

**THE CHAMPLAIN SOCIETY**

**Financial Statements**

**Year Ended December 31, 2017**

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# THE CHAMPLAIN SOCIETY

## Statement of Financial Position

December 31, 2017

Unaudited

	December 31, 2017	December 31, 2016
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 10,356	\$ 9,311
Marketable securities	108,719	93,892
Accounts receivable	54,597	37,595
HST recoverable	5,653	4,821
	<hr/>	<hr/>
	\$ 179,326	\$ 145,620
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	34,319	24,290
	<hr/>	<hr/>
	34,319	24,290
	<hr/>	<hr/>
<b>NET ASSETS</b>		
<b>Unrestricted Net Assets</b>	<hr/> 145,007	<hr/> 121,331
	<hr/> <hr/>	<hr/> <hr/>
	\$ 179,326	\$ 145,620

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**THE CHAMPLAIN SOCIETY**  
**Statement of Changes in Net Assets**  
**Year ended December 31, 2017**  
**Unaudited**

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	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	<b>2017</b>	2016
<b>Balance - beginning of year</b>	\$ 60,701	\$ 35,629	\$ 25,000	<b>\$ 121,331</b>	\$ 102,138
To adjust beginning balances					
Investment in marketable securities					
Excess of revenues over expenditures	26,669	(2,993)		<b>23,676</b>	19,193
<b>Balance - end of year</b>	<b>\$ 87,371</b>	<b>\$ 32,636</b>	<b>\$ 25,000</b>	<b>\$ 145,007</b>	<b>\$ 121,331</b>

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**THE CHAMPLAIN SOCIETY**  
**Statement of Operations and Changes in Net Assets**  
**Year ended December 31, 2017**  
**Unaudited**

	<b>2017</b>	<b>2016</b>
<b>Revenues</b>		
Subscriptions	\$ 40,407	\$ 43,590
Other donations	18,097	10,682
Subsidy - HBC	10,000	-
Volume and other sales	7,029	4,768
Royalties and permissions	1,930	8,598
Interest and other income	1,190	963
Chalmers award entry fee	350	-
	<b>79,003</b>	<b>68,600</b>
<b>Expenses</b>		
Printing and publishing	21,248	17,287
General and administrative	17,726	15,767
Honoraria	2,237	3,456
Secretariat	8,845	8,672
Accountant's fee	2,000	2,000
Chalmers book award	1,000	1,000
Unrecovered HST paid	2,272	1,227
	<b>55,327</b>	<b>49,408</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>23,676</b>	<b>19,193</b>
Net assets, beginning of year	121,331	102,138
	<b>\$ 145,007</b>	<b>\$ 121,331</b>
<b>Net assets, end of year</b>	<b>\$ 145,007</b>	<b>\$ 121,331</b>

# THE CHAMPLAIN SOCIETY

## Statement of Cash Flows Year ended December 31, 2017 Unaudited

	2017	2016
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 23,676	\$ 19,193
Changes in non-cash working capital		
Marketable securities	(14,827)	(20,152)
Accounts receivable	(17,001)	10,415
HST recoverable	(832)	(1,709)
Deferred revenue	10,029	(7,781)
	<hr/>	<hr/>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,046	(34)
<b>Cash and cash equivalents - beginning of year</b>	9,311	9,345
	<hr/>	<hr/>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 10,356</u>	<u>\$ 9,311</u>

**THE CHAMPLAIN SOCIETY**  
**Notes to Financial Statements**  
**December 31, 2017**  
**Unaudited**

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**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 *“We Harbor no Evil Design”: Rehabilitation Efforts after the Halifax Explosion of 1917*. Prepaid subscriptions for future titles are initially recorded as deferred revenue, and then recognized as subscription revenue when the titles are shipped to subscribers.

This year, the Society received a \$10,000 donation from Hudson’s Bay Foundation. The donation is for the support of publication and promotion of 3 books on various aspects of the history of the Hudson’s Bay Company. Donations are received from both corporations and individuals. The amounts of donations vary and cannot be predicted in advance, so 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, 2017**  
**Unaudited**

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**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**

	2017 Face Value	2017 Market Value	2016 Face Value	2016 Market Value	Increase/(Decrease) in Value
CIBC Wood Gundy Investment Account number 425-00830 Cash and cash equivalents	\$ 101,753	\$ 101,753	\$ 16,980	\$ 16,980	\$ 84,774
Mutual funds B2B Bank High Interest Investment account CL A	4,372	4,372	4,335	4,335	37
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	2,594	2,178	2,578	17
	<u>\$ 108,302</u>	<u>\$ 108,719</u>	<u>\$ 93,492</u>	<u>\$ 93,892</u>	<u>\$ 14,827</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.