

THE CHAMPLAIN SOCIETY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

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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, 2009 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 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
June 24, 2010

CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

THE CHAMPLAIN SOCIETY

Statement of Financial Position

December 31, 2009

	2009	2008
ASSETS		
Current		
Cash	\$ 28,272	\$ 34,618
Accounts receivable	640	150
GST receivable	2,956	822
Marketable securities (note 4)	131,966	173,182
Champlain Society Volumes	8,749	2,525
	<u>\$ 172,583</u>	<u>\$ 211,297</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,600	\$ 27,096
Deferred revenue	29,602	34,226
	<u>32,202</u>	<u>61,322</u>
FUND BALANCES		
Unrestricted	85,107	92,400
Chalmers Award Fund	55,274	57,575
	<u>140,381</u>	<u>149,975</u>
	<u>\$ 172,583</u>	<u>\$ 211,297</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE CHAMPLAIN SOCIETY
Statement of Changes in Net Assets
Year ended December 31, 2009

	Unrestricted	Chalmers Award Fund	Total 2009	Total 2008
Balance - beginning of year	\$ 92,400	\$ 57,575	\$ 149,975	\$ 181,273
Deficiency of revenues over expenditures	(7,293)	(2,301)	(9,594)	(31,298)
Balance - end of year	\$ 85,107	\$ 55,274	\$ 140,381	\$ 149,975

THE CHAMPLAIN SOCIETY

Statement of Operations Year ended December 31, 2009

	2009	2008
Revenues		
Membership fees	\$ 53,029	\$ 47,717
Book sales	25,552	3,906
Other donations	19,005	21,821
Royalties	2,740	1,860
Interest and other income	4,999	7,430
	<u>105,325</u>	<u>82,734</u>
Expenditures		
Printing	58,592	67,631
General and administrative	23,456	19,578
Secretariat	19,345	19,448
Honoraria for general editor	6,000	6,054
Chalmers Book Award	2,889	2,993
Audit	2,765	2,662
	<u>113,047</u>	<u>118,366</u>
Operating deficiency of revenues over expenditures	(7,722)	(35,632)
Other expense (income)		
Change in investment value	1,872	(4,334)
Deficiency of revenues over expenditures	<u>\$ (9,594)</u>	<u>\$ (31,298)</u>

THE CHAMPLAIN SOCIETY

Statement of Cash Flows

Year ended December 31, 2009

	2009	2008
Cash flows from operating activities		
Deficiency of revenues over expenditures	\$ (9,594)	\$ (31,298)
Changes in non-cash working capital		
Accounts receivable	(490)	322
GST receivable	(2,134)	237
Marketable securities	41,216	(4,335)
Champlain Society Volumes	(6,224)	(666)
Accounts payable and accrued liabilities	(24,496)	9,762
Deferred revenue	(4,624)	31,680
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(6,346)	5,702
Cash and cash equivalents - beginning of year	<hr/> 34,618	28,916
Cash and cash equivalents - end of year	<hr/> \$ 28,272	<hr/> \$ 34,618

THE CHAMPLAIN SOCIETY

Notes to Financial Statements

December 31, 2009

1. NATURE OF OPERATIONS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Basis of presentation

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

(b) Fund accounting restricted

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.

THE CHAMPLAIN SOCIETY

Notes to Financial Statements

December 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(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.

(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 uncertainty

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 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 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.

THE CHAMPLAIN SOCIETY

Notes to Financial Statements

December 31, 2009

4. MARKETABLE SECURITIES

	2009 Face Value	2008 Face Value	2009 Market Value	2008 Market Value
Mutual fund - Renaissance High Interest Savings	\$ 60,000	\$ -	\$ 60,222	\$ -
1.45% Cdn Bankers Acceptance due Feb 09, 2009	-	99,778	-	99,826
3.75% Government of Canada Bond due September 1, 2011	69,000	69,000	71,744	73,356
	<u>\$ 129,000</u>	<u>\$ 168,778</u>	<u>\$ 131,966</u>	<u>\$ 173,182</u>

5. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

6. 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.