



National Association  
of Federal Retirees

Association nationale  
des retraités fédéraux

# ANNUAL REPORT | 2014





**Gary Oberg**  
President

**Sylvia Ceacero**  
Chief executive officer

# Letters from the president and chief executive officer

## Building a modern association 2014 Highlights

### Strategic mandate

The year 2014 has been challenging on many fronts.

The annual general meeting held in Montreal in June 2014 approved the 2016-2018 strategic planning framework. This framework encompassed the Association's newly minted mission and objectives, which after extensive consultation with volunteers, members and staff, were defined as advocating measures in support of the pensions, benefits and general welfare of members and potential members; opposing measures detrimental to the interests of members and potential members; informing and assisting members with respect to pensions, benefits and their general welfare; and exerting

leadership in the areas of pensions, benefits, and retiree and seniors' issues. These goals will provide the focus for our activities from 2016 to 2018, and beyond.

What a wonderful and exciting mandate!

### Advocacy

With this mandate in mind, we began to implement the strategic advocacy plan. Above all, the Association is in a leadership position in the protection of our members' pensions and benefits, and for retirement security for all Canadians.

We made progress for our members with the Honour Your Promise campaign, in our ongoing advocacy work with federal and provincial politicians, and through the legal challenge launched by the Association

to have the courts declare the 2013 changes to the Public Service Health Care Plan unlawful.

As part of the Canadian Coalition for Retirement Security — with a collective membership that represents more than 6 million Canadians — we have been working to ensure pensions are not retroactively affected in potential moves to target benefit pensions. The Association continues to work with organizations on issues of mutual concern — for example, we form part of the Canadian Medical Association's Seniors Strategy think-tank, and the CEO continues to serve on the Advisory Committee of the Office of the Veterans' Ombudsman. And with a newly approved veterans' advocacy strategy, we are moving in the right direction for Canada's veterans.

## Preferred Partners

Our Preferred Partner relationships support our advocacy work and provide members with unique and significant savings. In 2014, Preferred Partner agreements were signed with Chartwell Retirement Homes, Nexus and Via Rail. Association members are enjoying the benefits offered by these Preferred Partners, and many others, including Johnson Inc., Shoppers Drug Mart and Relocation Services Group.

## Information technology

The Association has invested in an information technology renewal project, which will come to fruition in 2015.

Our new systems will empower local branches by simplifying their work and making it easier for them to connect with our members. It will also allow us to take enormous steps forward in the continued protection our membership data.

The Association also began the transition towards a new website that will be a retirement portal for Association members, focussed on the things that matter to retirees: from pensions to health and travel. This new website will provide an enhanced member experience and will help each of our members plan, live and enjoy an informed and healthy retirement.

## Membership

We strive to ensure that every member and potential member receives an unparalleled level of service and that they have an experience — whether in person, by phone or via email — that gives them confidence that we are prepared, knowledgeable and able to assist them.

There is strength in numbers and in 2014, the Association moved forward in growth. Association volunteers and staff work together to recruit members and take our numbers from strength to strength, giving federal retirees a meaningful advocacy voice.

The Association is also removing barriers for individuals to join. Our online credit card payment system was introduced as part of an online membership store in 2013 and, as a result, we gained 5,431 new memberships in 2014, representing 7,848 new members. These are incredible gains for a “non-campaign” year, or a year that did not feature the Association’s biennial recruitment campaign.

A National Office Client Services Policy was developed and implemented, including a Voice of the Customer survey for email. Where a Net Promoter Score — a measure of customer satisfaction — of 30 is considered excellent by industry standards, our Net Promoter Score is currently 60.



**There is strength in numbers and in 2014, the Association moved forward in growth**

## We are now the National Association of Federal Retirees, with a vibrant, modernized logo and brand image



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### Continuance

In 2014, the Association applied for and obtained a certificate of continuance under the new *Canada Not-for-profit Corporations Act*.

While this appeared to be the penultimate goal following three years of extensive consultations, obtaining the certificate of continuance was but the beginning of a new governance model that requires careful implementation across the Association. With an organization of close to 185,000 members, 83 branches and 1,000 volunteers, implementing such a major shift is challenging, and we are still working through many of the issues that inevitably arise with such change. With the goodwill of all involved, the transition to our new governance model is unfolding smoothly, with members continuing to receive the services they require and have come to expect.

