

**Nova Scotia Association of Medical Radiation Technologists
Financial Statements**

*February 29, 2020
(Unaudited)*

Draft - For Management Only

Nova Scotia Association of Medical Radiation Technologists

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For the year ended February 29, 2020
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the Board of Nova Scotia Association of Medical Radiation Technologists:

We have reviewed the accompanying financial statements of Nova Scotia Association of Medical Radiation Technologists that comprise the statement of financial position as at February 29, 2020, and the statements of operations, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Nova Scotia Association of Medical Radiation Technologists as at February 29, 2020, 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

Chartered Professional Accountants

Nova Scotia Association of Medical Radiation Technologists

Statement of Financial Position

*As at February 29, 2020
(Unaudited)*

	2020	2019
Assets		
Current		
Cash	555,216	460,941
Accounts receivable	15,516	509
Prepaid expenses	6,546	8,573
	577,278	470,023
Capital assets (Note 4)	2,162	-
Investments	-	34,592
	579,440	504,615
Liabilities		
Current		
Accounts payable and accrued liabilities	5,744	12,823
Deferred revenue (Note 5)	268,478	219,521
	274,222	232,344
Commitments (Note 6)		
Subsequent events (Note 7)		
Net Assets		
Operational reserve fund	30,000	30,000
Special projects fund	32,776	20,000
Contingency fund	242,442	222,271
	305,218	272,271
	579,440	504,615

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Nova Scotia Association of Medical Radiation Technologists

Statement of Revenues and Expenses

*For the year ended February 29, 2020
(Unaudited)*

	<i>Operating Fund</i>	<i>Special Projects Fund</i>	<i>Contingency Fund</i>	2020	2019
Revenues					
Membership fees	398,800	-	-	398,800	403,511
Atlantic conference	-	-	-	-	29,841
Other income and conference	1,163	-	-	1,163	3,311
	399,963	-	-	399,963	436,663
Expenses					
Accounting fees	12,022	-	-	12,022	3,781
Amortization	2,642	-	-	2,642	-
AMRTRC membership fees	4,000	-	-	4,000	4,000
Atlantic conference	1,455	-	-	1,455	23,201
Bad debts	10	-	-	10	-
Bank service charges	223	-	-	223	612
CAMRT assessment	135,022	-	-	135,022	135,983
Consulting expense	-	3,881	-	3,881	83,570
Dues and subscriptions	4,826	-	-	4,826	4,697
Education and conferences	21,802	-	-	21,802	13,344
Executive committee and meetings	17,463	-	-	17,463	16,103
Honourariums and awards	1,675	-	-	1,675	3,629
Insurance	1,328	-	-	1,328	1,353
Investigation and complaints	-	-	7,590	7,590	5,541
Legal fees	21,640	-	-	21,640	1,682
Management fees	54	-	-	54	13,615
Office supplies	4,084	-	-	4,084	2,732
Public relations	4,839	-	-	4,839	4,143
Registration fees	16,847	-	-	16,847	4,976
Rent	11,903	-	-	11,903	11,730
Salaries and wages	97,039	-	-	97,039	82,603
Telephone and website	-	-	-	-	897
	358,874	3,881	7,590	370,345	418,192
Excess (deficiency) of revenues over expenses before other items	41,089	(3,881)	(7,590)	29,618	18,471
Other items					
Realized gain on disposal of investments	9,044	-	-	9,044	-
Unrealized (loss) gain on investments	(5,715)	-	-	(5,715)	1,395
	3,329	-	-	3,329	1,395
Excess (deficiency) of revenues over expenses	44,418	(3,881)	(7,590)	32,947	19,866

The accompanying notes are an integral part of these financial statements

Nova Scotia Association of Medical Radiation Technologists
Statement of Changes in Net Assets

For the year ended February 29, 2020
(Unaudited)

	<i>Operating Fund</i>	<i>Operational reserve fund</i>	<i>Special Projects Fund</i>	<i>Contingency Fund</i>	2020	2019
Net assets - beginning of year	-	30,000	20,000	222,271	272,271	252,405
Excess (deficiency) of revenues over expenses	44,418	-	(3,881)	(7,590)	32,947	19,866
Fund transfers (Note 8)	(44,418)	-	16,657	27,761	-	-
Net assets - end of year	-	30,000	32,776	242,442	305,218	272,271

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Nova Scotia Association of Medical Radiation Technologists

Statement of Cash Flows

*For the year ended February 29, 2020
(Unaudited)*

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	32,947	19,866
Amortization	2,642	-
Realized gain on disposal of investments	(9,044)	-
Unrealized loss (gain) on investments	5,715	(1,395)
	32,260	18,471
Changes in working capital accounts		
Accounts receivable	(15,007)	8,548
Prepaid expenses	2,027	(4,501)
Accounts payable and accrued liabilities	(7,079)	(16,936)
Deferred revenue	48,957	(21,355)
	61,158	(15,773)
Investing		
Purchase of capital assets	(4,804)	-
Proceeds on disposal of investments	37,921	-
	33,117	-
Increase (decrease) in cash resources	94,275	(15,773)
Cash resources, beginning of year	460,941	476,714
Cash resources, end of year	555,216	460,941

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Nova Scotia Association of Medical Radiation Technologists

Notes to the Financial Statements

For the year ended February 29, 2020
(Unaudited)

1. Incorporation and nature of the organization

Nova Scotia Association of Medical Radiation Technologists (the "Association") was established pursuant to the Medical Radiation Technologists' Act of the Province of Nova Scotia. The Association is a non-profit organization that collects membership fees on behalf of the Canadian Association, acts as the regulator for Medical Radiation Technologists in Nova Scotia, and provides continuing education to its members. Under the Income Tax Act of Canada, the Association is not subject to income taxes.

