

**THE CHAMPLAIN SOCIETY**

**Financial Statements**

**Year Ended December 31, 2019**

**CONTENTS**

	Page
Balance Sheet	2
Statement of Changes in Net Assets	3
Statement of Income and Accumulated Surplus	4
Statement of Cash Flows	5
Notes to Financial Statements	6–9

**THE CHAMPLAIN SOCIETY**  
**BALANCE SHEET**  
**Unaudited**

As at December 31

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
<b>Current</b>		
Cash	1,314	1,322
Marketable securities	154,607	150,459
Accounts receivable	80,567	58,847
HST recoverable	1,542	4,737
	<hr/>	<hr/>
	<b>238,030</b>	<b>215,365</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
Deferred revenue		
	<hr/>	<hr/>
	<b>26,091</b>	<b>26,197</b>
	<hr/>	<hr/>
	<b>26,091</b>	<b>26,197</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>NET ASSETS</b>		
<b>Unrestricted Net Assets</b>	<hr/>	<hr/>
	<b>211,939</b>	<b>189,168</b>
	<hr/>	<hr/>
	<b>238,030</b>	<b>215,365</b>
	<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, 2019  
Unaudited

---

	Unrestricted	Chalmers Award Fund	John Warkentin Challenge Fund	2019	2018
	\$	\$	\$	\$	\$
<b>Balance - beginning of year</b>	136,700	27,468	25,000	<b>189,168</b>	145,007
Investment in marketable securities					
Net income for the year	25,421	-2,650		<b>22,771</b>	44,161
<b>Balance - end of year</b>	<b>162,121</b>	<b>24,818</b>	<b>25,000</b>	<b>211,939</b>	189,168

---

**THE CHAMPLAIN SOCIETY**  
**STATEMENT OF INCOME AND ACCUMULATED SURPLUS**  
**Unaudited**

**Year ended December 31**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Subscriptions	41,706	46,504
Donations	4,939	20,586
Subsidy	23,000	20,500
Volume and other sales	10,966	21,405
Royalties and permissions	359	1,642
Interest and other income	2,974	1,943
Chalmers award entry fee	500	475
	<b>84,444</b>	113,056
 <b>Expenses</b>		
Printing and publishing	18,331	23,126
General and administrative	26,330	27,320
Honoraria	3,500	4,293
Secretariat	9,360	9,096
Review engagement	2,000	2,000
Chalmers book award	1,000	1,000
Unrecovered HST paid	1,151	2,060
	<b>61,672</b>	68,895
 <b>Net income for the year</b>	<b>22,771</b>	44,161
 Accumulated surplus, beginning of year	<b>189,168</b>	145,007
	<b>211,939</b>	189,168
 <b>Accumulated surplus, end of year</b>	<b>211,939</b>	189,168

# THE CHAMPLAIN SOCIETY

## STATEMENT OF CASH FLOWS

Unaudited

Year ended December 31

	2019	2018
	\$	\$
	<u>                    </u>	<u>                    </u>
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenditures	22,771	44,161
Changes in non-cash working capital		
Marketable securities	-4,148	-41,740
Accounts receivable	-21,720	-4,250
HST recoverable	3,195	916
Deferred revenue	-106	-8,122
	<u>                    </u>	<u>                    </u>
<b>Net increase (decrease) in cash and cash equivalents</b>	-8	-9,035
<b>Cash and cash equivalents - beginning of year</b>	1,322	10,356
	<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents - end of year</b>	<u>1,314</u>	<u>1,322</u>

**THE CHAMPLAIN SOCIETY**  
**Notes to Financial Statements**  
**December 31, 2019**  
**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.

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, 2019**  
**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**

	2019 Face Value \$	2019 Market Value \$	2018 Face Value \$	2018 Market Value \$	Increase/(Decrease) in Value \$
Cash and cash equivalents					
Renaissance High Interest Savings Account (5000)	-10	-10	24,828	24,828	-24,838
Mutual funds					
Renaissance High Interest Savings Account (5000)	4,351	4,351	10,632	10,632	-6,281
Fixed Income					
CIBC Full Service (Non-TFR) GTD Investment Cert AM & GTD Investment Cert A	150,266	150,266	115,000	115,000	35,266
	154,607	154,607	150,460	150,460	4,147



**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**

The organization entered into an agreement with the University of Toronto Press on November 5, 2012 that was renewed on December 6, 2017. 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.