### New brand

With our new governance model came a new name and a new brand — formerly the Federal Superannuates National Association, we are now the National Association of Federal Retirees, with a vibrant, modernized logo and brand image. In addition to several focus groups with our members, more than 10,000 volunteers and members participated in online and telephone surveys to develop the new brand. A final decision was made at the 2014 Annual General Meeting where delegates voted on the new name and brand.

### Risk management

Risk management is an activity that can make or break an organization. With close to 185,000 members and approximately a thousand volunteers across the country, an enterprise risk management plan is vital to the health and well-being of the corporation. At the direction of the Association's board, the CEO conducted

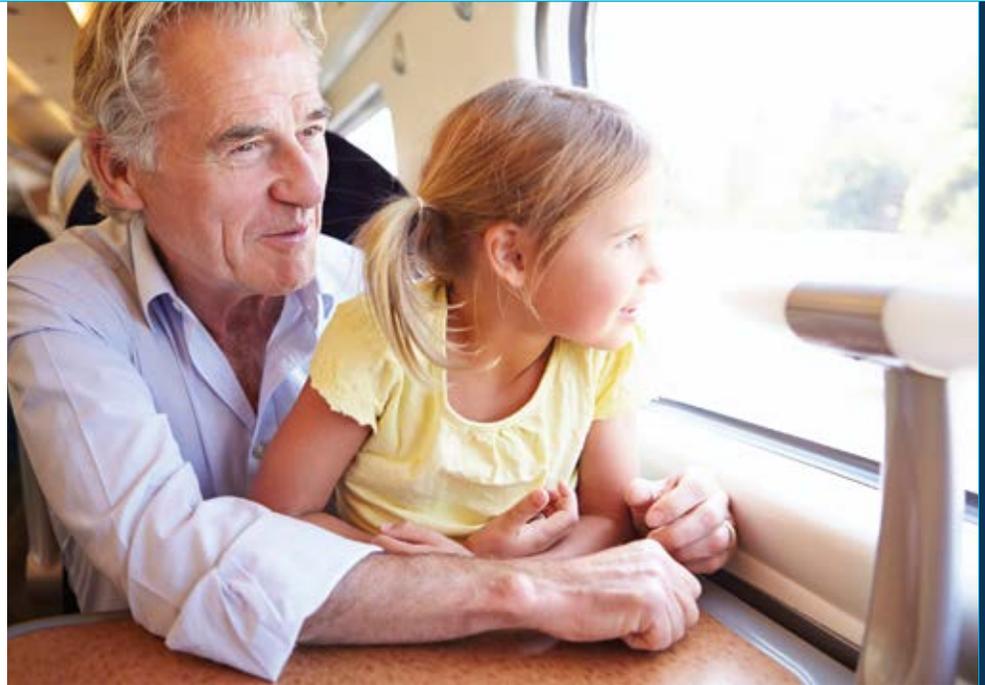
a comprehensive enterprise risk analysis. The board approved it, as well as the creation of an enterprise risk management plan that will be presented in 2015.

## Human resources

The ongoing development and enhancement of the human resources plan continues to support the growth of the Association to meet its future needs and to ensure a solid succession plan is in place to support change and growth.

Employee performance, accountability and excellence are supported through the employee development program with the performance-based management system that was launched in 2012. Our association also cares for the health and well-being of its employees by providing a healthy work environment that is reinforced by a wellness program and by the health and safety committee.

At the heart of the Association are 1,000 volunteers who give so much of their time to support members across the country. Wishing to pay tribute to these volunteers, the Association launched a volunteer recognition program in 2014. The nominees for the various awards highlight the wonderful work of volunteers, both for Association members and their communities. We look forward to celebrating our volunteers this year and in the future.



## Financial plan

The success of our endeavours is assured by the careful management of our financial resources. In 2014, the board approved a national financial plan. This plan follows standard business practices and benchmarks common to the prudent fiscal management of any association.

## In closing

It has indeed been quite a year, with much to look forward to in future!

Our members, volunteers, Preferred Partners, stakeholders and staff make the National Association of Federal Retirees one of the driving forces behind a better Canada — for our

members and for all Canadians.

The National Association of Federal Retirees continues to grow, inspired by a captivating vision to deliver the organization's strategic goals, and with a strong infrastructure to support our work and membership. We look forward to leading the Association through the coming years — building on our strengths and successes, confronting challenges and embracing opportunities.

