

THE CHAMPLAIN SOCIETY

Financial Statements

Year Ended December 31, 2013

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THE CHAMPLAIN SOCIETY

Statement of Financial Position

December 31, 2013

Unaudited

	December 31, 2013	December 31, 2012
ASSETS		
Current		
Cash	\$ 12,336	\$ 26,825
Marketable securities	50,375	71,216
Accounts receivable	45,069	802
Champlain Society Volumes		4,543
Prepaid expenses	-	4,633
HST recoverable	5,597	12,634
	<u>\$ 113,377</u>	<u>\$ 120,653</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ -	\$ 9,714
Deferred revenue	34,469	10,250
	<u>34,469</u>	<u>19,964</u>
NET ASSETS		
Unrestricted Net Assets	<u>78,908</u>	<u>100,689</u>
	<u>\$ 113,377</u>	<u>\$ 120,653</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director



THE CHAMPLAIN SOCIETY
Statement of Changes in Net Assets
Year ended December 31, 2013
Unaudited

	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	Total 2013	Total 2012
Balance - beginning of year	\$ 23,382	\$ 52,307	\$ 25,000	\$ 100,689	\$ 97,785
To adjust beginning balances	(6,003)	(6,641)		(12,644)	
Interest earned	1,468	932		2,400	
Excess (deficiency) of revenues over expenditures	(9,137)	(2,400)		(11,537)	2,904
Balance - end of year	\$ 9,710	\$ 44,198	\$ 25,000	\$ 78,908	\$ 100,689



THE CHAMPLAIN SOCIETY
Statement of Operations and Changes in Net Assets
Year ended December 31, 2013
Unaudited

	2013	2012
Revenues		
Subscriptions	\$ 42,026	\$ 54,410
Other donations	26,241	24,750
Subsidy for digitization	17,850	-
Volume and Single Issue sales	576	8,546
Royalties and permissions	8,326	1,486
Interest and other income	1,378	2,178
	96,397	91,370
Expenses		
Digital collection project	39,442	-
Printing and publishing	28,297	31,388
General and administrative	15,731	24,881
Honoraria for general auditor	9,000	6,000
Secretariat	8,004	22,560
Audit	2,660	2,637
Chalmers Book Award	2,400	1,000
	105,534	88,466
Excess (deficiency) of revenues over expenses	(9,137)	2,904
Net assets, beginning of year	100,689	97,785
Prior year adjustments	(12,644)	
	78,908	100,689
Net assets, end of year	\$ 78,908	\$ 100,689



THE CHAMPLAIN SOCIETY

Statement of Cash Flows Year ended December 31, 2013 Unaudited

	2013	2012
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ (9,137)	\$ 2,904
Prior period adjustment	(12,644)	-
Changes in non-cash working capital		
Marketable securities	20,841	(69,982)
Accounts receivable	(44,267)	(802)
Champlain Society Volumes	4,543	(1,057)
Prepaid expenses	4,633	-
HST recoverable	7,037	(5,072)
Accounts payable and accrued liabilities	(9,714)	3,243
Deferred revenue	24,219	2,340
Net increase (decrease) in cash and cash equivalents	(14,489)	(68,426)
Cash and cash equivalents - beginning of year	26,825	95,251
Cash and cash equivalents - end of year	\$ 12,336	\$ 26,825



1. NATURE OF OPERATIONS

The Champlain Society (the "Society") endeavors to increase public awareness of, and access to, Canada's rich historical records by publishing books and volumes which deal with subjects of a historical significance to Canada. The Society was incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered Charity under the Income Tax Act, and accordingly is tax exempt provided the Society meets certain disbursement requirements. As a registered Charity, the Society is entitled to recover 50% of the GST paid on expenses incurred and 82% of the HST incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

a) Basis of presentation

These financial statements have been prepared in accordance with the Canadian generally accepted accounting principles.

b) Fund accounting restricted

The Society follows the deferral method of fund accounting, whereby restricted contributions for expenses of future periods are deferred and recognized in the same period as the related expenses.

c) Revenue recognition

Subscriptions are recorded as revenue when the orders are shipped. Accounts reflect the publication of O.D. Skelton: The Work of the World, 1923-1941. Prepaid subscriptions for the future title are initially recorded as deferred revenue, and then recognized as subscription revenue when the titles are delivered to subscribers.

Donations are received from both corporations and individuals. Since the amounts of donations vary and cannot be predicted in advance, donations are recognized as revenue when received.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Royalties are earned from the use of quotes or volumes belonging to the Society. They are recorded as revenue when received.

Volume and single issue sales of the Society are recorded as revenue when payments are received.

d) Marketable securities and investment income

These investments are recorded at their quoted market value at the year-end date.

Investment income consists of interest income from the government bond, reinvested distributions from the mutual fund and realized gains and losses on the sale of investments.

e) Deferred revenue

Deferred revenue consists of prepaid membership fees applicable to the following fiscal year.

f) Contributed services

Volunteers contribute significant amounts of time to assist the Society in carrying out its activities. Due to the difficulty of determining the fair value of these services, they have not been recognized in the financial statements.

g) 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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. CHALMERS AWARD FUND

The net assets of the Chalmers Award Fund are held in marketable securities and restricted to earning interest and investment income which are used to fund all expenses for the Chalmers Book Award. This award is granted to authors and publishers of Canadian historical books and publications.



THE CHAMPLIAN SOCIETY
Notes to Financial Statements
December 31, 2013
Unaudited

4. JOHN WARKENTIN CHALLENGE FUND

The organization's Board of Directors imposed an internal restriction on the donations that only the income earned on the donated amount could be used for current operations of the organization. This internal restriction may be removed at any time by the Board at its discretion.

5. MARKETABLE SECURITIES

	2013 Face Value	2013 Market Value	2012 Face Value	2012 Market Value
Fixed Income				
Equitable Trust Company GTD Investment Cert A Due April 22, 2014 1.8%	\$ 30,298	\$ 30,298		
Mutual funds			\$ 71,216	\$ 71,216
B2B Trust High Interest Investment account CL A	\$ 20,000	\$ 20,077		
	<u>\$ 50,298</u>	<u>\$ 50,375</u>	<u>\$ 71,216</u>	<u>\$ 71,216</u>

6. MANAGEMENT OF NET ASSETS

The objective of the organization in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate as stated in note 1 to the financial statements. It achieves its objective by management of its cash flows and by regularly monitoring revenues and expenditures against its annual operating plans. When necessary, the organization takes action to raise additional revenues when actual revenues do not meet its plans and to reduce expenditures or curtail programs when alternate sources of revenue cannot be found.



7. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, accounts receivable from the University of Toronto Press, marketable securities and accounts payable related to unearned membership dues. The carrying values of these financial instruments approximate their fair values.

The organization is exposed to interest rate and market risk on its marketable securities and to normal credit risk on its accounts receivable. The organization's management and Board of Directors monitor these risks on an ongoing basis.

8. MANAGEMENT AGREEMENT

On November 5, 2012, the organization entered into an agreement with the University of Toronto Press. According to this agreement, society membership management, promotional services, circulation and distribution management, and publication management are supplied to the organization by the University of Toronto Press. Fees for these services are both fixed fees and fees varied by the number of members.

