3,395)</b>	1,947
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 96,301</b>	\$ 99,696

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Statement of Revenues and Expenses**  
**Year Ended October 31, 2019**

	2019	2018
<b>REVENUES</b>		
Membership fees	\$ 50,427	\$ 57,505
HST rebate	1,637	2,490
Interest	1,337	1,239
Other income	-	881
Conference revenue	-	2,573
	<b>53,401</b>	<b>64,688</b>
<b>EXPENSES</b>		
CGNA fees	25,720	28,160
Board expenses	9,176	7,953
Membership rebates to regional chapters	7,608	10,468
Administration services	6,651	5,221
Professional fees	4,520	4,407
Office	1,842	3,452
Insurance	680	680
Advertising and promotion	449	-
Honorary memberships	120	432
Interest and bank charges	30	76
Meetings and conventions	-	1,892
	<b>56,796</b>	<b>62,741</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (3,395)</b>	<b>\$ 1,947</b>

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Statement of Cash Flows**  
**Year Ended October 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenues over expenses	\$ (3,395)	\$ 1,947
Changes in non-cash working capital:		
Accounts receivable	7,828	(7,828)
Accounts payable and accrued liabilities	4,244	(88)
Prepaid expenses	(5,000)	5,000
HST recoverable	4	(1,158)
	<b>7,076</b>	<b>(4,074)</b>
Cash flow from (used by) operating activities	<b>3,681</b>	<b>(2,127)</b>
<b>INVESTING ACTIVITY</b>		
Long term investments	<b>19,804</b>	<b>(20,609)</b>
<b>FINANCING ACTIVITY</b>		
Deferred funds - restricted	<b>1,560</b>	<b>32,777</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>25,045</b>	<b>10,041</b>
Cash and cash equivalents - beginning of year	<b>64,157</b>	<b>54,116</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 89,202</b>	<b>\$ 64,157</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 33,885	\$ 20,323
Term deposits	20,980	11,057
Restricted cash and term deposits	34,337	32,777
	<b>\$ 89,202</b>	<b>\$ 64,157</b>

See notes to financial statements



**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Notes to Financial Statements**  
**Year Ended October 31, 2019**

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**1. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNPO).

**2. PURPOSE OF THE ORGANIZATION**

The Gerontological Nursing Association Ontario (the "Association") is a not-for-profit organization incorporated under the Not-for-profit Corporations Act of Ontario. 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 gerontological nursing care, 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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Notes to Financial Statements**  
**Year Ended October 31, 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

The Association follows the deferral method of accounting for contributions.

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.

Restricted 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.

Income taxes

As indicated in Note 2, the Association is a charitable organization registered under the Income Tax Act (the "Act") and as such is exempt from income taxes and is permitted to issue donation receipts for income tax purposes. In order to maintain its status as a charitable organization registered under the Act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**4. TERM DEPOSITS**

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

	2019	2018
GIC, 1.50%, Matures October 2019	\$ -	\$ 10,727
GIC, 2.15%, Matures March 2020	12,001	12,001
GIC, 2.00%, Matures April 2020	7,724	7,724
Variable GIC, Matures May 2021	13,996	13,996
GIC, 2.16%, Matures October 2021	10,995	10,995
GIC, 2.75%, Matures April 2023	16,583	16,583
	<b>61,299</b>	72,026
Accrued interest receivable	2,568	1,694
Less: Long-term portion of Guaranteed Investment Certificate	<b>(42,859)</b>	(62,663)
	<b>\$ 21,008</b>	<b>\$ 11,057</b>

**THE GERONTOLOGICAL NURSING ASSOCIATION OF ONTARIO**  
**Notes to Financial Statements**  
**Year Ended October 31, 2019**

**5. DEFERRED FUNDS RESTRICTED**

Deferred funds relate to amounts held on behalf of inactive chapters.

	2019	2018
Kingston Chapter	\$ 10,390	\$ 10,336
Ottawa Chapter	16,449	14,984
Bluewater Chapter	3,478	3,459
London Chapter	4,020	3,998
	<b>\$ 34,337</b>	<b>\$ 32,777</b>

Increases have resulted from interest earned in the amount of \$182 on the chapter funds and chapter rebates of \$1,378.

Restricted cash held as at December 31, 2019 in the amount of \$23,310 (2018 - \$32,777) and a term deposit of \$11,027.

**6. SUBSEQUENT EVENTS**

Impact of the COVID-19 Virus

The Association's activities were restricted after year end as a result of the government shut down of all non-essential services and orders not to gather in large groups, effectively eliminating its ability to deliver in-person programming. The Association continues to provide on-line programming and to execute its advocacy role for its membership, who are deemed essential front line workers. The Association continues to collect membership fees and is mitigating costs as much as possible. The length of the shut down and its overall financial impact on the association is not known at this time.