

# **Canadian Evaluation Society - National Capital Chapter**



## **Financial Statements** For the year ended June 30, 2017





**Canadian Evaluation Society - National Capital Chapter**  
**Financial Statements**  
For the year ended June 30, 2017

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## Independent Auditor's Report

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**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, 2017, 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.



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## Independent Auditor's Report (continued)

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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, 2017 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.

*Collins Barrow Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
December 13, 2017  
Ottawa, Ontario

# Canadian Evaluation Society - National Capital Chapter

## Statement of Financial Position

June 30	2017	2016
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### Assets

#### Current

Cash and short term investments (Note 1)	\$ 109,734	\$ 109,743
Accounts receivable	7,580	4,360
Government remittances receivable	120	2,502
Due from Canadian Evaluation Society	3,400	1,525
Prepaid expenses	-	1,619

	\$ 120,834	\$ 119,749
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### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities (Note 2)	\$ 11,619	\$ 9,211
Deferred revenue	-	240
	11,619	9,451

#### Net assets

Internally restricted net assets (Note 3)	35,000	35,000
Unrestricted net assets (Note 3)	74,215	75,298
	109,215	110,298

	\$ 120,834	\$ 119,749
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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	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Chapter membership fee share	\$ 8,000	\$ 11,621	\$ 9,988
Course registration fees	124,790	107,575	48,395
Annual learning event	44,050	49,150	32,675
Interest income	450	480	406
	<u>177,290</u>	<u>168,826</u>	<u>91,464</u>
<b>Expenditure</b>			
Administration	21,150	18,896	18,400
Annual learning event	48,960	58,540	40,128
Breakfast sessions	8,500	10,649	8,392
Course expenses	78,820	76,649	41,679
Membership services	400	2,115	425
Website	5,060	3,060	3,015
	<u>162,890</u>	<u>169,909</u>	<u>112,039</u>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	14,400	(1,083)	(20,575)
<b>Net assets, beginning of year</b>	<u>110,298</u>	<u>110,298</u>	<u>130,873</u>
<b>Net assets, end of year</b>	<u>\$ 124,698</u>	<u>\$ 109,215</u>	<u>\$ 110,298</u>

## Canadian Evaluation Society - National Capital Chapter

### Statement of Cash Flows

<u>For the year ended June 30</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from (used in) operating activities</b>		
Deficiency of revenue over expenditures for the year	\$ (1,083)	\$ (20,575)
Changes in non-cash working capital items		
Accounts receivable	(3,220)	9,595
Government remittances receivable	2,382	1,600
Due from Canadian Evaluation Society	(1,875)	2,207
Prepaid expenses	1,619	330
Accounts payable and accrued liabilities	2,408	(3,025)
Deferred revenue	(240)	240
<b>Decrease in cash during the year</b>	<b>(9)</b>	<b>(9,628)</b>
<b>Cash and short-term investments, beginning of year</b>	<b>109,743</b>	<b>119,371</b>
<b>Cash and short-term investments, end of year</b>	<b>\$ 109,734</b>	<b>\$ 109,743</b>

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## Canadian Evaluation Society - National Capital Chapter

### Summary of Significant Accounting Policies

June 30, 2017

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<b>Nature of Chapter</b>	<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>
<b>Basis of Presentation</b>	<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>
<b>Use of Estimates</b>	<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>
<b>Financial Instruments</b>	<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>

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## Canadian Evaluation Society - National Capital Chapter

### Summary of Significant Accounting Policies

June 30, 2017

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#### **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.

#### **Allocation of Expenses**

The Chapter provides several projects as part of their professional development and networking opportunities. The costs of each project include amounts directly related to providing the project. The Chapter also incurs general support expenses that are common to the administration of the Chapter and each of its projects.

The Chapter allocates a portion for general support expenses to individual projects based on the proportion of hours worked on each project.

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## Canadian Evaluation Society - National Capital Chapter

### Notes to Financial Statements

June 30, 2017

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#### 1. Cash and Short-Term Investments

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

	2017	2016
Cash in bank, Bank of Montreal	\$ 71,211	\$ 70,587
Cash in trust, the Willow Group	2,212	3,311
Cashable GIC, 1.15%, due September 27, 2017	36,311	35,845
	<u>\$ 109,734</u>	<u>\$ 109,743</u>

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#### 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 \$3,400 (2016 - \$1,966) 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, 2017, no amount was owing to the Society (2016 - \$441).

The Chapter pays the Society to assist in providing certain courses. During the year, fees were paid to the Society in the amount of \$7,320 (2016 - \$2,680) and are included course, conference and seminar expenses. At June 30, 2017, \$3,352 in fees owing to the Society included in accounts payable (2016 - \$nil).

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#### 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 (2016 - \$35,000) and unrestricted assets in the amount of \$74,215 (2016 - \$75,298). 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.

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## Canadian Evaluation Society - National Capital Chapter

### Notes to Financial Statements

June 30, 2017

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#### 4. Commitment

The Chapter has entered into a three year contract for management and professional development services commencing on October 1, 2015. Hourly rates are \$60 plus HST for administrative and event management services and \$22.50 per registrant for registration services.

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#### 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, 2017.

##### 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.

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## Canadian Evaluation Society - National Capital Chapter

### Notes to Financial Statements

June 30, 2017

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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 2016 fiscal year.

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