

THE CHAMPLAIN SOCIETY

Financial Statements

Year Ended December 31, 2018

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THE CHAMPLAIN SOCIETY
BALANCE SHEET
Unaudited

As at December 31

	2018	2017
	\$	\$
	<hr/>	<hr/>
ASSETS		
Current		
Cash	1,322	10,356
Marketable securities	150,459	108,719
Accounts receivable	58,847	54,597
HST recoverable	4,737	5,653
	<hr/>	<hr/>
	215,365	179,326
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Deferred revenue	26,197	34,319
	<hr/>	<hr/>
	26,197	34,319
	<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		
Unrestricted Net Assets	189,168	145,007
	<hr/>	<hr/>
	215,365	179,326
	<hr/> <hr/>	<hr/> <hr/>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE CHAMPLAIN SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2018
Unaudited

	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	2018	2017
	\$	\$	\$	\$	\$
Balance - beginning of year	87,371	32,636	25,000	145,007	121,331
Investment in marketable securities					
Net income for the year	49,329	-5,168		44,161	23,676
Balance - end of year	136,700	27,468	25,000	189,168	145,007

THE CHAMPLAIN SOCIETY
STATEMENT OF INCOME AND ACCUMULATED SURPLUS
 Unaudited

Year ended December 31

	2018	2017
	<u>\$</u>	<u>\$</u>
Revenues		
Subscriptions	46,504	40,407
Donations	20,586	18,097
Subsidy	20,500	10,000
Volume and other sales	21,405	7,029
Royalties and permissions	1,642	1,930
Interest and other income	1,943	1,190
Chalmers award entry fee	475	350
	<u>113,056</u>	<u>79,003</u>
 Expenses		
Printing and publishing	23,126	21,248
General and administrative	27,320	17,726
Honoraria	4,293	2,237
Secretariat	9,096	8,845
Accountant's fee	2,000	2,000
Chalmers book award	1,000	1,000
Unrecovered HST paid	2,060	2,272
	<u>68,895</u>	<u>55,327</u>
 Net income for the year	 44,161	 23,676
 Accumulated surplus, beginning of year	 145,007	 121,331
	<u>189,168</u>	<u>145,007</u>

THE CHAMPLAIN SOCIETY

STATEMENT OF CASH FLOWS

Unaudited

Year ended December 31

	2018	2017
	\$	\$
	<hr/>	<hr/>
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	44,161	23,676
Changes in non-cash working capital		
Marketable securities	-41,740	-14,827
Accounts receivable	-4,250	-17,001
HST recoverable	916	-832
Deferred revenue	-8,122	10,029
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	-9,035	1,046
Cash and cash equivalents - beginning of year	10,356	9,311
	<hr/>	<hr/>
Cash and cash equivalents - end of year	1,322	10,356
	<hr/> <hr/>	<hr/> <hr/>

THE CHAMPLAIN SOCIETY
Notes to Financial Statements
December 31, 2018
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 annual volume is shipped. Accounts reflect revenues from the publication of Volume 80: *"Opposition on the Coast": The Hudson's Bay Company, American Coasters, The Russian-American Company, and Native Traders on the Northwest Coast, 1825-1846*. Prepaid subscriptions for future titles are initially recorded as deferred revenue, and then recognized as subscription revenue when the title is shipped to subscribers.

This year, the Society received donations from the estate of Allister Gillespie - \$10,000, David Organ - \$2,975, and several other Society members in amounts ranging between \$50 and \$500. Donations contribute to the Society's mission of opening new windows to directly explore and experience Canada's past. 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, 2018
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

	2018 Face Value \$	2018 Market Value \$	2017 Face Value \$	2017 Market Value \$	Increase/(Decrease) in Value \$
Cash and cash equivalents					
Renaissance High Interest Savings Account (5000)	24,828	24,828	101,753	101,753	-76,925
Mutual funds					
Renaissance High Interest Savings Account (5000)	10,632	10,632	4,372	4,372	6,260
Fixed Income					
Laurentian Bank of Canada & ICICI Bank (Canada)					
GTD Investment Cert A	115,000	115,000	0	0	115,000
Equities					
Sun Life Financial Inc.	0	0	2,178	2,594	-2,594
	150,459	150,459	108,302	108,719	41,740

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.