

THE CHAMPLAIN SOCIETY

Financial Statements

Year Ended December 31, 2020

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THE CHAMPLAIN SOCIETY
BALANCE SHEET
Unaudited

As at December 31

| | 2020 | 2019 |
|--|----------------|----------------|
| | \$ | \$ |
| | <hr/> | <hr/> |
| ASSETS | | |
| Current | | |
| Cash | 0 | 1,314 |
| Marketable securities | 227,235 | 154,607 |
| Accounts receivable | 37,348 | 80,567 |
| HST recoverable | 3,693 | 1,542 |
| | <hr/> | <hr/> |
| | 268,276 | 238,030 |
| | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | | |
| Deferred revenue | | |
| | <hr/> | <hr/> |
| | 22,423 | 26,091 |
| | <hr/> | <hr/> |
| | 22,423 | 26,091 |
| | <hr/> <hr/> | <hr/> <hr/> |
| NET ASSETS | | |
| Unrestricted Net Assets | <hr/> | <hr/> |
| | 245,853 | 211,939 |
| | <hr/> | <hr/> |
| | 268,276 | 238,030 |
| | <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, 2020
Unaudited

| | Unrestricted | Chalmers Award Fund | John Warkentin Challenge Fund | 2020 | 2019 |
|-------------------------------------|----------------|---------------------------|--|----------------|---------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance - beginning of year | 162,121 | 24,818 | 25,000 | 211,939 | 189,168 |
| Investment in marketable securities | | | | 0 | |
| Net income for the year | 34,295 | -381 | | 33,914 | 22,771 |
| Balance - end of year | 196,416 | 24,437 | 25,000 | 245,853 | 211,939 |

THE CHAMPLAIN SOCIETY
STATEMENT OF INCOME AND ACCUMULATED SURPLUS
 Unaudited

Year ended December 31

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| Revenues | | |
| Subscriptions | 45,703 | 41,706 |
| Donations | 31,698 | 4,939 |
| Subsidy | 9,500 | 23,000 |
| Volume and other sales | 11,044 | 10,966 |
| Royalties and permissions | 93 | 359 |
| Interest and other income | 2,627 | 2,974 |
| Chalmers award entry fee | 75 | 500 |
| | 100,741 | 84,444 |
| Expenses | | |
| Printing and publishing | 25,375 | 18,331 |
| General and administrative | 15,067 | 26,330 |
| Honoraria | 11,813 | 3,500 |
| Secretariat | 9,572 | 9,360 |
| Review engagement | 2,000 | 2,000 |
| Chalmers book award | 0 | 1,000 |
| Unrecovered HST paid | 3,000 | 1,151 |
| | 66,828 | 61,672 |
| Net income for the year | 33,914 | 22,771 |
| Accumulated surplus, beginning of year | 211,939 | 189,168 |
| | 245,853 | 211,939 |
| Accumulated surplus, end of year | 245,853 | 211,939 |

THE CHAMPLAIN SOCIETY
STATEMENT OF CASH FLOWS
Unaudited

Year ended December 31

| | 2020 | 2019 |
|---|----------------|-------------|
| | \$ | \$ |
| | | |
| Cash flows from operating activities | | |
| Excess (deficiency) of revenues over expenditures | 33,914 | 22,771 |
| Changes in non-cash working capital | | |
| Marketable securities | -72,628 | -4,148 |
| Accounts receivable | 43,219 | -21,720 |
| HST recoverable | -2,150 | 3,195 |
| Deferred revenue | -3,668 | -106 |
| | | |
| Net increase (decrease) in cash and cash equivalents | -1,314 | -8 |
| Cash and cash equivalents - beginning of year | 1,314 | 10,356 |
| | | |
| Cash and cash equivalents - end of year | 0 | 1,322 |
| | | |

THE CHAMPLAIN SOCIETY
Notes to Financial Statements
December 31, 2020
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 *A Hotly Contested Affair: Hockey in Canada. The National Game in Documents*. 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, 2020
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

| | 2020 Face Value \$ | 2020 Market Value \$ | 2019 Face Value \$ | 2019 Market Value \$ | Increase/(Decrease) in Value \$ |
|--|--------------------------|----------------------------|--------------------------|----------------------------|---------------------------------------|
| Cash and cash equivalents | | | | | |
| Cash | 152,850 | 152,850 | -10 | -10 | 152,860 |
| Mutual funds | | | | | |
| Renaissance High Interest Savings Account (5000) | 4,381 | 4,381 | 4,351 | 4,351 | 30 |
| Fixed Income | | | | | |
| Sun Life Financial Trust GTD Investment Cert A Due Jul 7, 2021 | 70,004 | 70,004 | 150,266 | 150,266 | -80,262 |
| | <u>227,235</u> | <u>227,235</u> | <u>154,607</u> | <u>154,607</u> | <u>72,627</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

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.