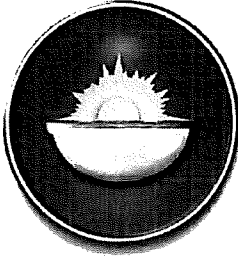


**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT  
Yellowknife, NT**

**FINANCIAL STATEMENTS  
For the year ended December 31, 2014**

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## Registered Nurses Association of the Northwest Territories and Nunavut

Box 2757 Yellowknife, NT X1A 2R1

Telephone: (867) 873-2745 / Fax (867) 873-2336

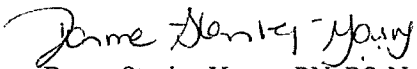
Registration: [info@rnantnu.ca](mailto:info@rnantnu.ca) General: [ea@rnantnu.ca](mailto:ea@rnantnu.ca) Website: [www.rnantnu.ca](http://www.rnantnu.ca)

### MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

Avery, Cooper & Co. Certified General Accountants provided an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

  
Donna Stanley-Young, RN, BScN, MN  
Executive Director

April 8, 2015



**AVERY, COOPER & Co.**  
Certified General Accountants

Toll-Free: 1-800-661-0787  
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Gerald F. Avery, FCGA  
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Facsimile: (867) 873-2353

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Registered Nurses Association of Northwest Territories and Nunavut

We have audited the accompanying financial statements of Registered Nurses Association of Northwest Territories and Nunavut, which comprise the Statement of Financial Position as at December 31, 2014, and the Statements of Changes in Net Assets, Operations, 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 Association'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 Association'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.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Registered Nurses Association of Northwest Territories and Nunavut as at December 31, 2014, 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.



**INDEPENDENT AUDITOR'S REPORT, continued**

*Other Matter*

The financial statements of the Registered Nurses Association of the Northwest Territories and Nunavut for the year ended December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on May 10, 2014.

*Avery, Cooper & Co.*

Avery, Cooper & Co.  
Certified General Accountants  
Yellowknife, NT

April 8, 2015

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**STATEMENT OF FINANCIAL POSITION**  
December 31, 2014

**ASSETS**

	<u>2014</u>	<u>(Restated) 2013</u>
<b>CURRENT</b>		
Cash	\$ 1,101,309	\$ 1,037,342
Short-term investments (note 3)	525,000	425,000
Prepaid expenses	<u>13,644</u>	<u>5,352</u>
	1,639,953	1,467,694
<b>INVESTMENTS (note 4)</b>	250,598	233,244
<b>TANGIBLE CAPITAL ASSETS (note 5)</b>	<u>18,955</u>	<u>36,434</u>
	<u><u>\$ 1,909,506</u></u>	<u><u>\$ 1,737,372</u></u>

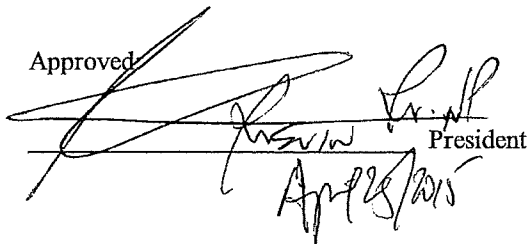
**LIABILITIES**

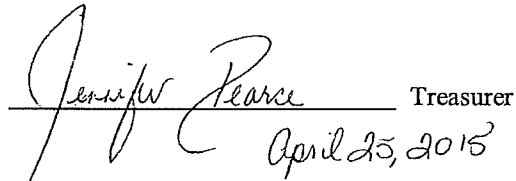
<b>CURRENT</b>		
Trade payables and accruals (note 6)	\$ 50,621	\$ 40,996
Wages and benefits payable	30,044	38,473
Government remittances payable (note 7)	55,121	43,912
Deferred revenue (note 8)	<u>946,718</u>	<u>881,670</u>
	<u>1,082,504</u>	<u>1,005,051</u>

**NET ASSETS**

<b>UNRESTRICTED ACCUMULATED SURPLUS per page 2</b>	322,047	595,886
<b>RESERVES (note 9) per page 2</b>	486,000	100,000
<b>INVESTED IN TANGIBLE CAPITAL ASSETS per page 2</b>	<u>18,955</u>	<u>36,435</u>
	<u>827,002</u>	<u>732,321</u>
	<u><u>\$ 1,909,506</u></u>	<u><u>\$ 1,737,372</u></u>