# Achieving our vision together

## 2014 Highlights

### Advocating on behalf of our members

The national board of directors approved a strategic advocacy plan in the spring of 2013 that would see the Association take a leadership position in facilitating town halls and kitchen table talks across the country in an effort to find solutions for income and health-care security for all Canadians.

The Association's strategic advocacy plan gained momentum in 2014, when the first of a series of town hall meetings or kitchen table discussions was hosted in Charlottetown in May 2014. The Association hosted panel-style conversations on the issues Canadians face and on how we can achieve retirement income and health-care security for all Canadians.

Plans to host similar events in Ottawa and Halifax were underway through summer and early fall, with events planned for late October and early November. Unfortunately, these plans were held in abeyance as a result of the October 22, 2014, armed attack on the House of Commons and the tensions and public safety concerns that immediately followed.

Throughout 2014, Association representatives met with senior government officials, members of Parliament and government ministers to further our members' interests through advocacy. The Association's president, CEO and director of advocacy and communications represented the Association at several government committees (provincial and federal), roundtables and events, — as well as the House of Commons Standing Committee on Finance — regarding 2015 federal budget priority consultations and the province of Ontario's consultations on the Ontario Retirement Pension Plan.

From time to time, various orders of government solicit input from stakeholder organizations on key public policy issues, including issues that are central to the Association's advocacy interests, such as retirement security and pensions, health care, seniors' concerns and veterans' issues. The Association elevated its advocacy profile in 2014 with a variety of compelling submissions, including pre-budget consultations with the federal government, comments to the Financial Consumer Agency of Canada on financial literacy and comments on the Ontario Retirement Pension Plan.

### Groundwork for federal election advocacy

In late 2014, Association staff worked with public relations firm Hill+Knowlton Strategies to develop the Association's 2015 federal election strategy. Later that month, the board of directors approved the strategy. The non-partisan campaign is based on the premise of honouring pension promises and is designed to make this one of the central issues of the 2015 federal election.

### Honour Your Promise: Public Service Health Care Plan

On March 26, 2014, Treasury Board President Tony Clement announced that he had approved an agreement for the Public Service Health Care Plan that would see the cost-sharing ratio shift from 25-75 to 50-50 on April 1, 2015, and new retirees as of that date would have to have six years of service to be eligible for the plan, up from the existing two-year threshold.

The Association was faced with an ultimatum made by Clement: "negotiate a deal or the government will legislate to the lowest common denominator," which would have created further hardship for the Association's most vulnerable

members. Even though this was characterized as a negotiated deal, the Association believes that the government did not honour the spirit or principles of negotiation, and in spite of our best efforts, will not honour the promises made to federal retirees.

In December 2014, the board of directors authorized a law firm to take legal action to have the courts declare the government's actions regarding the Public Service Health Care Plan unlawful. This matter is ongoing.

### **Support for veterans and their families**

In 2014, the Association contracted Andrea Siew of ALS Consulting to draft a veterans advocacy strategy. A retired senior naval officer, Siew is highly respected for her knowledge of veterans' issues, policies, programs, benefits and services. ALS Consulting drafted a comprehensive veterans advocacy strategy. The strategy will be presented to the board of directors in 2015 for its approval.

In addition, the CEO continues to serve on the Advisory Committee of the Office of the Veterans' Ombudsman.

With a newly approved veterans advocacy strategy, we are leading the way for the 60,000 veterans and their families in our membership, as well as all who have served Canada.

### **Retirement income security**

Throughout 2014, provincial and federal governments began to move forward with the introduction of legislation that would allow for the conversion of defined benefit plans to target benefit plans or shared risk plans. These are unique pension plans that blend elements of defined-benefit and defined-contribution plans to provide a base monthly pension at retirement (which may be allowed to change, depending on the pension plan's performance) with limited or conditional indexation — all of which can directly and seriously impact retirement security.

In September 2014, the Association brought together dozens of seniors and veterans organizations, as well as a variety of bargaining agents, to discuss the emergence of these plans and the associated risks for collective members and for Canadians. Under the Association's leadership, interested

organizations continued to meet and develop a framework for cooperation. In January 2015, the Canadian Coalition for Retirement Security was formed.

The coalition was established with a defined goal: to ensure the protection of public and private sector employees' accrued and retirees' pensions and benefits. The Association and its coalition partners continue to work together to build retirement security for all Canadians.

