

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA
Financial Statements
Year Ended December 31, 2015

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

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Year Ended December 31, 2015

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LYLE TILLEY DAVIDSON
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Association of Fundraising Professionals - Nova Scotia

We have audited the accompanying financial statements of Association of Fundraising Professionals - Nova Scotia, which comprise the statement of financial position as at December 31, 2015 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 Association of Fundraising Professionals - Nova Scotia
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association of Fundraising Professionals - Nova Scotia as at December 31, 2015 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.

Halifax, Nova Scotia
July 20, 2016


CHARTERED ACCOUNTANTS

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

Statement of Financial Position

December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 15,984	\$ 19,631
Accounts receivable	8,195	2,000
	<u>\$ 24,179</u>	<u>\$ 21,631</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,700	\$ 2,700
NET ASSETS	<u>21,479</u>	<u>18,931</u>
LIABILITIES AND NET ASSETS	<u>\$ 24,179</u>	<u>\$ 21,631</u>

ON BEHALF OF THE BOARD

Director

Director

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

Statement of Revenues and Expenditures

For the Year Ended December 31, 2015

	2015	2014
REVENUE		
Maritime Philanthropy Awards	\$ 29,475	\$ 30,265
National Philanthropy Day	5,270	2,760
Membership fees (Note 3)	6,422	7,258
Workshop and program revenue	1,330	2,100
Advertising revenue	5,374	6,800
EMC allocation	-	775
Mentorship grant	-	500
	<u>47,871</u>	<u>50,458</u>
EXPENSES		
Board meetings and travel	9,201	12,989
Donations	900	650
Maritime Philanthropy Awards	19,204	18,235
National Philanthropy Day	5,219	6,697
Office	4,816	5,426
Professional fees	2,935	3,135
Workshop and program expenses	3,048	6,798
	<u>45,323</u>	<u>53,930</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,548	\$ (3,472)

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

Statement of Changes in Net Assets

Year Ended December 31, 2015

	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 18,931	\$ 22,403
Excess (deficiency) of revenue over expenses	2,548	(3,472)
NET ASSETS - END OF YEAR	\$ 21,479	\$ 18,931

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

Statement of Cash Flows

Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 2,548	\$ (3,472)
Change in non-cash working capital:		
Accounts receivable	(6,195)	(1,000)
DECREASE IN CASH FLOW	(3,647)	(4,472)
Cash - beginning of year	19,631	24,103
CASH - END OF YEAR	\$ 15,984	\$ 19,631

ASSOCIATION OF FUNDRAISING PROFESSIONALS - NOVA SCOTIA

Notes to Financial Statements

Year Ended December 31, 2015

NATURE OF OPERATIONS

Association of Fundraising Professionals - Nova Scotia chapter (the "Association") was incorporated on November 14, 2003 under the Societies Act of Nova Scotia. The Association was established as a non-profit organization with membership comprised of individuals engaged in fundraising not-for-profit organizations which are legally entitled to solicit funds from the public. Currently, there are 235 chapters worldwide with approximately 30,000 members.

The Association is exempt from tax under the provisions of the Income Tax Act.

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 (ASNFPO).

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

Cash consists of deposits held within Canadian financial institutions, net of outstanding cheques.

Capital assets

Capital assets are expensed in the year they are purchased.

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.

Revenues from services such as memberships, workshops, programs and conferences are recorded in the year in which they are earned or to which billed fees relate.

Contributed services

There are significant amount of hours donated by volunteers who aid in administering the various programs held by the Association. Contributed hours of volunteers are not recognized in the financial statements due to the difficulty in determining the fair market value of their services.

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

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. Significant accounting estimates included in these financial statements are 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. Financial instruments consist of cash, accounts receivable, and accounts payable. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2015.

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. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of members which minimizes concentration of credit risk. In the opinion of management the credit risk exposure to the Association is low and not material.

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 and other related sources, and accounts payable. In the opinion of management the liquidity risk exposure to the Association is low and not material.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The Association does not use derivative instruments to reduce its exposure to foreign currency risk. There were no balances subject to fluctuations in foreign currencies at year-end. In the opinion of management the currency risk exposure to the Association is low and not material.

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Notes to Financial Statements

Year Ended December 31, 2015

3. RELATED PARTY TRANSACTIONS

The Association is the Nova Scotia Chapter of the Association of Fundraising Professionals located in Virginia and is related by way of membership fees. The Association of Fundraising Professionals, Nova Scotia chapter receives a portion of membership fees paid to the headquarter office. The following is a summary of the Association's related party transactions:

	<u>2015</u>	<u>2014</u>
Association of Fundraising Professionals		
Membership fees received	<u>\$ 6,422</u>	<u>\$ 7,118</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.