

NOVA SCOTIA DIETETIC ASSOCIATION

Financial Statements

Year Ended March 31, 2020

Draft for discussion purposes only

NOVA SCOTIA DIETETIC ASSOCIATION
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Year Ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nova Scotia Dietetic Association

Opinion

We have audited the financial statements of Nova Scotia Dietetic Association (the "Association"), which comprise of the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2020, 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 Opinion

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 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.

Halifax, Nova Scotia
January 28, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Financial Position
March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 83,832	\$ 152,203
Guaranteed investment certificates (Note 3)	148,290	144,245
Prepaid expenses	4,012	6,675
	236,134	303,123
CAPITAL ASSETS		
	-	296
	\$ 236,134	\$ 303,419
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 14,321	\$ 12,237
Membership dues received in advance (Note 5)	84,026	175,911
Exam fees received in advance (Note 5)	5,250	3,675
	103,597	191,823
NET ASSETS		
Unrestricted	132,537	111,300
Invested in capital assets	-	296
	132,537	111,596
	\$ 236,134	\$ 303,419

ON BEHALF OF THE BOARD

_____ Director

_____ Director

NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2020

	2020	2019
REVENUE		
Membership dues	\$ 239,793	\$ 177,816
Exam fees	22,016	17,850
Application fees	4,735	4,627
Interest income	4,045	2,305
Miscellaneous	3,247	2,165
	<u>273,836</u>	<u>204,763</u>
EXPENDITURES		
Accounting fees	5,118	5,781
Alliance	2,623	3,106
Board expenses	15,561	19,850
Committees	961	1,194
Communications	19,890	21,703
Exam cost sharing	22,092	20,382
Insurance	4,197	3,983
Legal fees	4,577	7,168
Miscellaneous	6,567	8,794
Rental	13,524	13,110
Salaries and wages	157,489	142,607
	<u>252,599</u>	<u>247,678</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	21,237	(42,915)
OTHER EXPENDITURE		
Amortization	296	127
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 20,941	\$ (43,042)

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NOVA SCOTIA DIETETIC ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2020

	Unrestricted	Invested In Capital Assets	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 111,300	\$ 296	\$ 111,596	\$ 154,638
Excess (deficiency) of revenue over expenditures	21,237	(296)	20,941	(43,042)
NET ASSETS - END OF YEAR	\$ 132,537	\$ -	\$ 132,537	\$ 111,596

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NOVA SCOTIA DIETETIC ASSOCIATION

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 20,941	\$ (43,042)
Item not affecting cash:		
Amortization	296	127
	<u>21,237</u>	<u>(42,915)</u>
Changes in non-cash working capital:		
Accounts receivable	-	645
Accounts payable and accrued liabilities	2,084	4,213
Membership dues received in advance	(91,885)	107,930
Prepaid expenses	2,663	(1,262)
Guaranteed investment certificates	(4,045)	(2,194)
Exam fees received in advance	1,575	(2,100)
	<u>(89,608)</u>	<u>107,232</u>
INCREASE (DECREASE) IN CASH FLOW	(68,371)	64,317
Cash - beginning of year	<u>152,203</u>	<u>87,886</u>
CASH - END OF YEAR	\$ 83,832	\$ 152,203

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NOVA SCOTIA DIETETIC ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2020

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

Financial instruments are recorded at fair value when acquired or issued, except for transactions with 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 includes cash on hand and deposits within Canadian financial institutions, net of outstanding transactions.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rate:

Computer equipment	30%
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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.

Revenue recognition

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

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NOVA SCOTIA DIETETIC ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2020

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

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.

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 allowance for doubtful accounts.

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, guaranteed investment certificates, 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, 2020.

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 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. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. 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, 2020

3. GUARANTEED INVESTMENT CERTIFICATES

Cashable investments, which consist of guaranteed investment certificates, maturing or redeemable at various dates not exceeding 36 months, at interest rates of 0.25% to 2.10% (2019 - 0.06% to 1.50%), are recorded at principal value plus accrued interest.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>		<u>2019</u>
Accrued liabilities	\$ 10,105	\$	8,607
Source deductions payable	4,216		3,630
	<u>\$ 14,321</u>	\$	<u>12,237</u>

5. REVENUE RECEIVED IN ADVANCE

Membership dues and exam fees received in advance consists of receipts relating to fees paid for the 2021 fiscal year.

6. SUBSEQUENT EVENTS

Beginning in March 2020 the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the Association's financial position, its results of operations and its cash flows significantly. As these are subsequent events, these financial statements do not reflect such impact. As at the report date it is also not possible to accurately quantify or estimate that impact.

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