

THE CHAMPLAIN SOCIETY

Financial Statements

Year Ended December 31, 2016

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THE CHAMPLAIN SOCIETY

Statement of Financial Position

December 31, 2016

Unaudited

	December 31, 2016	December 31, 2015
ASSETS		
Current		
Cash	\$ 9,311	\$ 9,345
Marketable securities	93,892	73,741
Accounts receivable	37,595	48,011
HST recoverable	4,821	3,112
	<u>145,620</u>	<u>134,209</u>
	<u><u>\$ 145,620</u></u>	<u><u>\$ 134,209</u></u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	24,290	32,070
	<u>24,290</u>	<u>32,070</u>
	<u><u>24,290</u></u>	<u><u>32,070</u></u>
NET ASSETS		
Unrestricted Net Assets	<u>121,331</u>	<u>102,138</u>
	<u><u>\$ 145,620</u></u>	<u><u>\$ 134,209</u></u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE CHAMPLAIN SOCIETY
Statement of Changes in Net Assets
Year ended December 31, 2016
Unaudited

	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	2016	2015
Balance - beginning of year	\$ 38,715	\$ 38,423	\$ 25,000	\$102,138	\$ 84,342
To adjust beginning balances					
Investment in marketable securities					
Excess (deficiency) of revenues over expenditures	21,986	(2,794)		19,193	17,796
Balance - end of year	\$ 60,701	\$ 35,629	\$ 25,000	\$121,331	\$102,138

THE CHAMPLAIN SOCIETY
Statement of Operations and Changes in Net Assets
Year ended December 31, 2016
Unaudited

	2016	2015
Revenues		
Subscriptions	\$ 43,590	\$ 59,459
Other donations	10,682	8,894
Volume and other sales	4,768	17,537
Royalties and permissions	8,598	380
Interest and other income	963	921
	68,600	87,191
Expenses		
Printing and publishing	17,287	32,188
General and administrative	15,767	20,488
Honoraria	3,456	2,000
Secretariat	8,672	8,460
Accountant's fee	2,000	2,000
Chalmers book award	1,000	2,547
Unrecovered HST paid	1,227	1,711
	49,408	69,395
Excess (deficiency) of revenues over expenses	19,193	17,796
Net assets, beginning of year	102,138	84,342
	121,331	102,138
Net assets, end of year	\$ 121,331	\$ 102,138

THE CHAMPLAIN SOCIETY

Statement of Cash Flows Year ended December 31, 2016 Unaudited

	2016	2015
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ 19,193	\$ 17,796
Changes in non-cash working capital		
Marketable securities	(20,152)	(12,503)
Accounts receivable	10,415	5,375
HST recoverable	(1,709)	(337)
Deferred revenue	(7,781)	(9,715)
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(34)	615
Cash and cash equivalents - beginning of year	<hr/> 9,345	<hr/> 8,730
Cash and cash equivalents - end of year	<hr/> \$ 9,311	<hr/> \$ 9,345

THE CHAMPLAIN SOCIETY
Notes to Financial Statements
December 31, 2016
Unaudited

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 Do What You Must: Selected Editorials from Le Devour under Henri Bourassa, 1910-1932. Prepaid subscriptions for future titles 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) 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.

THE CHAMPLAIN SOCIETY
Notes to Financial Statements
December 31, 2016
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

	2016 Face Value	2016 Market Value	2015 Face Value	2015 Market Value	Increase/(Decrease) in Value
CIBC Wood Gundy Investment Account number 425-00830					
Cash and cash equivalents	\$16,980	\$16,980	\$53,180	\$53,180	\$(36,200)
Mutual funds					
B2B Bank High Interest					
Investment account CL A	4,335	4,335	20,561	20,561	(16,226)
Fixed Income					
CIBC full service (Non-TFR)					
GTD investment Cert A					
Non redeemable					
Due Jan 26 2017	70,000	70,000	-	-	70,000
Equities					
Sun Life Financial Inc.	2,178	2,578	-	-	2,578
	<u>\$93,492</u>	<u>\$93,892</u>	<u>\$73,740</u>	<u>\$73,741</u>	<u>\$20,152</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.