

**FINANCIAL STATEMENTS**

**For**

**FINANCIAL MANAGEMENT INSTITUTE OF CANADA - CAPITAL CHAPTER  
INSTITUT DE LA GESTION FINANCIERE DU CANADA - SECTION DE LA CAPITALE**

**For year ended**

**JUNE 30, 2018**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of

### **FINANCIAL MANAGEMENT INSTITUTE OF CANADA - CAPITAL CHAPTER/ INSTITUT DE LA GESTION FINANCIERE DU CANADA - SECTION DE LA CAPITALE**

We have reviewed the accompanying financial statements of Financial Management Institute of Canada - Capital Chapter/Institut de la Gestion Financiere du Canada - Section de la Capitale that comprise the balance sheet as at June 30, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Financial Management Institute of Canada - Capital Chapter as at June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
October 22, 2018.

**FINANCIAL MANAGEMENT INSTITUTE OF CANADA - CAPITAL CHAPTER/  
INSTITUT DE LA GESTION FINANCIERE DU CANADA - SECTION DE LA CAPITALE**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 41,866	\$ 70,606
Term deposits (note 4)	323,717	318,732
Accounts receivable	2,452	37
Prepaid expenses	<u>1,014</u>	<u>5,014</u>
	369,049	394,389
<b>EQUIPMENT</b>	2,132	-
<b>CREDIT UNION MEMBERSHIP SHARE</b>	<u>15</u>	<u>15</u>
	<u>\$ 371,196</u>	<u>\$ 394,404</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 28,635	\$ 36,157
Government remittances payable	<u>-</u>	<u>4,567</u>
	<u>28,635</u>	<u>40,724</u>
<b>NET ASSETS</b>		
Unrestricted	<u>342,561</u>	<u>353,680</u>
	<u>342,561</u>	<u>353,680</u>
	<u>\$ 371,196</u>	<u>\$ 394,404</u>

Approved by the Board:

SHERRY SHARPE  
..... President

..... Treasurer

(See accompanying notes)

PREPARED WITHOUT AUDIT

**FINANCIAL MANAGEMENT INSTITUTE OF CANADA - CAPITAL CHAPTER/  
INSTITUT DE LA GESTION FINANCIERE DU CANADA - SECTION DE LA CAPITALE**

**STATEMENT OF OPERATIONS**

**YEAR ENDED JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Program revenue	\$ 120,960	\$ 129,684
Patron and sponsorship fees	17,000	21,200
Membership fees	282	2,080
Interest and other	<u>6,855</u>	<u>8,588</u>
	<u>145,097</u>	<u>161,552</u>
<b>EXPENSES</b>		
Program expenses (note 5)	64,230	46,143
Salaries and benefits - administration	54,573	34,521
Professional fees	10,300	9,900
Rent	6,395	4,980
Annual general meeting and board meetings	6,268	14,243
Marketing and promotion	4,266	7,388
Office and general	3,832	3,769
Bank and credit card charges	3,735	4,205
Telecommunications	1,483	1,257
Amortization	609	155
Insurance	525	509
Subcontract administrative services	-	6,175
Scholarships	-	2,100
Conference - Public Service Management Workshop	<u>-</u>	<u>1,606</u>
	<u>156,216</u>	<u>136,951</u>
<b>NET REVENUE (EXPENSE)</b>	<u>\$ (11,119)</u>	<u>\$ 24,601</u>

(See accompanying notes)

PREPARED WITHOUT AUDIT

FINANCIAL MANAGEMENT INSTITUTE OF CANADA - CAPITAL CHAPTER/  
INSTITUT DE LA GESTION FINANCIERE DU CANADA - SECTION DE LA CAPITALE

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Net assets, beginning of the year	\$ 353,680	\$ 353,680	\$ 329,079
Net revenue (expense)	<u>(11,119)</u>	<u>(11,119)</u>	<u>24,601</u>
Net assets, end of the year	<u>\$ 342,561</u>	<u>\$ 342,561</u>	<u>\$ 353,680</u>

(See accompanying notes)

PREPARED WITHOUT AUDIT

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net revenue (expense)	\$ (11,119)	\$ 24,601
Adjustment for amortization	<u>609</u>	<u>155</u>
	(10,510)	24,756
Net change in non-cash working capital items:		
Accounts receivable	(2,415)	788
Prepaid expenses	4,000	358
Accounts payable and accrued liabilities	(7,522)	10,099
Government remittances payable	<u>(4,567)</u>	<u>4,030</u>
	<u>(21,014)</u>	<u>40,031</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,741)	(6,838)
Purchase/reinvestments of term deposits	<u>(4,985)</u>	<u>-</u>
	<u>(7,726)</u>	<u>(6,838)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(28,740)	33,193
<b>CASH, BEGINNING OF YEAR</b>	<u>70,606</u>	<u>37,413</u>
<b>CASH, END OF YEAR</b>	<u>\$ 41,866</u>	<u>\$ 70,606</u>

(See accompanying notes)

PREPARED WITHOUT AUDIT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

1. **STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

The Financial Management Institute of Canada - Capital Chapter/Institut de la Gestion Financiere du Canada - Section de la Capitale was incorporated under the *Canada Not-for-profit Corporations Act* on December 20, 2013. The Capital Chapter is a not-for-profit organization, as described in Section 149(1)(1) of the Income Tax Act, and therefore is not subject to income tax.

