

NOVA SCOTIA DIETETIC ASSOCIATION
Financial Statements
Year Ended March 31, 2017

ADD & TRANS

Prepared by	Reviewed by	Manager
LAT 12/04/17		BJH 12/13/17

NOVA SCOTIA DIETETIC ASSOCIATION
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Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nova Scotia Dietetic Association

We have audited the accompanying financial statements of Nova Scotia Dietetic Association, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flows 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 audit opinion.

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Independent Auditor's Report to the Members of Nova Scotia Dietetic Association *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nova Scotia Dietetic Association as at March 31, 2017 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.

Dartmouth, Nova Scotia
January 8, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 119,231	\$ 147,170
Guaranteed investment certificates (Note 3)	136,243	135,584
Accounts receivable	237	3,444
Prepaid expenses	4,520	3,526
	260,231	289,724
CAPITAL ASSETS (Note 4)	604	862
	\$ 260,835	\$ 290,586
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 5,269	\$ 13,795
Membership dues received in advance (Note 6)	84,630	94,085
Exam fees received in advance (Note 6)	3,960	1,760
	93,859	109,640
NET ASSETS		
Unrestricted	166,372	180,084
Invested in capital assets	604	862
	166,976	180,946
	\$ 260,835	\$ 290,586

COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD

_____ Director

_____ Director

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Prep ____ Added ____ Approved ____ 2nd ____

NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2017

	2017	2016
REVENUE		
Membership dues	\$ 169,525	\$ 165,340
Exam fees	22,880	15,920
Application fees	4,375	4,106
Interest income	823	1,235
Miscellaneous	465	3,932
	<u>198,068</u>	<u>190,533</u>
EXPENDITURES		
Accounting fees	3,968	3,766
Alliance	2,588	2,557
Board expense	20,268	20,860
Committees	1,824	427
Communication	23,611	25,279
Exam cost sharing	22,880	15,920
Insurance	1,654	1,581
Legal fees	326	12,158
Miscellaneous	12,276	4,233
Office equipment	57	-
Office rental	13,110	13,110
Personnel costs	109,218	112,204
	<u>211,780</u>	<u>212,095</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(13,712)	(21,562)
AMORTIZATION	<u>258</u>	<u>207</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (13,970)	\$ (21,769)

NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2017

	Unrestricted	Invested in Capital Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 180,084	\$ 862	\$ 180,946	\$ 202,715
Deficiency of revenue over expenditures	(13,712)	(258)	(13,970)	(21,769)
NET ASSETS - END OF YEAR	\$ 166,372	\$ 604	\$ 166,976	\$ 180,946

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NOVA SCOTIA DIETETIC ASSOCIATION

Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (13,970)	\$ (21,769)
Item not affecting cash:		
Amortization	<u>258</u>	<u>207</u>
	<u>(13,712)</u>	<u>(21,562)</u>
Changes in non-cash working capital:		
Accounts receivable	3,208	(1,163)
Accounts payable and accrued liabilities	(8,527)	4,860
Membership dues received in advance	(9,455)	(34,994)
Prepaid expenses	(994)	1,207
Guaranteed investment certificates	(659)	(533)
Exam fees received in advance	<u>2,200</u>	<u>(1,840)</u>
	<u>(14,227)</u>	<u>(32,463)</u>
Cash flow used by operating activities	<u>(27,939)</u>	<u>(54,025)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(759)</u>
DECREASE IN CASH FLOW	(27,939)	(54,784)
Cash - beginning of year	<u>147,170</u>	<u>201,954</u>
CASH - END OF YEAR	\$ 119,231	\$ 147,170

NOVA SCOTIA DIETETIC ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2017

NATURE OF OPERATIONS

Nova Scotia Dietetic Association (the "Association") is a not-for-profit association, created under the laws of Nova Scotia, whose primary purpose is to regulate dietetic practice in the interest of Nova Scotians. The Association is exempt from income taxes as a not-for-profit organization pursuant to paragraph 149(1)(l) of the Income Tax Act (Canada).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued, except for related parties which are recorded at the exchange amount. 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.

Cash and cash equivalents

Cash and cash equivalents consists of cash balances held with financial institutions.

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. The most significant accounting estimates in these financial statements include the estimated useful life of capital assets and allowance for doubtful accounts.

Revenue recognition

Membership dues, exam fees, application fees and interest income are recognized as revenue in the fiscal year to which the payments apply.

Contributed services

There are a significant amount of hours donated by directors which aid in administering the various programs and activities undertaken by the Association. Contributed hours of directors are not recognized in the financial statements due to the difficulty in determining the fair market value of their services.

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NOVA SCOTIA DIETETIC ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rate and method:

Computer equipment	30%	declining balance method
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Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

Impairment of long lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

2. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Association's financial instruments consist of cash, GICs, accounts receivable and accounts payable and accrued liabilities. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from its members. The Association has a significant number of members which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk primarily through its guaranteed investment certificates.

NOVA SCOTIA DIETETIC ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2017

3. GUARANTEED INVESTMENT CERTIFICATES

Cashable investments, which consist of guaranteed investment certificates, maturing or redeemable at various dates not exceeding 48 months, at interest rates of 0% to 5.3% (2016 - 0% to 1.4%), are recorded at principal value plus accrued interest.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 3,435	\$ 2,831	\$ 604	\$ 862

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are summarized as follows:

	2017	2016
Trade accounts payable	\$ -	\$ 8,774
Accrued liabilities	2,250	2,250
Source deductions payable	3,018	2,771
	\$ 5,268	\$ 13,795

6. REVENUE RECEIVED IN ADVANCE

Membership dues and exam fees received in advance consists of receipts relating to fees paid for the 2018 fiscal year.

7. COMMITMENTS

The Association leases office space at 380 Bedford Highway, Bedford, Nova Scotia. The Association pays net rent and a portion of tenant recoveries such as operating costs, property taxes and cleaning.

The aggregate annual payments under a property lease expiring January 31, 2018 are as follows:

2018	<u>\$ 9,500</u>
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