

Canadian Evaluation Society - National Capital Chapter



Financial Statements For the year ended June 30, 2015

Canadian Evaluation Society - National Capital Chapter
Financial Statements
For the year ended June 30, 2015

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Independent Auditor's Report

To the Members of Canadian Evaluation Society - National Capital Chapter

We have audited the accompanying financial statements of Canadian Evaluation Society – National Capital Chapter, which comprise the statement of financial position as at June 30, 2015, and the statements of changes in net assets and operations 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.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Evaluation Society – National Capital Chapter as at June 30, 2015 and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Other Matter

The financial statements of Canadian Evaluation Society - National Capital Chapter for the year ended June 30, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 11, 2014.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
October 30, 2015
Ottawa, Ontario

Canadian Evaluation Society - National Capital Chapter Statement of Financial Position

June 30 2015 2014

Assets

Current

Cash and short term investments (Note 1)	\$	119,371	\$	90,850
Accounts receivable		13,955		20,378
Government remittances receivable		4,102		3,123
Due from Canadian Evaluation Society (Note 2)		3,732		2,069
Prepaid expenses		1,949		777
		143,109		117,197

\$ 143,109 **\$ 117,197**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	12,236	\$	12,982
		12,236		12,982

Net assets

Internally restricted net assets (Note 3)	35,000	35,000
Unrestricted net assets (Note 3)	95,873	69,215
	130,873	104,215

130,873 **104,215**

\$ 143,109 **\$ 117,197**

On behalf of the Board:

_____ Director

_____ Director

Canadian Evaluation Society - National Capital Chapter Statement of Operations and Changes in Net Assets

For the year ended June 30	2015 Budget	2015 Actual	2014 Actual
Revenue			
Chapter membership fee share	\$ 5,723	\$ 11,724	\$ 8,848
Course registration fees	119,600	83,807	91,200
National conference revenue share	40,000	46,746	-
Annual learning event	40,500	20,872	-
Breakfast sessions	-	-	269
Interest income	390	455	382
	206,213	163,604	100,699
Expenditure			
Administration	24,976	31,345	23,135
Annual learning event	50,373	34,573	-
Breakfast sessions	13,120	5,439	13,891
Course expenses	110,198	62,318	74,153
Membership services	963	976	963
Website	2,530	2,295	1,666
	202,160	136,946	113,808
Excess (deficiency) of revenue over expenditures for the year	4,053	26,658	(13,109)
Net assets, beginning of year	104,215	104,215	117,324
Net assets, end of year	\$ 108,268	\$ 130,873	\$ 104,215

Canadian Evaluation Society - National Capital Chapter Statement of Cash Flows

For the year ended June 30	2015	2014
Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ 26,658	\$ (13,109)
Changes in non-cash working capital items		
Accounts receivable	6,423	(6,642)
Government remittances receivable	(979)	(2,182)
Due from Canadian Evaluation Society	(1,663)	13
Prepaid expenses	(1,172)	53
Accounts payable and accrued liabilities	(746)	516
	28,521	(21,351)
Cash flows from (used in) investing activities		
Short-term investment	-	(6,877)
Increase (decrease) in cash during the year	28,521	(28,228)
Cash and short-term investments, beginning of year	90,850	119,078
Cash and short-term investments, end of year	\$ 119,371	\$ 90,850

Canadian Evaluation Society - National Capital Chapter

Summary of Significant Accounting Policies

June 30, 2015

Nature of Chapter	<p>The Canadian Evaluation Society - National Capital Chapter (the "Chapter") is unincorporated under Part II of the Canada Business Corporations Act and is dedicated to supporting the objectives of the Canadian Evaluation Society (the "Society") by operating a program of meetings, seminars, professional development and other activities for the members of the Society. The Chapter is a not-for-profit organization and as such qualifies for tax-exempt status.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO") which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.</p> <p>Significant estimates include assumptions used in estimating provisions for accrued liabilities.</p>
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the Chapter where, in general, the Chapter has the right to receive cash or another financial asset from another party or the Chapter has the obligation to pay another party cash or other financial assets.</p> <p><u>Measurement of financial instruments</u></p> <p>The Chapter initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.</p> <p>The Chapter subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and other instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.</p> <p>Financial assets and liabilities measured at amortized cost include cash and short-term investments, accounts receivable, government remittances, amounts due from related parties and accounts payable and accrued liabilities.</p>

Canadian Evaluation Society - National Capital Chapter Summary of Significant Accounting Policies

June 30, 2015

Financial Instruments
(continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Chapter recognizes its transaction costs in operations in the period incurred. However, the 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.