### **Developing partnerships and strengthening relationships**

Our Preferred Partner relationships support our advocacy work and provide members with unique and significant savings. In 2014, Preferred Partner agreements were signed with Chartwell Retirement Homes, Nexus and Via Rail. Association members enjoy the benefits offered by these Preferred Partners, and many others, including Johnson Inc., Shoppers Drug Mart and Relocation Services Group.



## Growing our membership

The membership team simplified the enrolment process for new members in 2014.

In the fall of 2013, a new online credit card payment system was launched as part of an online membership store. Based on an analysis of online store data, several enhancements were made in 2014. As a result of these enhancements, the conversion rate — the percentage of visitors who make purchases — was increased by 35%, and the ratio of double to single memberships sold was improved to almost 1:1, compared to the 1:1.4–1.5 the Association has historically seen.

In 2014, the Association welcomed 5,431 new memberships, representing 7,848 members — close to 45% of the last campaign's total and an exceptional number for a non-campaign year.

The online store enabled the integration of recruitment into advocacy and communications efforts; though 2013 was the big year for Honour Your Promise, the site generated more than 350 new members in 2014.

The membership director continues to use data in order to better understand how to attract, engage and retain Association members. Ongoing analysis of data on the Association's national website, the Honour Your Promise website and the online store provides the organization with a better understanding of member and potential member web usage. Immediate steps

are then taken to improve the member or potential member experience.

The Association was represented at several large events in 2014, including the Army Run in Ottawa, as well as annual general meetings for the RCMP Veterans' Association and the Association of Professional Executives of the Public Service of Canada. Through partnership with the Edmonton branch, the Association was also well represented at the Royal Canadian Legion's 45th Dominion Convention; branch volunteers represented the association at the event. This partnership approach will be repeated with the Quebec City branch for the 2015 RCMP Veterans' Association Annual General Meeting.

Several decisions were made in 2014 that will bear fruit in 2015.

Work began on the Family Program, a subscription to enable our members to care for their families through access to Preferred Partner benefits, and a personalized health-care program called YourNurse.

With 2015 targeted to be a campaign year, the decision was made to split the campaign in two — one to target veterans of the Canadian Armed Forces and the RCMP, and another to focus on retired public servants — to mitigate concerns about the delays caused by external partners in 2013. The first iteration of the campaign for veterans will launch in the summer of 2015. The public service campaign is targeted to launch in fall 2015.

As an extension of the new branding and following consultation with branches, a new-style membership card was introduced. This more durable card will only require replacement every three to five years, resulting in substantial savings for the organization. Renewals will be handled similarly to vehicle license plate renewals, with a cost-effective sticker system.

## Caring for our members

A national office client services policy was developed and implemented, including a Voice of the Customer survey for email. Where a Net Promoter Score — a measure of customer satisfaction — of 30 is considered excellent by industry standards, the Association's Net Promoter Score is currently 60.

## Communicating with our members and volunteers

Following extensive consultations with members, volunteers and staff, the Association's first strategic corporate communications plan was developed and approved by the board of directors in the spring of 2013. The communications plan identified a series of new tools and products that the Association slated for launch in 2014 and 2015.

These tools include a member-centric website that will be designed to function as a retirement portal for Association members.

**In 2014, the Association welcomed 7,848 new members — close to 45% of the last campaign's total and an exceptional number for a non-campaign year**

The Association now boasts a première quarterly publication, *Sage* magazine, which launched in early 2014 to rave reviews. The magazine includes analysis from some of Canada's top political journalists, news on the Association's advocacy efforts, a relationship column just for baby boomers and seniors; travel, health and pension insights, and much more.

### **Transitioning to the Canada Not-for-profit Corporations Act**

The consultation project to develop new articles and by-laws for the Association was a success and we obtained a Certificate of Continuance under the *Canada Not-for-profit Corporations Act* by the October 2014 deadline. Delegates at the 2014 annual general meeting approved the new articles and by-laws by more than 97% each. An initial set of regulations was also presented and approved by 96% with the remainder of the regulations to come to the 2015 annual meeting of members. The level of cooperation and consensus across the Association on developing and approving these guiding governance documents is unprecedented.

The final phase of the by-law project is to support the Association's branches in updating their local by-laws to be consistent with the documents and structures of the national Association. Template and guideline documents were developed for the branches to use and a series of webinars was held in

November and December 2014 to help the branches evaluate their options in areas where they had choices to make particular to their local operations.

By the end of December 2014, several branches already had submitted draft versions of by-laws to the national office for review.

