



# Audited Financial Statements

**A REVIEW OF THE YEAR 2017-18**

# What are financial statements

Audited Financial statements, the integral part of the auditors report can be daunting. The important material is:

- **Auditors Report;**
- **Financials (Stmt of Financial Position, Stmt of Operations; and Stmt of Cash Flows)**
- **Notes to the Financial Statements.**



# Auditors Report

- The Auditors used - KPMG
- Audit opinion:

“The financial statements present fairly, in all material respects the financial position of ARNNL as at 31 March 2018”

“in accordance with Canadian Accounting Standards for not-for-profit organizations

# Financial Statements

- Statement of Financial Position

- Reports the position at a point in time
- It explains:

What we OWN – our ASSETS

(\$6,280,128)

What we OWE – our LIABILITIES

(\$3,525,606)

The Difference is our EQUITY or “NET ASSETS”

ASSETS – LIABILITIES = NET ASSETS

(\$2,754,522)



# Statement of Operations

- Report of All Revenue & Expenses over the year

Revenue is down from last year

Fewer licenses with lower Registration Service Fees such as verifications and exam eligibility

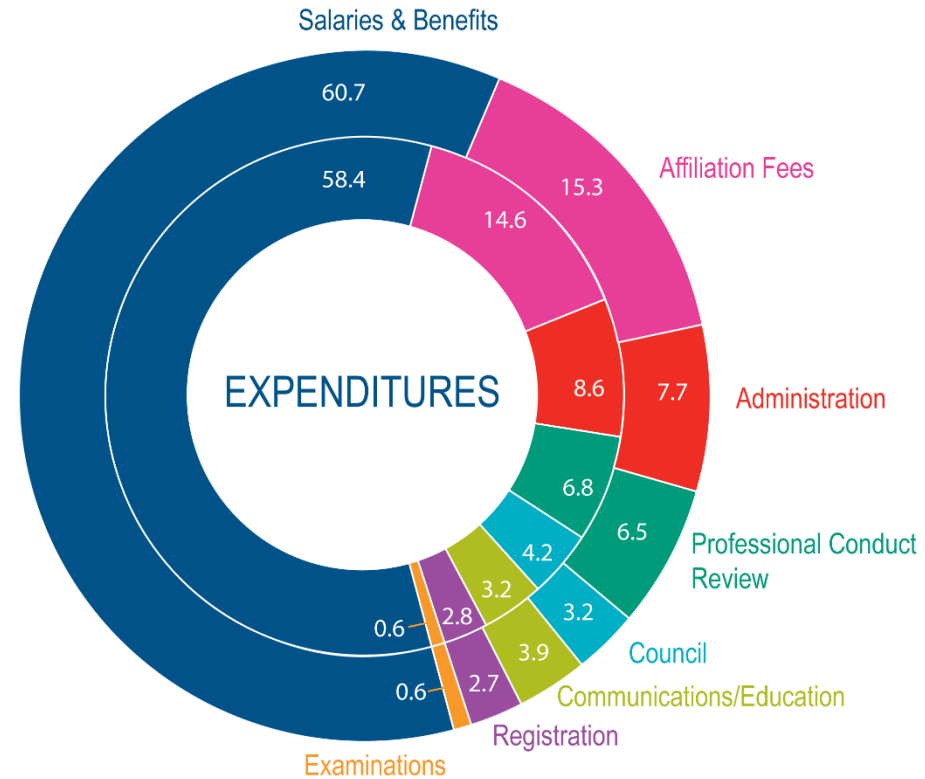
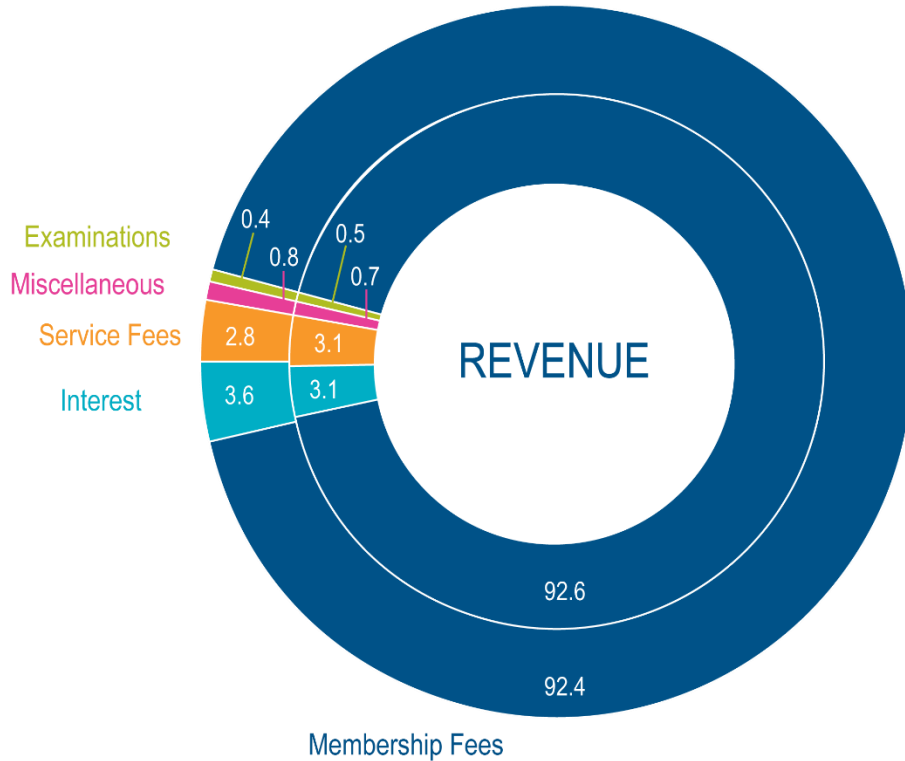
Expenses overall are up

Affiliation fees – CNA increase

Salaries – Severance buyout

PCR – Investigation costs

# Comparison 2017-18 and 2016-17



# Statement of Changes in Net Assets

- Explains the increases and decreases in all the funds on the Statement of Financial Position
- Remember the Net assets increased over last year by \$206,898 - The Excess of Revenue over expenses
- For example, Capital assets increased by \$38k due purchase of new server etc BUT it decreased by \$31k for depreciation of existing assets like the building, desks etc.
- This stmt is included to ensure any restrictions on net assets are followed such as how to use OR built up the Building Contingency fund



# Statement of Cash Flows

- Explains the changes in cash (The increases and decreases)
- Details the SOURCES and USES of cash

ITEM	CASH EFFECT
Revenue - Expenses	INCREASED YOUR CASH
Increase in Receivables	DECREASED YOUR CASH (you do not have the cash in hand because you are owed it)
Decrease in Prepays	INCREASED YOUR CASH (you haven't paid bills before their effective date)
Increase in Accounts payable, accrued liabilities	INCREASED YOUR CASH (you waited to pay your bills so it's cash in your hand)
Increase in deferred revenue	INCREASED YOUR CASH (you have the cash in hand before it was due to you)





# Notes to the Financial Statement

- The additional information added to help explain particular items in the statements
- They clarify individual statement line items

For example;

Note 3 explains what makes up our Capital assets,

Note 4 our Accounts payable and Accrued Liabilities

Note 5 our Affiliation fees

Note 6 amounts paid to Related parties – President / Council

Note 9 increase/decreases to various plans – LAP, Conduct review, Bldg



# Summary

- Clean audit opinion on our statements
- Able to complete mandate as regulatory body/professional association and continue to build reserves for Council directed funds

QUESTIONS?