

**THE CHAMPLAIN SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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# JMM

*J. Michael Mulholland*  
*Chartered Accountant*

## AUDITOR'S REPORT

To the Members of  
**The Champlain Society**

I have audited the statement of financial position of **The Champlain Society** as at December 31, 2008 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

I conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As is common with many charitable organizations, the Society derives a portion of its revenue from donations, the completeness of which is not susceptible to complete verification. Accordingly, my verification of donation revenue was limited to the amounts recorded by the Society and I was unable to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and fund balances.

In my opinion, except for the effect of any adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donation revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**Richmond Hill, Canada**  
**July 7, 2009**

**CHARTERED ACCOUNTANT**  
**LICENSED PUBLIC ACCOUNTANT**

**THE CHAMPLAIN SOCIETY**

Statement of Financial Position

December 31, 2008

	<b>2008</b>	2007
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 34,618	\$ 28,916
Marketable securities (note 4)	173,182	168,847
Accounts receivable	150	472
GST recoverable	822	1,060
Champlain Society volumes	<u>2,525</u>	<u>1,859</u>
	<u>\$ 211,297</u>	<u>\$ 201,154</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued charges	\$ 27,096	\$ 17,335
Deferred revenue	<u>34,226</u>	<u>2,546</u>
	<u>61,322</u>	<u>19,881</u>
<b>NET ASSETS</b>		
<b>Restricted</b>	57,575	59,475
<b>Unrestricted</b>	<u>92,400</u>	<u>121,798</u>
	<u>149,975</u>	<u>181,273</u>
	<u>\$ 211,297</u>	<u>\$ 201,154</u>

**APPROVED ON BEHALF OF THE BOARD**

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Director

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Director

**THE CHAMPLAIN SOCIETY**

Statement of Operations

Year Ended December 31, 2008

	2008	2007
<b>Revenue</b>		
Membership fees	\$ 47,717	\$ 46,765
Other donations	21,821	2,620
Interest and other income	7,430	6,424
Book sales	3,906	4,346
Royalties	1,860	1,979
	<u>82,734</u>	<u>62,134</u>
<b>Expenses</b>		
Printing	66,540	22,836
General and administrative	19,261	11,894
Secretariat	19,135	19,131
Honoraria for general editor	6,038	6,000
Chalmers Book Award (note 3)	2,945	2,000
GST	1,910	1,059
Audit	2,537	2,150
	<u>118,366</u>	<u>65,070</u>
<b>Income before the following</b>	<u>(35,632)</u>	<u>(2,936)</u>
Change in investment value	<u>4,334</u>	<u>454</u>
<b>Excess of Expenses over Revenue</b>	<u>\$ (31,298)</u>	<u>\$ (2,482)</u>

**THE CHAMPLAIN SOCIETY**

Statement of Changes in Net Assets

Year Ended December 31, 2008

	<b>2008</b>		2007	
	Unrestricted	Chalmers Award Fund	<b>Total</b>	Total
<b>Balance at beginning of year</b>	\$ 121,798	\$ 59,475	<b>\$ 181,273</b>	\$183,755
<b>Excess of expenses over revenue</b>	<u>(29,398)</u>	<u>(1,900)</u>	<u><b>(31,298)</b></u>	<u>(2,482)</u>
<b>Balance at end of year</b>	<u><b>\$ 92,400</b></u>	<u><b>\$ 57,575</b></u>	<u><b>\$ 149,975</b></u>	<u><b>\$181,273</b></u>

**THE CHAMPLAIN SOCIETY**

Statement of Cash Flows

Year Ended December 31, 2008

Unaudited

	2008	2007
<b>Cash Flows from Operating Activities</b>		
Net earnings	\$ (31,298)	\$ (2,482)
Adjustments for:		
Change in non-cash working capital		
Marketable securities	(4,334)	(454)
Accounts receivable	559	1,957
Inventories	(666)	1,511
Accounts payable and accrued charges	9,761	12,970
	<u>(25,978)</u>	<u>13,502</u>
<b>Cash Flows from Investing Activities</b>		
Deferred revenue	31,680	(37,754)
Purchase of marketable securities	-	(68,417)
	<u>31,680</u>	<u>(106,171)</u>
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	<b>5,702</b>	<b>(92,669)</b>
<b>Cash and Cash Equivalents - beginning of year</b>	<u><b>28,916</b></u>	<u>121,585</u>
<b>Cash and Cash Equivalents - end of year</b>	<u><b>\$ 34,618</b></u>	<u>\$ 28,916</u>

# THE CHAMPLAIN SOCIETY

## Notes to Financial Statements

December 31, 2008

### 1. NATURE AND PURPOSE OF ORGANIZATION

The Champlain Society (the "Society") endeavours 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.

### 2. ACCOUNTING POLICIES

#### (a) Basis of presentation

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

#### (b) Fund accounting

The net assets of the Chalmers Award Fund are restricted to earning revenues which are used to fund all expenses for the Chalmers Book Award.

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

Membership fees are recognized as revenue when received or receivable. 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.

Government grants may represent restricted contributions and are recognized in the year in which the related expenses are incurred.

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

Book sales of the Society volumes are recorded as revenue when received.

#### (d) Champlain Society Volumes

The Champlain Society Volumes represent an inventory of prior publications which are available for sale to the Members and non-members. The volumes are recorded at the lower of cost or net realizable value as determined on a first-in first-out basis. The Society assigns a net realizable value of \$nil to volumes still on hand that were released for distribution two fiscal years ago or earlier. Historically, sales beyond two years of the release date have been minimal. The cost of volumes sold is recorded in printing expenses.

#### (e) Marketable securities

Marketable securities consist of government backed bonds and bankers' acceptances which are recorded at their quoted market value at the year-end date.

# THE CHAMPLAIN SOCIETY

## Notes to Financial Statements

December 31, 2008

### 2. ACCOUNTING POLICIES (continued)

#### (f) Deferred revenue

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

#### (g) 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.

#### (h) Foreign exchange

The Society earns certain membership fees in U.S. dollars. These fees are translated at rates prevailing at the time the funds for the fees are received. The Society does not maintain any assets or liabilities in foreign currency.

#### (i) Measurement of uncertainties

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 3. CHALMERS ASSETS

The interest income generated on the Chalmers assets, which are part of the marketable securities, is used to offset the expenses of the annual Chalmers Book Award, an award granted to authors and publishers of Canadian historical books and publications.

### 4. MARKETABLE SECURITIES

The marketable securities consist of the following:

	Face Value		Market Value	
	2008	2007	2008	2007
4.1% Canada Housing Trust No.1 Bond due Dec 15, 2008	\$ -	\$ 100,000	\$ -	\$ 100,091
1.45 % Cdn Bankers Acceptance due Feb 09, 2009	99,778	-	99,826	-
3.75% Government of Canada Bond due September 1, 2011	<u>69,000</u>	<u>69,000</u>	<u>73,356</u>	<u>68,756</u>
	<u>\$ 168,778</u>	<u>\$ 169,000</u>	<u>\$ 173,182</u>	<u>\$ 168,847</u>



# **THE CHAMPLAIN SOCIETY**

## Notes to Financial Statements

December 31, 2008

### **5. FINANCIAL INSTRUMENTS**

The organization's financial instruments include cash, accounts receivable, marketable securities and accounts payable. The carrying values of these financial instruments approximate their fair values.

The organization is exposed to interest rate 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.