With our new governance model came a new name and a new brand — formerly the Federal Superannuates National Association, we are now the National Association of Federal Retirees, with a vibrant, modernized logo and brand image. In addition to several focus groups with our members, more than 10,000 volunteers and members participated in online and telephone surveys to develop the new brand. The data gleaned through this consultation process provided the basis for the Association's new name and brand. The new brand launch began in late 2014 and is ongoing.

### **Transitional roles**

The roles of regional services officers (RSOs) and provincial/territorial advocacy officers (PTAOs) continue under transitional provisions until June 2016. This provides volunteers and staff time to assess the impact of the changes that were made to the governance structure of the Association with the new by-laws. Between the 2014 annual general meeting and the 2016 annual meeting of members, these volunteer support roles will be assessed and terms of reference developed for the positions going forward.

The governance department continues to provide analysis and counsel to the Association's board of directors and national office staff in an effort to improve compliance under current legislation, by-laws and policy. The governance manager continues to support branch volunteers in the development of proposals that produce positive outcomes for the Association.



## Development of a new strategic plan for 2016-2018

At the June 2014 Annual General Meeting, delegates adopted a new vision and mission, as well as a new set of values.

### Vision

All Canadians enjoy dignity and security in retirement.

### Mission

To significantly improve the quality and security of retirement for our members and all Canadians through advocacy and the provision of services.

### Values

Respect  
Accountability  
Integrity  
Leadership  
Service

Delegates also approved a strategic framework focused on the enhancement and protection of retirement income security and seniors' health — not just for our members, but for all Canadians.

During the summer of 2014, this framework was expanded into a strategic plan — a set of strategies and tactics that will guide our planning and activities for the period 2016–2018 — which was prioritized and approved by the

Association's board of directors in December 2014.

The plan, including cost estimates for each activity, will be presented to the delegates at the 2015 Annual Meeting of Members in June 2015. Following the meeting, the Association's Board and staff will develop supporting operational and action plans in preparation for the implementation of the strategic plan on January 1, 2016.

### NATIONAL ASSOCIATION OF FEDERAL RETIREES STRATEGIC FRAMEWORK

|  |  |   |  |
|--|--|---|--|
| <p><b>FOR FEDERAL RETIREES</b><br/><b>INCOME SECURITY</b></p> <p>Protections of our Members' Superannuation (Pensions)</p> | <p><b>FOR FEDERAL RETIREES</b><br/><b>HEALTH</b></p> <p>Protection of the Public Service Health Care Plan and the Pensioners' Dental Services Plan</p> | <p><b>FOR ALL CANADIANS</b><br/><b>INCOME SECURITY</b></p> <p>CPP expansion and sustainable retirement income</p> | <p><b>FOR ALL CANADIANS</b><br/><b>HEALTH</b></p> <p>Preventive health and wellness</p> <p>A sustainable publically funded medicare system</p> <p>Long-term care, including homecare</p> |
|--|--|---|--|

## Mitigating organizational risk

With an organization the size of the National Association of Federal Retirees, with close to 185,000 members and approximately a thousand volunteers across the country, it is vital to the health and well-being of the corporation that we continue to take appropriate actions to recognize and manage Association risk exposures. The Association's board will receive an enterprise risk management plan at its meeting in December 2015.

Meanwhile, certain risk areas have been addressed by the inclusion of a regulation in relation to the vulnerable sector, the addition of new payment options, including credit cards and pre-authorized bank payments, and follow-up in relation to the regulation from 2013 regarding branch surpluses.

## Optimized performance through effective human resources management

In 2014, the Association continued to refine its organizational structure, and increased staff capacity to better support advocacy, communications and volunteer engagement activities.

The Association's human resources policies and practices at were updated to align with new legislation and to reflect best practices. New policies supporting volunteer community service and staff whistle-blowing were introduced. In October 2014, the Association's national office human resources plan, which is comprised of a human resources process review, staffing gap analysis and a succession plan, was updated.

Senior staff competency was enhanced through training and workshops on enterprise risk management, change management, strategy, governance and human resources management, and all staff received training on the new customer relationship management (CRM) system and website in support of the Association's IT renewal strategy.

The Association's commitment to employee wellness and safety was reinforced through the work of its active health and safety committee, and through its employee wellness program, which supports staff participation in healthy activities. All staff received training in accordance with the Ontario Ministry of Labour's new health and safety training requirements for employees and supervisors.

A new area of focus for the Association this year was employee financial literacy, and an information session on personal financial planning and retirement preparation was well-received by staff.