**Financial Risk
Management**

The Chapter manages its investment portfolio according to its cash needs and in such a way to maximize investment income. The Chapter is not involved in any hedging relationships through its operations and does not hold or use any derivative investments for trading purposes.

Revenue Recognition

The Chapter follows the deferral method of accounting for contributions. 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. Unrestricted investment income is recognized as revenue when earned.

Contributed Services

The Chapter is dependent on the voluntary services of its members. Because of the difficulty of determining the fair value of services contributed, they are not recognized in the financial statements.

Canadian Evaluation Society - National Capital Chapter Notes to Financial Statements

June 30, 2015

1. Cash and Short-Term Investments

The Chapter holds cash and short-term deposits at the Bank of Montreal as follows:

	<u>2015</u>	<u>2014</u>
Cash in bank	\$ 83,934	\$ 55,850
Cashable GIC, 1.15%, due September 27, 2017	35,437	35,000
	<u>\$ 119,371</u>	<u>\$ 90,850</u>

2. Related Party Transactions

The Society pays 16% of the membership fee collected to the local chapters. This amount is recorded in revenue as chapter membership fee share. Due from the Society includes \$4,393 (2014 - \$3,124) with respect to these transactions.

The Chapter receives payments for Society membership fees from course registrants and forwards these to the Society. At June 30, 2015, \$661 in fees were owing to the Society (2014 - \$1,055).

The Chapter pays the Society to assist in providing certain courses. During the year, fees were paid to the Society in the amount of \$3,640 (2014 - \$6,180) and are included course, conference and seminar expenses. At June 30, 2015, \$300 in fees were owing to the Society and are included in accounts payable (2014 - \$2,840).

3. Restricted and Unrestricted Net Assets

The Chapter considers its capital to be its net assets retained. This consists of internally restricted net assets in the amount of \$35,000 (2014 - \$35,000) and unrestricted assets in the amount of \$95,873 (2014 - \$69,215). On October 5, 2011, the Board of Directors approved an increase to the Reserve to \$35,000. Unrestricted net assets consist of the accumulated balance of revenue in excess of expenditure of the Chapter since inception. The Chapter's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services to its members.

Canadian Evaluation Society - National Capital Chapter

Notes to Financial Statements

June 30, 2015

4. Commitment

The Chapter has entered into a three year contract for management and professional development services commencing on July 1, 2012. Hourly rates are \$55 plus HST for administrative and event management services and \$28.25 per registrant for registration services. This commitment is up for renewal October 1, 2015. The Chapter has commitments of \$7,650 for rentals, rooms and other services relating to the Annual Learning Event to be held in February 2016 as well as \$900 in banquet room costs in the coming year for upcoming courses.

5. Risks and Concentrations

The Chapter is exposed to various risks through its financial instruments. The following analysis provides a measure of the Chapter's risk exposure and concentrations as at June 30, 2015.

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 Chapter's main credit risk relates to its accounts receivable. The Chapter mitigates its exposure to credit loss by placing its cash with major financial institutions. The Chapter also routinely assesses the financial strength of its contributors and establishes an allowance for doubtful accounts based on credit risk applicable to particular contributors, historical and other information.

Liquidity risk

Liquidity risk is the risk that the Chapter will encounter difficulty in meeting obligations associated with financial liabilities. The Chapter is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate based on changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Chapter is exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Chapter is not exposed to currency exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Chapter is exposed to interest rate risk on its investments which accumulate interest at fixed rates.

Canadian Evaluation Society - National Capital Chapter Notes to Financial Statements

June 30, 2015

5. **Risks and Concentrations** (continued)

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 Chapter is not exposed to significant other price risk.

Change in risk

There have been no significant changes in the Chapter's risk exposures from the 2014 fiscal year.

6. **Comparative Information**

The presentation of certain accounts of the previous year has been changed to conform to current year presentation.
