

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

FINANCIAL STATEMENTS

DECEMBER 31, 2016

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

DECEMBER 31, 2016

CONTENTS

	<u>Page</u>
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SCHEDULE OF CONFERENCE FEES AND EXPENSES	10



1.

INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Association of Gift Planners/Association
Canadienne des Professionnels en Dons Planifiés

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Association of Gift Planners/Association Canadienne des Professionnels en Dons Planifiés, which comprise the statement of financial position as at December 31, 2016, 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.

Auditors' 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 auditors' 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.

.../2



INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Association incorporates the financial positions and results of operations of its 21 local Chapter committees. The Chapters hold and derive revenue from local events, for which the completeness of related revenue is not susceptible to satisfactory audit verification. Accordingly, our verification of Chapter revenues was limited to the amounts recorded in the records of the Chapters and we were not able to determine whether any adjustments might be necessary to Chapter revenue, net revenue (expenses) and cash flows from operations for the year-ended December 31, 2016, and current assets and net assets of the Chapters as at December 31, 2016.

Our audit opinion for the eleven month period ended December 31, 2015 was modified due to a lack of detailed Chapter committee financial reporting available to management. As a result, we were unable to obtain sufficient appropriate audit evidence to verify the Chapters' revenues and expenses for the eleven month period ended December 31, 2015. Therefore, we were not able to determine whether any adjustments might be necessary to Chapter revenue, expenses, net revenue (expenses) and cash flows from operations for the eleven month period ended December 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Association of Gift Planners/Association Canadienne des Professionnels en Dons Planifiés as at December 31, 2016, 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.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
March 2, 2017.

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONN PLANIFIÉS**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

ASSETS		<u>2016</u>	<u>2015</u>
CURRENT			
Cash	\$	492,082	\$ 395,011
Cash and cash equivalents - chapters (note 2(b))		383,452	420,615
Accounts receivable		21,641	30,488
Prepaid expenses		81,632	59,992
Prepaid expenses - chapters		<u>3,300</u>	<u>-</u>
		982,107	906,106
CAPITAL (note 4)		<u>9,837</u>	<u>7,947</u>
	\$	<u><u>991,944</u></u>	\$ <u><u>914,053</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	43,934	\$ 40,314
Accounts payable and accrued liabilities - chapters		3,702	15,374
Deferred revenue (note 5)		<u>383,432</u>	<u>303,609</u>
		<u>431,068</u>	<u>359,297</u>
NET ASSETS			
Unrestricted net assets		93,830	67,289
Reserve stability fund		94,279	74,279
Invested in capital assets		9,837	7,947
Net assets - chapters		<u>362,930</u>	<u>405,241</u>
		<u>560,876</u>	<u>554,756</u>
	\$	<u><u>991,944</u></u>	\$ <u><u>914,053</u></u>
Commitment (note 6)			

Approved on behalf of the Board:

Director

Director

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016	Eleven month period ended (note 1) December 31, 2015
NATIONAL OFFICE		
REVENUE		
Conference fees (Schedule)	\$ 349,158	\$ 334,940
Membership fees	309,023	283,470
Education courses	252,812	172,643
Job postings	31,188	18,390
Sponsorships	26,050	54,741
Interest and other	9,939	16,339
Grants	<u>-</u>	<u>75,000</u>
	978,170	955,523
EXPENSES		
Salaries and wages	367,899	318,554
Conference expenses (Schedule)	253,932	231,095
Meals	39,981	19,133
Education and honorariums	37,572	32,404
Partner fees	36,134	41,147
Administration	36,091	55,939
Professional fees	25,269	32,253
Office	23,878	51,973
Rent	21,865	20,900
Travel	21,255	25,895
Accommodation	16,713	20,488
Meeting facilities	7,604	4,164
Translation	7,449	10,246
CAGP Foundation seed funding	<u>5,000</u>	<u>-</u>
	<u>900,642</u>	<u>864,191</u>
NET REVENUE - NATIONAL OFFICE	77,528	91,332
CHAPTERS		
Revenue	303,156	225,175
Expenses	<u>374,564</u>	<u>385,425</u>
NET REVENUE (EXPENSES) - CHAPTERS	(71,408)	(160,250)
NET REVENUE (EXPENSES) FOR THE PERIOD	<u>\$ 6,120</u>	<u>\$ (68,918)</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS
EN DONS PLANIFIÉS**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Reserve Stability Fund</u>	<u>Invested in Capital Assets</u>	<u>Chapters</u>	<u>Total Year ended December 31, 2016</u>	<u>Total Eleven month period ended (note 1) December 31, 2015</u>
BALANCE - BEGINNING OF PERIOD	\$ 67,289	\$ 74,279	\$ 7,947	\$ 405,241	\$ 554,756	\$ 623,674
Net revenue (expenses)	77,528	-	-	(71,408)	6,120	(68,918)
Transfer to invested in capital assets	(1,890)	-	1,890	-	-	-
Transfer to chapters	(29,097)	-	-	29,097	-	-
Transfer to reserve stability fund	(20,000)	20,000	-	-	-	-
BALANCE - END OF PERIOD	<u>\$ 93,830</u>	<u>\$ 94,279</u>	<u>\$ 9,837</u>	<u>\$ 362,930</u>	<u>\$ 560,876</u>	<u>\$ 554,756</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016	Eleven month period ended (note 1) December 31, 2015
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the period	\$ 6,120	\$(68,918)
Item not requiring an outlay of cash:		
- amortization	<u>2,137</u>	<u>2,859</u>
	8,257	(66,059)
Changes in non-cash working capital		
- accounts receivable	8,847	12,858
- prepaid expenses	(21,640)	17,483
- prepaid expenses - chapters	(3,300)	-
- accounts payable and accrued liabilities	3,620	(13,945)
- accounts payable and accrued liabilities - chapters	(11,672)	15,374
- deferred revenue	<u>79,823</u>	<u>(181,121)</u>
	<u>63,935</u>	<u>(215,410)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(4,027)</u>	<u>(491)</u>
CHANGE IN CASH POSITION DURING THE PERIOD	59,908	(215,901)
Cash - beginning of period	<u>815,626</u>	<u>1,031,527</u>
CASH - END OF PERIOD	<u>\$ 875,534</u>	<u>\$ 815,626</u>
CASH POSITION		
Cash	\$ 492,082	\$ 395,011
Cash and cash equivalents - chapters	<u>383,452</u>	<u>420,615</u>
	<u>\$ 875,534</u>	<u>\$ 815,626</u>

CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. ORGANIZATION

Canadian Association of Gift Planners/Association Canadienne des Professionnels en Dons Planifiés (the "Association") was incorporated without share capital under the Canada Not-for-profit Corporations Act. The purpose of the Association is to support philanthropy by fostering the development and growth of gift planning, by: developing knowledge and providing education; building awareness and promoting philanthropy; creating connections and facilitating partnerships; and engaging in national dialogues and influencing public policy. For Canadian income tax purposes, the Association is qualified as a not-for-profit organization, which is exempt from income tax under the Income Tax Act.

Effective February 1, 2015, the Association changed its year end from January 31 to December 31. Accordingly, the comparative figures in the statements of operations, changes in net assets, and cash flows are for the eleven-month period from February 1, 2015 to December 31, 2015.

In April 2016, CAGP established the CAGP Foundation, a controlled organization incorporated without share capital under the Canada Not-for-profit Corporations Act. The financial activities of the CAGP Foundation in 2016 were minimal, and thus, its financial information is not presented in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted grants, contributions and sponsorships are recognized as revenue in the year in which related restrictions are met. Unrestricted grants, contributions and sponsorships are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Conference and chapter event revenue is recognized in the period in which the conference or the event is held.

Membership fee revenue is recognized in the period in which it is earned.

