

THE CHAMPLAIN SOCIETY

Financial Statements

Year Ended December 31, 2014

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THE CHAMPLAIN SOCIETY

Statement of Financial Position

December 31, 2014

Unaudited

	December 31, 2014	December 31, 2013
ASSETS		
Current		
Cash	\$ 8,730	\$ 12,336
Marketable securities (note 5)	61,238	50,375
Accounts receivable (note 8)	59,427	45,069
Champlain Society Volumes	-	-
Prepaid expenses	-	-
HST recoverable	2,775	5,597
	<u>\$ 132,170</u>	<u>\$ 113,377</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	41,785	34,469
	<u>41,785</u>	<u>34,469</u>
NET ASSETS		
Net Assets	<u>90,385</u>	<u>78,908</u>
	<u>\$ 132,170</u>	<u>\$ 113,377</u>

APPROVED ON BEHALF OF THE BOARD

Patricia Dusk Director

Peter Davis Director



THE CHAMPLAIN SOCIETY
Statement of Changes in Net Assets
Year ended December 31, 2014
Unaudited

	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	2014	2013
Balance - beginning of year	\$ 9,710	\$ 44,198	\$ 25,000	\$ 78,908	\$ 100,689
To adjust beginning balances	-	-	-	-	(12,644)
Investment in John Warkentin Challenge Fund	(10,600)	-	10,600	-	-
Adjustment to funds for annual expenses*	192	(192)	-	-	-
Excess (deficiency) of revenues over expenditures	11,477	-	-	11,477	(9,137)
Balance - end of year	\$ 10,779	\$ 44,006	\$ 35,600	\$ 90,385	\$ 78,908

* Chalmers Award Fund is adjusted for 2014 interest income less 2014 award expenses



THE CHAMPLAIN SOCIETY
Statement of Operations and Changes in Net Assets
Year ended December 31, 2014
Unaudited

	2014	2013
Revenues		
Subscriptions	\$ 46,754	\$ 42,026
Other donations	10,066	26,241
Subsidy for digitization	1,980	17,850
Volume and other sales	2,023	576
Royalties and permissions	1,938	8,326
Miscellaneous income	1,602	-
Interest and other income	808	1,378
	65,171	96,397
Expenses		
Digital collection project	-	39,442
Printing and publishing	25,729	28,297
General and administrative	16,745	15,731
Honoraria for general editor	-	9,000
Secretariat	8,220	8,004
Audit	2,000	2,660
Chalmers Book Award	1,000	2,400
	53,694	105,534
Excess (deficiency) of revenues over expenses	11,477	(9,137)
Net assets, beginning of year	78,908	100,689
Prior year adjustments	-	(12,644)
	90,385	78,908
Net assets, end of year	\$ 90,385	\$ 78,908



THE CHAMPLAIN SOCIETY

Statement of Cash Flows Year ended December 31, 2014 Unaudited

	2014	2013
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ 11,477	\$ (9,137)
Prior period adjustment	-	(12,644)
Changes in non-cash working capital		
Marketable securities	(10,863)	20,841
Accounts receivable	(14,359)	(44,267)
Champlain Society Volumes	-	4,543
Prepaid expenses	-	4,633
HST recoverable	2,822	7,037
Accounts payable and accrued liabilities	-	(9,714)
Deferred revenue	7,317	24,219
Net increase (decrease) in cash and cash equivalents	(3,606)	(14,489)
Cash and cash equivalents - beginning of year	12,336	26,825
Cash and cash equivalents - end of year	\$ 8,730	\$ 12,336



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 revenues from the publication of The Collected Writings of Pierre-Esprit Radisson, Volume 2. Prepaid subscriptions for the future title are initially recorded as deferred revenue, and then recognized as subscription revenue when the titles are shipped 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 other 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 value of investments.

e) Champlain Society Volumes

The Champlain Society Volumes represent an inventory of prior publications which are available for sale to the Members and non-members. In 2014 and 2013 these volumes are valued at \$nil. These volumes have no material future value as very few are sold in the years following publication.

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) 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.



THE CHAMPLAIN SOCIETY
Notes to Financial Statements
December 31, 2014
Unaudited

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.

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

	2014 Face Value	2014 Market Value	2013 Face Value	2013 Market Value
Fixed Income				
Bank of Nova Scotia				
GTD Investment Cert A				
Due Dec. 24, 2015 1.71%	\$ 40,898	\$ 40,898	\$ 30,298	\$ 30,298
Mutual funds				
B2B Trust High Interest				
Investment account CL A	\$ 20,339	\$ 20,340	\$ 20,000	\$ 20,077
	<u>\$ 61,237</u>	<u>\$ 61,238</u>	<u>\$ 50,298</u>	<u>\$ 50,375</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.