Staff performance management and compensation are strongly linked to operational priorities through a performance management system designed to cascade performance targets through all levels of the organization. Performance results for 2014 were strong, and the Association is well positioned for success as we transition to the implementation of the 2016-2018 strategic plan.

## Supporting and honouring our volunteers

In 2014, the Association launched its inaugural volunteer recognition awards program with the presentation of individual awards for leadership, innovation and volunteerism at the

annual recognition dinner in June. The dinner was a celebration of the contributions and commitment of the more than 1,000 volunteers who devote so much of their time and energy to support Association members across the country.

In order to align more closely to the best practices in *The Canadian Code for Volunteer Management* — a best-practice guide developed and endorsed by Volunteer Canada — the Association introduced regulations that clarify the mutual commitment between volunteers and the Association, and address protocols for volunteers working with the vulnerable sector.

Work began on a major revision of the key volunteer reference manual, the Association's *Administrative Guidelines for Branches*, which will continue throughout 2015. Two committees were established to develop models that will support successful transition of volunteer-delivered administrative and advocacy support under the Association's new organizational framework.

The membership department expanded the branch administrative support project, offering support with all aspects of member administration to branches on an ad hoc or an ongoing basis. Participation in the project increased from 11 to 25 branches.

For more than 50 years, Association volunteers have provided caring, quality support to Federal Retirees members across the country. Recently, however, as for many not-for-profit organizations, volunteer recruitment and succession have become concerns for the Association, particularly for smaller branches. Despite the challenges,

Association volunteers and staff are committed to engaging newer members as volunteers and to finding creative solutions to maintain the delivery of core services to members.

## Ensuring sound financial and administrative oversight

With a view to staying on budget, the director of finance and administration works closely with the chief executive officer, the audit committee, the finance committee and the board of directors to ensure ongoing and regular monitoring, analysis and reporting of financial information. The 2015 budget was submitted to the Association's board of directors in December 2014 for approval.

Management of IT services at the national office ensures that staff and volunteers have the appropriate resources to serve the Association's growing membership.

Work on the IT renewal project has been ongoing since the fall of 2013. In 2014, extensive research, including user acceptance testing of the proposed new systems was completed to gather feedback from members and volunteers, which has influenced the design of both systems. The new CRM system, including a branch ledger system to simplify compliance with the new *Canada Not-for-profit Act*, launched in the spring of 2015. The new CMS, which helps the Association ensure compliance with Canada's anti-spam legislation and includes a new national website with sub-sites for each branch, is scheduled to launch over the summer of 2015.

# 83 Branches 100s of volunteers

At the heart of the Association's branches are 1,000 active volunteers who selflessly devote their time to members in their communities. Many volunteers play an active role as executive members of their branches. Others engage in a wide variety of activities, providing support and assistance to fellow members.

Members are assigned to a branch that is closest to their local address. The main role of a branch is to keep members informed, provide assistance to them, and to ensure there is a link between individual members and the National Association.

## BRANCHES

| PROVINCE                  | BRANCHES | MEMBERS |
|---------------------------|----------|---------|
| British Columbia          | 15       | 25,881  |
| Yukon                     | -        | 389     |
| Northwest Territories     | -        | 194     |
| Nunavut                   | -        | 68      |
| Alberta                   | 7        | 12,756  |
| Saskatchewan              | 7        | 4,440   |
| Manitoba                  | 5        | 7,859   |
| Ontario                   | 22       | 62,035  |
| Quebec                    | 6        | 32,631  |
| New Brunswick             | 7        | 7,477   |
| Nova Scotia               | 9        | 12,744  |
| Newfoundland and Labrador | 3        | 3,274   |
| Prince Edward Island      | 2        | 1,830   |
| Lost Contact              | -        | 9,263   |
| International             | -        | 1,028   |

To find the contact information for your local National Association of Federal Retirees branch, visit us at [www.federalretirees.ca](http://www.federalretirees.ca) to access the branch locator tool.

