CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Financial Statements

December 31, 2019

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

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HOGG
SHAIN &
SCHECK
Professional Corporation, CPAs
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Evaluation Society - Ontario Chapter

Opinion

We have audited the financial statements of Canadian Evaluation Society - Ontario Chapter (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in net assets and cash flows 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 the Organization as at December 31, 2019, 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.

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 those 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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)

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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 generally accepted auditing standards, 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 audit 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 entity'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 entity'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 entity 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.

Hogg, Shain & Scheck PC

Toronto, Ontario
May 25, 2020

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Statement of Financial Position

As at December 31, 2019

		2019		2018
ASSETS				
CURRENT				
Cash *(Note 3)*	**$**	**140,291**	$	187,012
Guaranteed investment certificate *(Note 3)*		**10,446**		10,335
Accounts receivable *(Note 4)*		**1,499**		2,962
Prepaid expenses		**4,420**		5,300
	$	**156,656**	$	205,609
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities *(Note 3)*	**$**	**15,916**	$	42,311
Harmonized Sales Tax payable		**131**		1,686
		16,047		43,997
NET ASSETS				
UNRESTRICTED		**140,609**		161,612
	$	**156,656**	$	205,609

SUBSEQUENT EVENT *(Note 5)*

APPROVED ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See the accompanying notes to these financial statements

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2019

	2019	2018
REVENUES		
Program fees	**$ 83,277**	$ 131,748
Membership fees *(Note 4)*	**8,317**	9,175
Interest	**110**	71
	91,704	140,994
EXPENSES		
Programs	**34,186**	54,660
Administrative support	**24,962**	24,456
Speakers	**23,447**	30,204
Professional fees	**15,478**	28,986
CES module levies	**9,090**	10,812
Membership	**1,263**	1,254
Teleconference	**1,071**	1,032
Marketing, promotion and sponsorship	**957**	1,875
Office and general	**827**	726
Bank charges and credit card fees	**730**	669
Governance	**696**	2,328
	112,707	157,002
DEFICIENCY OF REVENUES OVER EXPENSES	**(21,003)**	(16,008)
NET ASSETS - BEGINNING OF YEAR	**161,612**	177,620
NET ASSETS - END OF YEAR	**$ 140,609**	$ 161,612

See the accompanying notes to these financial statements

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	**$ (21,003)**	$ (16,008)
Changes in non-cash working capital items:		
Accounts receivable	**1,463**	(1,571)
Prepaid expenses	**880**	(5,300)
Accounts payable and accrued liabilities	**(26,395)**	25,931
Harmonized Sales Tax payable	**(1,555)**	3,995
	(25,607)	23,055
Cash flow from (used by) operating activities	**(46,610)**	7,047
FINANCING ACTIVITY		
Purchase of guaranteed investment certificate	**(111)**	(71)
Cash flow used by financing activity	**(111)**	(71)
INCREASE (DECREASE) IN CASH	**(46,721)**	6,976
CASH - BEGINNING OF YEAR	**187,012**	180,036
CASH - END OF YEAR	**$ 140,291**	$ 187,012

See the accompanying notes to these financial statements

1. NATURE AND PURPOSE OF THE ORGANIZATION

The Canadian Evaluation Society - Ontario Chapter ("CES-ON") is a chapter of the Canadian Evaluation Society, which is a federally incorporated not-for-profit organization that is dedicated to the advancement of evaluation for its members and the public.

The strategic goals of CES-ON are to increase the profile and influence of CES-ON and its members, and to expand and enhance venues, methods, and types of services it offers by optimizing its human and financial resources.

As a not-for-profit organization, CES-ON is exempt from the payment of income tax under subsection 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

These financial statements present the assets, liabilities, revenues, and expenses of CES-ON only, and do not include the assets, liabilities, revenues, and expenses of the Canadian Evaluation Society nor any of its other chapters.

Revenue recognition

Membership and program registration fees are recognized as revenues in the year in which the related services are provided.

Fees received that relate to a future year are deferred on the statement of financial position as deferred revenues.

Financial instruments

CES-ON initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, restricted investment, and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are reviewed periodically and any adjustments necessary are made to the revenues and expenses as appropriate in the year in which they become known. Actual results may differ from those estimates.

Contributed services

Volunteers contribute a significant number of hours per year to assist CES-ON in carrying out its service delivery activities. Contributed services are not recognized in these financial statements as CES-ON would not otherwise purchase these services.

3. FINANCIAL INSTRUMENTS

Cash consists of deposits in a Canadian financial institution. Cash balances are sufficient to meet accounts payable as they come due.

The interest-bearing guaranteed investment certificate of $10,446 (2018 - $10,335) is held as collateral to secure the CES-ON credit card facilities.

It is management's opinion that CES-ON is not exposed to significant currency, credit, liquidity or other price risks.

4. RELATED PARTY TRANSACTIONS

CES-ON receives membership fees revenue from Canadian Evaluation Society, of which CES-ON is a chapter.

As at December 31, 2019, accounts receivable includes $1,499 (2018 - $1,514) owing from Canadian Evaluation Society. These amounts will be collected in early fiscal 2020.

These transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. SUBSEQUENT EVENT

Subsequent to year-end, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the COVID-19 outbreak may impact CES-ON as this will depend on future developments that are highly uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation/quarantine measures that are currently in place, or may be put in place in the future.