

**CANADIAN EVALUATION SOCIETY -
NATIONAL CAPITAL CHAPTER**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

CONTENTS

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

Statement of Cash Flow

Notes to Financial Statements

NEPHIN WINTER BINGLEY

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members:

Opinion

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, 2022, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Evaluation Society - National Capital Chapter as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-For-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian Auditing Standards (CASs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Smiths Falls, Ontario
November 3, 2022

Nephin Winter Bingley
Chartered Professional Accountants
Robert Winter CPA, CA, Partner

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 73,203	\$ 34,188
Investments GIC, 2.5% maturing May 2023	100,000	-
Accounts receivable, 2021 included the conference allocation of \$120,060	5,919	129,901
GST/HST receivable	1,087	803
Due from Canadian Evaluation Society (note 4)	1,522	1,886
Prepaid expense	2,601	3,248
	<u>\$ 184,332</u>	<u>\$ 170,026</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 19,724	\$ 4,180
Deferred revenue	-	200
Due to Canadian Evaluation Society (note 4)	5,261	1,000
	<u>24,985</u>	<u>5,380</u>
NET ASSETS		
Internally restricted net assets (note 5)	35,000	35,000
Unrestricted net assets	124,347	129,646
	<u>159,347</u>	<u>164,646</u>
	<u>\$ 184,332</u>	<u>\$ 170,026</u>

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, 2022

	2022	2021
REVENUE		
Membership fees	\$ 11,337	\$ 13,178
Course registration fees	66,375	31,491
Conference revenue	-	133,060
Interest income	247	210
	<u>77,959</u>	<u>177,939</u>
EXPENSES		
Administration	22,150	18,312
Annual learning event	718	-
Course expenses	53,706	31,767
Membership services	946	233
Website	5,738	7,104
	<u>83,258</u>	<u>57,416</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,299)	120,523
NET ASSETS, BEGINNING OF YEAR	164,646	44,123
NET ASSETS, END OF YEAR	<u>\$ 159,347</u>	<u>\$ 164,646</u>

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

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (5,299)	\$ 120,523
CHANGES IN CERTAIN NON-CASH OPERATING ASSETS AND LIABILITIES		
Accounts receivable	123,982	(124,969)
Accounts receivable - government	(284)	(60)
Due from Canadian Evaluation Society	364	(886)
Prepaid expense	647	2,971
Accounts payable and accrued liabilities	15,544	(6,289)
Due to Canadian Evaluation Society	4,261	(1,000)
Deferred revenue	(200)	(9,262)
	144,314	(139,495)
INCREASE (DECREASE) IN CASH DURING THE YEAR	139,015	(18,972)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	34,188	53,160
CASH AND EQUIVALENTS AT END OF YEAR	\$ 173,203	\$ 34,188

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, 2022

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. Conference revenues and membership fees are recorded in the fiscal period to which they relate. Course registration fees are recorded in the fiscal year the events are held.

(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

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 \$1,522 (2021 - \$1,886) with respect to these transactions.

The amount Due to Society of \$5,261 (2021 - \$1,000) includes the membership portion collected by the chapter of \$1,511 and \$3,750 for the April 2022 Chapter-Led ESS Cohort.

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 (2020 - \$35,000) and unrestricted assets in the amount of \$129,646 (2020 - \$9,123). 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, 2022.

(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.

CANADIAN EVALUATION SOCIETY - NATIONAL CAPITAL CHAPTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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.

7. COMMITMENTS

The Chapter has entered into a three year contract for management and professional development services expiring June 30, 2025. Hourly rates are \$62 plus HST for administrative and event management services and \$27.50 per registrant for registration services.

7. COMPARATIVE FIGURES

Certain of the prior year figures were adjusted to conform with the current year presentation.