Education course revenue is recognized in the period in which the specific course is held.

Job posting revenue is recognized over the period in which the job posting is active.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and redeemable short-term guaranteed deposits bearing interest rates between 0.55% and 1.35%.

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(c) Capital Assets and Amortization

Capital assets are stated at cost, net of accumulated amortization. Amortization is provided as follows:

Computer equipment	30%	Reducing balance basis
Office equipment	20%	Reducing balance basis

One-half of the above rate is recorded in the year of acquisition.

(d) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

(e) Volunteer Services

The Association benefits from the services of many volunteers who have made significant contributions. Since these services are not normally purchased by the Association, and because of the difficulty of determining their fair value, the value of these services is not reflected in these financial statements.

(f) Financial Instruments

The Association's financial instruments consist of cash, cash and cash equivalents - chapters, accounts receivable, accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Association subsequently measures all of its financial assets and liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses).

(g) Reserve Stability Fund

The Reserve Stability Fund is an internally restricted reserve set aside to cover minimum legal obligations in the event of an unexpected cash shortfall and to act as a reserve in the event of unusual circumstances. The Reserve need not be held as a separate asset but may be pooled with other Association assets.

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONNS PLANIFIÉS**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Association is not exposed to significant market, interest rate, liquidity, credit or currency risks arising from its financial instruments. There has been a decrease in the credit risk exposure from 2015 due to a decrease in the Association's outstanding accounts receivable balance. There have been no changes to the other risk exposures from 2015.

4. CAPITAL ASSETS

	2016			2015
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 28,320	\$ 23,847	\$ 4,473	\$ 5,471
Office equipment	<u>14,241</u>	<u>8,877</u>	<u>5,364</u>	<u>2,476</u>
	<u>\$ 42,561</u>	<u>\$ 32,724</u>	<u>\$ 9,837</u>	<u>\$ 7,947</u>

5. DEFERRED REVENUE

Deferred revenue relates to membership fees received for which the term of membership continues into the following period; course fees, conference fees, and conference sponsorships paid in advance; and lease inducements that are recognized over the term of the lease.

	2016	2015
Conference fees and sponsorships	\$ 167,543	\$ 120,105
Memberships	148,073	123,774
Education courses	51,364	49,730
Sponsorships	10,000	10,000
Deferred lease inducement	<u>6,452</u>	<u>-</u>
	<u>\$ 383,432</u>	<u>\$ 303,609</u>

Deferred memberships revenue includes \$20,120 (2015 - \$nil) of Chapter deferred memberships.

6. COMMITMENT

The Association has leased office space under an operating lease agreement which expires October 31, 2021. Future minimum payments excluding additional operating costs and applicable sales tax under this lease for the remainder of the lease term are \$67,712.

7. COMPARATIVE FIGURES

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

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES
PROFESSIONNELS EN DONS PLANIFIÉS**

SCHEDULE OF CONFERENCE FEES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Year ended December 31, 2016	Eleven month period ended (note 1) December 31, 2015
FEES		
Registration	\$ 208,901	\$ 208,939
Conference sponsorship	<u>140,257</u>	<u>126,001</u>
	<u>349,158</u>	<u>334,940</u>
EXPENSES		
Meals and catering	107,840	105,169
Management	47,160	45,148
Audio-visual	36,258	31,098
Speakers	18,129	11,622
Travel/mileage	12,857	9,588
Graphic design	6,913	4,091
Postage and printing	5,295	3,053
Credit card fees	4,816	6,343
Registration	3,999	2,369
Meeting facilities	2,850	2,481
Entertainment	2,806	3,405
Resource room	1,879	1,207
Miscellaneous	1,589	2,448
Translation	<u>1,541</u>	<u>3,073</u>
	<u>253,932</u>	<u>231,095</u>
NET CONFERENCE FEES	<u><u>\$ 95,226</u></u>	<u><u>\$ 103,845</u></u>