2. Fund accounting

Operating Fund

The Operating Fund accounts for the current operations of the Association.

Operational Reserve Fund

The purpose of this fund is to build and maintain an adequate level of unrestricted net assets to fulfill contractual obligations in the event of unforeseen shortfalls. The Operational Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

Special Projects Fund

The purpose of this fund is to build and maintain an adequate level of unrestricted net assets to fund one-time, nonrecurring projects that will build long-term capacity, such as strategic initiatives or investment in infrastructure. The Association intends for the Special Projects Fund, when used, to be replenished.

Contingency Fund

The purpose of this fund is to build and maintain an adequate level of unrestricted net assets to support legal and investigative costs of the complaints process. The Association intends for the Contingency Fund, when used, to be replenished.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks.

Investments

Long-term investments represent mutual and segregated funds recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at a rate intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	55 %

Nova Scotia Association of Medical Radiation Technologists

Notes to the Financial Statements

For the year ended February 29, 2020
(Unaudited)

Revenue recognition

Membership dues

The Association follows the deferral method of accounting for membership dues and student exam fees. Membership dues and student exam fees are considered unrestricted contributions and are recognized as revenue in the fiscal year to which they relate, if the amounts to be received can be reasonably estimated, and collection is reasonably assured.

Conference fees

The Association follows the deferral method of accounting for conference sponsorship and registration fees. Conference sponsorship and registration fees are recognized as revenue in the fiscal year in which the conference is held, if the amounts to be received can be reasonably estimated, and collection is reasonably assured.

Investment and other income

Unrestricted investment income and other income is recognized as revenue in the period earned when collection is reasonably assured.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable, useful lives of property and equipment, and certain accrued liabilities. Actual results could differ from those estimates.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenditures.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when there are sufficient indicators of impairment. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

Transaction costs

The Association recognizes its transaction costs in the statement of revenues and expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Nova Scotia Association of Medical Radiation Technologists
Notes to the Financial Statements
For the year ended February 29, 2020
(Unaudited)

4. Capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	4,804	2,642	2,162	-

5. Deferred revenue

Membership fees are for a 12 month period which runs January 1 to December 31. The Association defers and recognizes the revenue into the statement of revenues and expenses based on the months that fall within the fiscal year.

Deferred revenue is comprised of the following:

	2020	2019
Deferred provincial membership fees	231,941	219,521
Atlantic conference fees	31,124	-
Member over payments that will be applied to future membership fees	5,413	-
	268,478	219,521

Changes in deferred provincial membership fees are as follows:

	2020	2019
Opening balance	219,521	220,593
Provincial membership fees collected during the year	278,329	263,425
Provincial membership fees included in revenue	(265,909)	(264,497)
Ending balance	231,941	219,521

6. Commitments

Nova Scotia Association of Medical Radiation Technologists and the Nova Scotia Society of Diagnostic Medical Sonographers are awaiting proclamation from the Nova Scotia Legislature that would amalgamate these organizations. It was anticipated that this proclamation was to occur within the last fiscal period, however the amalgamation has yet to be finalized. The assets, liabilities, revenues and expenditures of the Nova Scotia Society of Diagnostic Medical Sonographers are not reflected in the current year's financial statements.

The Association's total obligation for the next fiscal year, for an operating lease for occupied premises with a lease term of 12 months, exclusive of realty taxes and other occupancy charges, is \$6,038.

Nova Scotia Association of Medical Radiation Technologists

Notes to the Financial Statements

For the year ended February 29, 2020
(Unaudited)

7. Subsequent events

Subsequent to year end the Association invested \$280,000 of its cash into marketable securities as part of a new investment policy that was approved by the board of directors on November 19, 2019.

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause potential losses, which may negatively impact the Association's business and financial condition.

8. Interfund transfers

During the year, the board approved the following transfers from the Operating Fund: \$16,657 (2019 - \$53,570) to the Special Projects Fund and \$27,761 (2019 - \$55,407) to the Contingency Fund.

The amounts due to the Operational Reserve Fund, Special Projects Fund and Contingency Fund from the Operating Fund are non-interest bearing and have no set terms of repayment.

9. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its cash, investments and accounts receivable. The Association is exposed to concentration risk on its cash and investments held with financial institutions. To minimize this risk the Association holds its cash and investments with high quality Canadian financial institutions. The Association provides credit to its clients in the normal course of its operations.

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 other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.