

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Financial Statements

December 31, 2021

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

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Year Ended December 31, 2021

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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 ("CES-ON"), which comprise the statement of financial position as at December 31, 2021, 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 CES-ON as at December 31, 2021, 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 CES-ON 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 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 CES-ON'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 CES-ON or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CES-ON'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.

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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 CES-ON'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 CES-ON'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 CES-ON 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.

Toronto, Ontario
May 30, 2022

Hogg, Shain & Scheck PC

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

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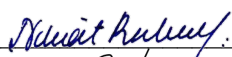

Statement of Financial Position

As at December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash (Note 3)	\$ 147,134	\$ 133,116
Guaranteed investment certificate (Note 3)	10,556	10,556
Accounts receivable (Note 4)	1,979	1,748
Prepaid expenses	-	2,000
	<u>\$ 159,669</u>	<u>\$ 147,420</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 3 and 4)	\$ 27,154	\$ 18,346
Harmonized Sales Tax payable	2,205	2,409
	<u>29,359</u>	<u>20,755</u>
NET ASSETS		
UNRESTRICTED	<u>130,310</u>	<u>126,665</u>
	<u>\$ 159,669</u>	<u>\$ 147,420</u>

SIGNIFICANT 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, 2021

	2021	2020
REVENUES		
Program fees	\$ 69,204	\$ 62,690
Membership fees <i>(Note 4)</i>	6,965	7,419
Interest	1,839	253
	78,008	70,362
EXPENSES		
Speakers	22,458	18,750
Professional fees	21,882	22,826
Administrative support	17,096	18,427
CES module levies	5,599	8,127
Membership	2,577	1,263
Bursaries, donations and sponsorships	1,561	-
Governance	1,244	618
Teleconference	1,119	1,448
Bank charges and credit card fees	827	1,140
Programs	-	10,805
Office and general	-	277
Marketing and promotion	-	625
	74,363	84,306
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,645	(13,944)
NET ASSETS - BEGINNING OF YEAR	126,665	140,609
NET ASSETS - END OF YEAR	\$ 130,310	\$ 126,665

See the accompanying notes to these financial statements

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 3,645	\$ (13,944)
Changes in non-cash working capital items:		
Accounts receivable	(231)	(249)
Prepaid expenses	2,000	2,420
Accounts payable and accrued liabilities	8,808	2,430
Harmonized Sales Tax payable	(204)	2,278
	<u>10,373</u>	<u>6,879</u>
Cash flow from (used) by operating activities	<u>14,018</u>	<u>(7,065)</u>
FINANCING ACTIVITY		
Purchase of guaranteed investment certificate	<u>-</u>	<u>(110)</u>
Cash flow used by financing activity	<u>-</u>	<u>(110)</u>
INCREASE (DECREASE) IN CASH	14,018	(7,175)
CASH - BEGINNING OF YEAR	<u>133,116</u>	<u>140,291</u>
CASH - END OF YEAR	<u>\$ 147,134</u>	<u>\$ 133,116</u>

See the accompanying notes to these financial statements

CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Notes to Financial Statements

Year Ended December 31, 2021

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. Subsequent to year end, on February 1, 2022 CES-ON became incorporated under the Canada Not-for-profit Corporations Act.

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 (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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.

Revenue recognition

Membership and program registration fees are recognized as revenues in the year in which the related services are provided to customers, there is clear evidence that an arrangement exists, the price is fixed or determinable and collection is reasonably assured.

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, guaranteed investment certificate and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable.

Impairment of financial instruments

Financial assets, measured at cost or amortized cost, are tested for impairment if there are indications of possible impairment. A previously recognized impairment loss may be reversed to the extent of the improvement, either 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 loss not been recognized previously. The amount of any write down or reversal is recognized in excess (deficiency) of revenues over expenses.

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.

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CANADIAN EVALUATION SOCIETY - ONTARIO CHAPTER

Notes to Financial Statements

Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

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. Such estimates include year end accrued liabilities. Actual results may differ from these estimates.

3. FINANCIAL INSTRUMENTS

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

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 ("GIC") of \$10,556 (2020 - \$10,556) is held as collateral to secure the CES-ON credit card facilities. The GIC automatically renews upon its annual maturity date, earning nominal interest.

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, 2021, accounts receivable includes \$1,479 (2020 - \$1,748) owing from Canadian Evaluation Society. These amounts will be collected in early fiscal 2022.

As at December 31, 2021, accounts payable and accrued liabilities includes \$Nil (2020 - \$5,690) owing to Canadian Evaluation Society.

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. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and conditions of CES-ON in future years. Management continues to closely monitor and assess the impact on operations. It is the opinion of management, that CES-ON will have sufficient resources to mitigate any potential negative impact that may occur in fiscal 2022 as a result of COVID-19.