The Financial Management Institute of Canada - Capital Chapter/Institut de la Gestion Financiere du Canada - Section de la Capitale is an organization dedicated to promoting members' understanding of the financial management practices of the Public Sector.

The Financial Management Institute of Canada - Capital Chapter/Institut de la Gestion Financiere du Canada - Section de la Capitale is an autonomous chapter of the Financial Management Institute of Canada (fmi\*igf).

2. **SIGNIFICANT ACCOUNTING POLICIES**

***Basis of accounting***

The accounting policies of the organization are in accordance with Canadian accounting standards for not-for-profit organizations.

***Contributed services***

Volunteers contribute various number of hours towards promoting members and non-members understanding of the goals of The Financial Management Institute of Canada - Capital Chapter/Institut de la Gestion Financiere du Canada - Section de la Capitale. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements.

***Revenue recognition***

Membership and patron fees are set by the Board of Directors in consultation with the Financial Management Institute of Canada (fmi\*igf) and ratified by the members at the Annual General Meeting. Membership and patron fees are recognized as revenue over the period to which they relate. Memberships are non-paid, as long as the member has participated in at least one of the organization's paid events or product events during the member's membership year. However, no participants can be awarded a membership automatically without them specifically acknowledging their acceptance of the membership. The membership year is a period of 12 consecutive calendar months starting on the date that the membership opt-in is received by the organization.

Program revenue from professional development events is recognized when the events are completed. The liability for the portion of events revenue invoiced but not yet presented is recorded as deferred revenue.

Interest income comprises interest from term deposits and is recorded when earned.

PREPARED WITHOUT AUDIT

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2018

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

***Financial Instruments***

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of marketable securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Financial assets measured at fair value include term deposits. The fair values of investments are determined by reference to the latest closing transactional asset value quoted in an active market.

***Term deposits***

Term deposits are valued at the lower of fair market value and net realizable value.

***Equipment***

Equipment is accounted for at cost. Amortization is based on the estimated useful lives of the assets using the straight-line method at a rate of 33% and is prorated in the year of acquisition.

***Use of estimates***

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. All estimates are reviewed periodically and adjustments are made in the statement of operations as appropriate in the year they become known.

3. **FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at June 30, 2018.

The organization does not use derivative financial instruments to manage its risk.

***Credit risk***

The organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The organization's maximum exposure to credit risk represents the sum of the carrying value of its cash, term deposits, and its receivables. The organization's cash and term deposits are held with a Canadian credit union and as a result management believes the risk of loss on this item to be remote. The organization manages its credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. The organization believes that all receivables at year end will be collected.

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NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED JUNE 30, 2018

3. **FINANCIAL INSTRUMENTS** - Cont'd.

***Liquidity risk***

Liquidity risk is the risk that the organization cannot meet a demand for cash or meet its financial obligations when they become due. The organization manages its liquidity requirements by preparing and monitoring forecasts of cash flow from operations, anticipating investing and financing activities, and holding assets that can readily be converted into cash.

***Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

*i) Currency risk*

Currency risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The organization's financial instruments are denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, the organization does not believe it is exposed to significant currency risk.

*ii) Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The organization manages its interest rate risk exposure through its investments in term deposits which provides fixed rates of interest. As such, the organization's exposure to interest rate risk is minimal.

*iii) Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The organization is not exposed to other price risk.

**Changes in risk**

There have been no significant changes in the organization's risk exposures from the prior year.

4. **TERM DEPOSITS**

The organization manages its term deposits according to its cash requirements and in such a way as to optimize interest income. The average interest rate on term deposits at year end was 1.24%. The term deposits are cashable on demand.

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**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED JUNE 30, 2018**

**5. PROGRAM EXPENSES**

	<u>2018</u>	<u>2017</u>
Audio visual	\$ 11,647	\$ 10,317
Facility rental	26,935	1,450
Food and beverage	21,595	27,288
Printing and translation	1,056	4,203
Speakers - honorarium	200	1,000
Other	<u>2,797</u>	<u>1,885</u>
	<u>\$ 64,230</u>	<u>\$ 46,143</u>

During the 2018 fiscal year, the Financial Management Institute of Canada - Capital Chapter hosted five professional development days at the Sheraton Hotel in Ottawa (2017 - four). In the prior fiscal year, these events were primarily held at the Crowne Plaza in Hull, of which the costs were lower than the Sheraton.

**6. COMMITMENTS**

In the 2017 fiscal year, the Board of Directors signed a Memorandum of Understanding with the Financial Management Institute of Canada (fmi\*igf) whereby the Financial Management Institute of Canada (fmi\*igf) will provide office space at a cost of \$5,520 annually, staff management and related office overhead items. The Memorandum of Understanding will remain in effect until modified or terminated by either of the parties.

The organization provides a complimentary membership and a chapter professional development course to professional development day organizing committee members who provided volunteer services during the year. The professional development course must be taken within twelve months of approval. The estimated value of memberships over the next year is \$840 (2017 - \$840). The estimated value of the chapter professional development course over the next year is \$4,480 (2017 - \$4,480).

The Board of Directors previously approved a policy whereby the organization will provide a complimentary membership to departmental liaisons who provided volunteer services. The estimated value of memberships for the next year is \$1,750 (2017 - \$1,750).

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