Approved:

  
President  
April 25, 2015

  
Treasurer  
April 25, 2015

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended December 31, 2014

	2014			
	Reserves	Unrestricted accumulated surplus	Invested in tangible capital assets	Total
<b>BALANCE, opening</b>				
As previously reported	\$ 100,000	\$ 573,182	\$ -	\$ 673,182
Prior period adjustment (note 13)	<u>-</u>	<u>22,704</u>	<u>36,435</u>	<u>59,139</u>
As restated	100,000	595,886	36,435	732,321
Excess of revenues over expenses	-	94,681	-	94,681
Transfers (note 9)	386,000	(386,000)	-	-
Acquisition of tangible capital assets	-	(7,080)	7,080	-
Amortization of tangible capital assets	<u>-</u>	<u>24,560</u>	<u>(24,560)</u>	<u>-</u>
<b>BALANCE, closing</b>	<u>\$ 486,000</u>	<u>\$ 322,047</u>	<u>\$ 18,955</u>	<u>\$ 827,002</u>
				2013
	Reserves	Unrestricted accumulated surplus	Invested in tangible capital assets	Total
<b>BALANCE, opening</b>				
As previously reported	\$ 111,234	\$ 456,794	\$ -	\$ 568,028
Prior period adjustment (note 13)	<u>-</u>	<u>-</u>	<u>59,174</u>	<u>59,174</u>
As restated	111,234	456,794	59,174	627,202
Excess of revenues over expenses	-	105,119	-	105,119
Transfers (note 9)	(11,234)	11,234	-	-
Acquisition of tangible capital assets	-	(3,011)	3,011	-
Amortization of tangible capital assets	<u>-</u>	<u>25,750</u>	<u>(25,750)</u>	<u>-</u>
<b>BALANCE, closing</b>	<u>\$ 100,000</u>	<u>\$ 595,886</u>	<u>\$ 36,435</u>	<u>\$ 732,321</u>

See accompanying notes

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2014

	2014	2014	(Restated)
	<u>Budget</u>	<u>Actual</u>	<u>2013</u> <u>Actual</u>
<b>REVENUES</b>			
Active/Temporary membership fees	\$ 948,367	\$ 970,678	\$ 885,143
Associate membership fees	4,000	2,563	2,313
CNA fees	67,533	69,238	67,093
CNPE administration fees	-	269	269
CNPE revenue	-	1,210	2,624
CNPS membership fees	41,157	40,647	34,949
CRNE administration fees	2,100	1,700	3,719
CRNE exam fees	6,326	6,379	13,729
Investment income (note 10)	7,295	24,557	29,296
Miscellaneous	-	1,137	513
Nurse practitioner fees	3,575	2,860	3,905
Other fees	6,844	6,869	5,864
Processing fees	18,063	24,501	18,875
Verification fees	6,825	9,674	7,761
	<u>1,112,085</u>	<u>1,162,282</u>	<u>1,076,053</u>
<b>EXPENSES</b>			
Advertising and promotion	2,000	3,755	1,452
Amortization	-	24,560	25,752
Communications	3,750	7,077	6,879
Computer	19,650	8,564	8,204
Consulting fees	142,224	177,462	83,471
Board Expenses	89,989	45,468	6,041
Insurance	4,585	5,527	4,058
Interest and bank charges	37,552	25,405	29,997
Memberships	109,106	111,468	102,043
Office and administration	111,528	98,028	91,471
Professional fees	20,700	28,301	8,939
Rent	27,846	25,502	27,000
Salaries and related benefits	534,344	497,618	570,743
Travel	8,600	8,866	4,884
	<u>1,111,874</u>	<u>1,067,601</u>	<u>970,934</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 211</u>	<u>\$ 94,681</u>	<u>\$ 105,119</u>



