

**CANADIAN EVALUATION SOCIETY -
NATIONAL CAPITAL CHAPTER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members:

Report on the Financial Statements

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, 2018, and the statements of changes in net assets, operations and cash flow 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 these financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Evaluation Society - National Capital Chapter as at June 30, 2018 and the results of its operations for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Smiths Falls, Ontario
December 4, 2018

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 61,327	\$ 73,423
Investments - cashable GIC at 1.3%	36,311	36,311
Accounts receivable - trade	8,797	7,580
- government	346	120
Due from Canadian Evaluation Society (note 4)	3,176	3,400
Prepaid expense	1,815	-
	\$ 111,772	\$ 120,834
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,394	\$ 11,619
Due to Canadian Evaluation Society (note 4)	11,029	-
	19,423	11,619
NET ASSETS		
Internally restricted net assets (note 5)	35,000	35,000
Unrestricted net assets	57,349	74,215
	92,349	109,215
	\$ 111,772	\$ 120,834

The accompanying notes are an integral part of the financial statements.

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2018

	Budget	2018	2017
REVENUE			
Membership fees	\$ 8,000	\$ 9,685	\$ 11,621
Course registration fees	102,610	73,510	107,575
Annual learning event	25,500	48,451	49,150
Interest income	-	314	480
	136,110	131,960	168,826
EXPENSES			
Administration	23,700	18,651	18,896
Annual learning event	45,620	50,011	58,540
Breakfast sessions	11,250	11,298	10,649
Course expenses	85,893	56,491	76,649
Membership services	10,545	8,100	2,115
Website	4,610	4,275	3,060
	181,618	148,826	169,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,508)	(16,866)	(1,083)
NET ASSETS, BEGINNING OF YEAR		109,215	110,298
NET ASSETS, END OF YEAR		\$ 92,349	\$ 109,215

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (16,866)	\$ (1,083)
CHANGES IN CERTAIN NON-CASH OPERATING ASSETS AND LIABILITIES		
Accounts receivable - trade	(1,217)	(3,220)
Accounts receivable - government	(226)	2,382
Due from Canadian Evaluation Society	224	(1,875)
Prepaid expense	(1,815)	1,619
Accounts payable and accrued liabilities	(3,225)	2,408
Due to Canadian Evaluation Society	11,029	-
Deferred revenue	-	(240)
	4,770	1,074
INCREASE (DECREASE) IN CASH DURING THE YEAR	(12,096)	(9)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	109,734	109,743
CASH AND EQUIVALENTS AT END OF YEAR	\$ 97,638	\$ 109,734

The accompanying notes are an integral part of the financial statements.

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. ORGANIZATION

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.

2. GENERAL

Basis of Presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

Revenue and expenditures are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) *Revenue Recognition*

The Canadian Evaluation Society - National Capital 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 its collection is reasonably assured. Unrestricted investment income is recognized when earned.

(c) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenditures during the year. Actual results could differ from these estimates. Significant estimates and assumptions include carrying amount of accounts receivable and accounts payable and accrued liabilities.

(d) *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.

(e) *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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FOR THE YEAR ENDED JUNE 30, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Financial Instruments*

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.

Measurement of financial instruments

The Chapter initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

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.

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.

4. 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 \$3,176 (2017 - \$3,400) with respect to these transactions.

The amount Due to Society of \$11,029 (2017 - \$NIL) includes the membership portion collected by the chapter that are owing.

5. 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 (2017- \$35,000) and unrestricted assets in the amount of \$57,349 (2017- \$74,215). 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 expenditures 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.

6. 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, 2018.

(a) *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.

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FOR THE YEAR ENDED JUNE 30, 2018

6. RISKS AND CONCENTRATIONS (continued)

(b) **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.

(c) **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.

(d) **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.

(e) **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.

(f) **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.

(g) **Change in risk**

There have been no significant changes in the Chapter's risk exposures from the 2017 fiscal year.

7. COMMITMENTS

The Chapter has entered into a three year contract for management and professional development services expiring September 30, 2018. Hourly rates are \$60 plus HST for administrative and event management services and \$22.50 per registrant for registration services. An extension of the contract is in place to March 31, 2019.