Each of our 83 Canadian branches vary in size and geography and each has its own methods of accomplishing its role. In more detail, the role of a branch is to:

- Communicate with its members through periodic meetings, branch reports, special information meetings and training sessions
- Participate in the management of the Association through the active recruitment and retention of members
- Submit resolutions to be considered at the annual general meeting and administer the affairs of the branch
- Provide services to members such as visitations, transportation and other forms of individual assistance
- Participate in local/provincial advocacy, deal with issues of importance to federal retirees and seniors within their communities and ensure that local politicians and MPs know about the Association and its policies
- Fulfill its responsibilities under the Association's by-laws such as submitting to the National Office its financial statements and minutes of its annual general meetings
- Organize social activities to engage members

# Report of the Independent Auditor on the Summary Financial Statements

## To the Members of National Association of Federal Retirees

The accompanying summary financial statements, which comprise the summary statements of financial position as at **December 31, 2014**, and the summary statements of operations for the year then ended, are derived from the audited financial statements of the National Association of Federal Retirees (the "Association") for the year ended December 31, 2014. We expressed a qualified audit opinion on those financial statements in our report dated April 16, 2015.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited financial statements of the Association. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Association.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements. The summary financial statements are derived from the complete set of financial statements of the Association. They meet the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Association for the year ended December 31, 2014, are a fair summary of those financial statements, in accordance with the established criteria stipulating that the summary financial statements are derived from the complete set of financial statements of the Association and that they meet the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations. However, the summary financial statements are impacted, to the same extent as the audited financial statements by the possible effects of the limitation in the scope of our audit as the audited financial statements of the Association for the year ended December 31, 2014.

Our qualified opinion on the audited financial statements is described in our report dated April 16, 2015, and indicated that the Association, in

common with many not-for-profit organizations, derives part of its revenue from its branches, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to membership dues, deferred revenue, excess (deficiency) of revenue over expenses, and cash flows from operating activities for the years ended December 31, 2014 and 2013 and current assets as at December 31, 2014 and 2013 and net assets as at January 1, 2014 and December 31 for both 2014 and 2013 years. Our qualified opinion states that, except for the possible effects of the described matter, those financial statements present fairly, in all material respects, the financial position of the Association 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.



**Chartered Professional Accountants,  
Chartered Accountants  
Licensed Public Accountants**

April 16, 2015

## NATIONAL ASSOCIATION OF FEDERAL RETIREES

## Summary of Statement of Financial Position

December 31, 2014

|  | 14-12-31  | 13-12-31  |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>ASSETS</b>                                    |           |           |
| Current  |           |           |
| Cash   | 465,293   | 461,579   |
| Short-term investments                           | 886,388   | 1,169,505 |
| Accounts receivable                              | 792,175   | 618,091   |
| Advances to branches                             | 81,935    | -         |
| Prepaid expenses                                 | 221,669   | 181,281   |
|  | 2,447,460 | 2,430,456 |
| Long term  |           |           |
| Investments                                      | 1,696,055 | 1,958,032 |
| Capital assets                                   | 644,543   | 707,219   |
| Intangible assets                                | 896,820   | 52,802    |
|  | 5,684,878 | 5,148,509 |
| <b>LIABILITIES</b>                               |           |           |
| Current  |           |           |
| Accounts payable and accrued liabilities         | 715,455   | 673,078   |
| Deferred revenue                                 | 397,985   | 139,503   |
| Commodity taxes payable                          | 29,112    | 16,471    |
|  | 1,142,552 | 829,052   |
| Capital lease obligation                         | 15,294    | -         |
|  | 1,157,846 | 829,052   |
| <b>NET ASSETS</b>                                |           |           |
| Unrestricted                                     | 905,067   | 1,447,183 |
| Invested in capital assets and intangible assets | 1,521,072 | 760,021   |
| Internally restricted                            |           |           |
| Information Technology Renewal Fund              | 230,000   | 230,000   |
| Emergency Operations Fund                        | 1,000,000 | 1,000,000 |
| Building Maintenance Fund                        | 135,893   | 129,518   |
| Defence of Benefits Fund                         | 735,000   | 752,735   |
|  | 4,527,032 | 4,319,457 |
|  | 5,684,878 | 5,148,509 |