**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2014

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from members and students	\$ 1,213,230	\$ 1,176,670
Cash paid for materials and services	(554,461)	(342,313)
Cash paid for salaries and related benefits	(489,304)	(556,895)
	169,465	277,462
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in short-term investments	(100,000)	(217,671)
Increase in cost of investments	(5,498)	(212,984)
Proceeds on sale of investments	-	2,444
Purchase of tangible capital assets	-	(3,011)
	(105,498)	(431,222)
<b>INCREASE (DECREASE) IN CASH</b>	63,967	(153,760)
<b>CASH, opening</b>	1,037,342	1,191,102
<b>CASH, closing</b>	\$ 1,101,309	\$ 1,037,342

# REGISTERED NURSES ASSOCIATION OF NORTHWEST TERRITORIES AND NUNAVUT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

### 1. NATURE OF OPERATIONS

Registered Nurses Association of Northwest Territories and Nunavut (the "Association") is incorporated under the Nursing Profession Act (NWT).

The Association is a not-for-profit organization to regulate the profession of nursing by setting its own standards of practice, education, investigating and disciplining its members. Its purpose is to promote and ensure competent nursing practice for the people of the Northwest Territories and Nunavut.

The Association is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) Cash equivalents

The Association considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

#### (b) Foreign exchange

The monetary assets and liabilities of the company denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Revenues and expenses are translated at the average exchange rate prevailing during the year. Exchange gains or losses are included in operations.

#### (c) Financial instruments

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in surplus.

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(d) Tangible capital assets**

Tangible capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Computer equipment	3 years
Office equipment	5 years

Amortization of leasehold improvements is recorded over the remaining term of the lease.

**(e) Revenue recognition**

The Association 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Revenue from fees are recognized when earned.

**(f) Contributed materials and services**

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(g) Measurement uncertainty**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: estimated useful lives of tangible capital assets, and allowance for uncollectible accounts. Actual results may differ from management's best estimates as additional information becomes available in the future.

**3. SHORT-TERM INVESTMENTS**

Short-term investments consist of guaranteed investment certificates held with the Royal Bank of Canada and are as follows:

	2014	2013
Non-redeemable GIC, annual interest at 1.30%, matures May 14, 2015	\$ 375,000	\$ 175,000
One Year Cashable, Redeemable GIC, annual interest at 1.00%, matures May 14, 2015	50,000	250,000
One Year Cashable, Redeemable GIC, annual interest at 1.00%, matures February 24, 2015	100,000	-
	\$ 525,000	\$ 425,000

**4. INVESTMENTS**

Investments consist of marketable securities held with National Bank Investments Inc. and are as follows:

	2014	2013
Cost	\$ 216,008	\$ 210,540
Allowance to adjust to market value	34,590	22,704
Total market value	\$ 250,598	\$ 233,244

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**4. INVESTMENTS, continued**

Investment mix:

	2014	2013
Cash and short-term	\$ 2	\$ 2
Fixed income	201,725	188,366
Canadian equities	29,015	26,737
Global equities	19,856	18,139
Total market value	\$ 250,598	\$ 233,244

**5. TANGIBLE CAPITAL ASSETS**

			2014	(Restated) 2013
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 24,898	\$ 22,618	\$ 2,280	\$ 4,831
Leasehold improvements	59,520	47,065	12,455	19,665
Office equipment	38,589	34,369	4,220	11,938
	\$ 123,007	\$ 104,052	\$ 18,955	\$ 36,434

**6. TRADE PAYABLES AND ACCRUALS**

	2014	2013
Trade payables	\$ 27,485	\$ 33,220
Visa payable	7,376	-
Accrued liabilities	15,760	7,776
	\$ 50,621	\$ 40,996

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**7. GOVERNMENT REMITTANCES PAYABLE**

	2014	2013
GST payable	\$ 44,647	\$ 41,931
Payroll remittances payable	10,474	1,981
	\$ 55,121	\$ 43,912

**8. DEFERRED REVENUE**

Deferred revenue represents non-refundable deposits made which will be used up by the following year end. Changes in deferred revenue during the year are as follows:

	Opening balance	Deposits	Revenue recognized	Closing balance
Practitioner fees	\$ 2,750	\$ 2,420	\$ 2,805	\$ 2,365
Active membership fees	778,164	849,820	782,803	845,181
Associate membership fees	1,625	1,938	1,625	1,938
CRNE exam fees	502	-	502	-
Renewal late fees	5,100	4,618	5,218	4,500
CNPS fees	33,284	33,722	33,506	33,500
Processing fees	2,438	1,126	3,126	438
CNA fees	57,807	59,126	58,137	58,797
	\$ 881,670	\$ 952,770	\$ 887,722	\$ 946,719

**9. RESERVES**

The Association maintains the following internally restricted reserves:

	Opening balance	Transfers	Closing balance
Operating Surplus Reserve	\$ -	\$ 286,000	\$ 286,000
Professional Conduct Reserve	100,000	100,000	200,000
	\$ 100,000	\$ 386,000	\$ 486,000

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**9. RESERVES, continued**

The Association may not use any internally restricted amounts for any other purpose without the approval of the Board of Directors.

Operating Surplus Reserve

Under the Administration Finance Policy AF4, the Association is required to maintain the operating reserve at three months of budgeted operating expenses.

Professional Conduct Reserve

Under the Professional Conduct Policy PC3, the Association is required to maintain a minimum of \$200,000 for future costs relating to professional misconduct.

**10. INVESTMENT INCOME**

Investment income earned during the year consists of the following:

	<u>2014</u>	<u>2013</u>
Change in market value of investments	\$ 11,856	\$ 22,704
Income from interest and dividends	<u>12,701</u>	<u>6,592</u>
	<u>\$ 24,557</u>	<u>\$ 29,296</u>

**11. COMMITMENTS**

As at December 31, 2014, the Association is committed to a lease for premises expiring on March 31, 2018, and a lease for copier/fax machine expiring on September 16, 2016. Future minimum lease payments required under these operating leases for premises and copier/fax machine are as follows:

2015	\$ 37,048
2016	35,564
2017	30,450
2018	<u>7,612</u>
	<u>\$ 110,674</u>

The Association also has contract with Nunasi Financial Services for bookkeeping services currently at a rate of \$1,500 per month. The contract term is not specified but the rate is renegotiated annually in December.

**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**12. BUDGET AMOUNTS**

The 2014 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited.

**13. PRIOR PERIOD ADJUSTMENT**

During the year, effective January 1, 2014, to provide more relevant information, the Association changed its accounting policies for investments and tangible capital assets described in notes 2(c) and 2(d), respectively.

Previously, the Association recorded investments at cost, and tangible capital assets were being expensed in the period acquired.

Consequently, the Association has retroactively restated the comparative figures in the statements of financial position and operations to reflect the effect of the new accounting policies as if they had always been applied.

The effect of the adjustments as at December 31, 2013 and for the year then ended are as follows:

	As Previously <u>Reported</u>	<u>Adjustment</u>	As Restated
Investments	\$ 210,540	\$ 22,704	\$ 233,244
Tangible capital assets, opening	-	59,174	59,174
Tangible capital assets, closing	-	36,435	36,435
Investment income	6,592	22,704	29,296
Amortization expense	-	25,752	25,752
Capital expenditures	3,011	(3,011)	-
Excess of revenues over expenses	105,153	(34)	105,119
Unrestricted accumulated surplus, closing	573,182	22,704	595,886
Invested in tangible capital assets, opening	-	59,174	59,174
Invested in tangible capital assets, closing	-	36,435	36,435

**14. CONTINGENCIES**

There are two appeals pending against the Association in the Supreme Court of Canada and the Supreme Court of Nunavut involving two former Nurses. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or results of operations of the Association.



**REGISTERED NURSES ASSOCIATION OF NORTHWEST  
TERRITORIES AND NUNAVUT**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

**15. FINANCIAL INSTRUMENTS**

The Association is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Company's exposure to these risks.

(a) **Fair value**

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Association is a going concern and thus expects to fully repay the outstanding amounts.

(b) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2014, National Bank investments of \$19,856 (2013 - \$18,139) are shown in US dollars and converted into Canadian dollars.

(c) **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Association does have a market risk in the investments with National Bank Investments of \$250,598 (2013 - \$233,244).

**16. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.