## NATIONAL ASSOCIATION OF FEDERAL RETIREES

## Summary Statement of Operations

December 31, 2014

|  | Budget 2014 | 14-12-31    | 13-12-31    |
|--|-------------|-------------|-------------|
|  | \$          | \$          | \$          |
|  | (unaudited) |             |             |
| <b>REVENUE</b>                               |             |             |             |
| Membership fees                              | 6,073,827   | 5,284,105   | 4,772,905   |
| Fees allocated to branches                   | (1,396,145) | (1,254,891) | (1,239,096) |
| Net fees                                     | 4,677,682   | 4,029,214   | 3,533,809   |
| Investment revenue                           | 68,044      | 56,254      | 55,412      |
| Annual General Meeting                       | 41,000      | 48,481      | 33,597      |
| Preferred partner revenue                    | 870,750     | 1,074,226   | 1,061,419   |
| Sage magazine revenue                        | 150,000     | 188,375     | -           |
| Sponsorship                                  | 125,000     | 110,664     | 230,000     |
| Miscellaneous income                         | 9,243       | 10,305      | 27,549      |
|  | 5,941,719   | 5,517,519   | 4,941,786   |
| <b>EXPENSES</b>                              |             |             |             |
| Governance                                   | 594,095     | 556,091     | 602,705     |
| Annual General Meeting                       | 525,118     | 532,117     | 461,518     |
| Salaries and benefits                        | 2,489,150   | 2,110,252   | 1,961,727   |
| Amortization of capital assets               | 150,000     | 107,564     | 109,140     |
| Building expenses                            | 90,900      | 68,604      | 72,653      |
| Computer expenses                            | 261,366     | 276,602     | 223,444     |
| Dues Deduction at Source and other fees      | 204,113     | 172,246     | 164,158     |
| Membership fees                              | 9,753       | 4,099       | 1,302       |
| Office supplies and expenses                 | 166,032     | 97,335      | 80,502      |
| Postage and courier                          | 130,256     | 107,873     | 100,088     |
| Telecommunications                           | 34,115      | 26,793      | 27,974      |
| Professional fees                            | 143,814     | 219,504     | 134,345     |
| Advocacy campaign                            | 44,208      | 27,236      | 247,221     |
| Volunteer support expenses                   | 41,000      | 25,672      | 10,879      |
| Marketing and recruitment                    | 519,960     | 30,499      | 249,535     |
| Sage magazine and other publications         | 730,000     | 885,080     | 538,584     |
| Reference and research materials             | 11,139      | 1,680       | 27,952      |
| Communications                               | 15,450      | 60,697      | 16,735      |
| Loss on disposal of capital assets           | -           | -           | 58,539      |
|  | 6,160,469   | 5,309,944   | 5,089,001   |
| Excess (deficiency) of revenue over expenses | (218,750)   | 207,575     | (147,215)   |

# Board of directors

## President

Gary Oberg

## Vice President

Marie Bergeron

## Director, District of British Columbia and Yukon

Al Heinrich

Brian Strongman

## Director, District of the Prairies and NWT

Roy Goodall

Joe Sanderson

## Director, District of Ontario

Ian Gray

Dennis E. 'Ted' Young

## Director, District of Ottawa & Nunavut

Jean-Guy Soulière

Konrad von Finckenstein

## Director, District of Québec

Jacques Lambert

Gérald Denis

## Director, District of Atlantic

Léonard LeBlanc

Peter Kerr (treasurer)

## Chief Executive Officer

Sylvia Ceacero

(corporate secretary)

## Committees

### Fees

Roy Goodall

Brian Strongman

Peter Kerr

Linda MacDonald

Stephen Troy

James Nicholson

### Staff support

Debbie Bernhardt

### Finance

Peter Kerr

Joe Sanderson

Gordon Thompson

Dyane Dufresne

### Nominations

Robert Giroux

Al Heinrich

Anne Ashcroft

Brenda Allard

Marie Tremblay

Betty Boreham

### Staff support

Deborah Krause

### Regulations

Léonard LeBlanc

Marie Bergeron

Alton Whelan

Shirley Pierce

### Staff support

Deborah Krause

### Planning

Gary Oberg

Marie Bergeron

Peter Kerr

Konrad von Finckenstein

### Staff support

Sylvia Ceacero

### Audit

Marie Bergeron

Roy Goodall

Jean-Guy Soulière

### Support staff

Debbie Bernhardt

### Governance

Léonard LeBlanc

Jacques Lambert

Ted Young

### Support staff

Deborah Krause

### RSO transition

Al Heinrich

Léonard LeBlanc

Julie Spencer

Dianne Raniowski

### Support staff

Donna Hansen

### P/TAO transition

Brian Strongman

Ted Young

Richard Savidant

John Bjore

Lloyd Pelton

### Support staff

Rosemary Pitfield

### National office – legal

Konrad von Finckenstein

### Staff lead

Sylvia Ceacero

### National office – recognition

Gérald Denis

Jacques Lambert

### Staff lead

Donna Hansen