

Financial Statements of

**THE CANADIAN ASSOCIATION
OF GEOGRAPHERS**

Year ended December 31, 2017

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

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INDEPENDENT AUDITORS' REPORT

To the Members of The Canadian Association of Geographers

We have audited the accompanying financial statements of The Canadian Association of Geographers, which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Canadian Association of Geographers as at December 31, 2017, and the results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

July 23, 2018

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash and term deposits	\$ 81,560	\$ 27,756
Accounts receivable (note 2)	170,360	208,933
Prepaid expenses	4,453	622
	<u>256,373</u>	<u>237,311</u>
Investments (note 3)	433,101	449,514
Restricted cash	70,440	70,583
	<u>\$ 759,914</u>	<u>\$ 757,408</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 27,260	\$ 103,555
Deferred revenue (note 5)	59,739	86,275
Amounts held in trust (note 6)	70,440	70,583
	<u>157,439</u>	<u>260,413</u>
Net assets:		
Unrestricted	602,475	496,995
	<u>\$ 759,914</u>	<u>\$ 757,408</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Statement of Operations and Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue (schedule):		
<i>Canadian Geographer</i> publication	\$ 100,830	\$ 21,696
Royalties and promotion	86,128	101,260
Memberships (note 7)	69,339	67,192
Annual General Meeting	33,543	4,070
SSHRCC publication grant	28,050	28,050
Investment income	20,111	9,737
Future meetings fund	12,166	11,868
Study groups	3,283	5,928
Directory	880	13,365
50 th anniversary	–	7,582
	<u>354,330</u>	<u>270,748</u>
Expenses (schedule):		
Salaries and benefits	80,201	68,626
Travel and meetings	59,850	56,301
<i>Canadian Geographer</i> publication	36,793	34,245
Office and general	15,216	11,513
Honoraria	12,350	12,100
Division rebates and grants	10,675	9,005
Professional fees	10,892	6,718
Careers project	9,507	823
Affiliation fees	5,013	5,441
Awards	2,881	1,000
Translation	2,407	7,185
Publication of directory	1,274	10,147
Advertising and promotion	1,086	6,369
Study groups	705	5,560
Total expenses	<u>248,850</u>	<u>235,033</u>
Excess of revenue over expenses	105,480	35,715
Net assets, beginning of year	496,995	461,280
Net assets, end of year	<u>\$ 602,475</u>	<u>\$ 496,995</u>

See accompanying notes to financial statements.

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses	\$ 105,480	\$ 35,715
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	38,573	(104,752)
Decrease (increase) in prepaid expenses	(3,831)	1,279
Decrease in accounts payable and accrued liabilities	(76,294)	(1,274)
Increase in deferred revenue	(26,537)	(25,461)
	37,391	(94,493)
Investing activities:		
Net decrease (increase) in investments	16,413	(78,835)
Net increase in cash	53,804	(173,328)
Cash, beginning of year	27,756	201,084
Cash, end of year	\$ 81,560	\$ 27,756

See accompanying notes to financial statements.

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Notes to Financial Statements

Year ended December 31, 2017

The Canadian Association of Geographers' (the "Association") principal objective is the promotion of geography in Canada. Its principal activity is the publication of journals and other information for its members. The Association was incorporated without share capital under the Canada Corporations Act on February 22, 2008. Effective July 8, 2014, the Association continued its articles under the Canada Not for Profit Corporations Act. The Association is a registered charity under paragraph 149(1)(f) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook – Accounting* and include the following significant accounting policies:

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions for not-for-profit organizations.

Membership, royalty and promotion, Annual General Meeting, Canadian Geographer publication and directory revenues are recognized in the period to which they are earned.

Unrestricted donations or government grants are recognized as revenue in the year during which they are received.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Accounts receivable:

	2017	2016
Editorial revenue	\$ 83,330	\$ 10,296
Royalty revenue	86,034	198,445
Commodity taxes receivable	996	192
	<u>\$ 170,360</u>	<u>\$ 208,933</u>

3. Investments:

	2017 Fair value	2016 Fair value
Bond funds	\$ 243,526	\$ 218,211
Equities and options	189,575	122,841
Guaranteed investment certificates	–	108,462
	<u>\$ 433,101</u>	<u>\$ 449,514</u>

4. Accounts payable and accrued liabilities:

There are no amounts payable for government remittances included in accounts payable in the current or prior year.

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Deferred revenue:

	Balance, beginning of year	Additions	Recognitions	Balance, end of Year
Membership	\$ 18,556	\$ –	\$ 14,520	\$ 4,036
50 th Anniversary fund donations	48,676	150	–	48,826
Future meetings fund	19,043	–	12,166	6,877
	<u>\$ 86,275</u>	<u>\$ 150</u>	<u>\$ 26,686</u>	<u>\$ 59,739</u>

6. Amounts held in trust:

	2017	2016
Suzanne MacKenzie Memorial Fund	\$ 37,592	\$ 37,497
Robin P. Armstrong Memorial Fund	32,848	33,086
	<u>\$ 70,440</u>	<u>\$ 70,583</u>

(a) Suzanne MacKenzie Memorial Fund:

The Association administers a memorial fund on behalf of the Canadian Women in Geography Study Group.

(b) Robin P. Armstrong Memorial Fund:

The Association established this new memorial fund in conjunction with Statistics Canada and Indian and Northern Affairs Canada to recognize and promote excellence in applied research on Canada aboriginal people.

7. Associate members:

The Association receives memberships on behalf and to the credit of the American Association of Geographers ("AAG"). Memberships received for the AAG during the year were \$8,260 (2016 - \$9,970). The AAG receives memberships on behalf of the Canadian Association of Geographers which are recorded by the Association as revenue from associate members.

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Starkey-Robinson Award:

The Association administers a bequest made by the late Dr. Otis P. Starkey which is used to issue an award to support student research in regional geography of Canada. The award is funded entirely from the remaining value of the bequest capital.

As at December 31, 2017, the approximate value of the Dr. Otis P. Starkey's bequest is \$15,000 (2016 - \$15,000).

9. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to the accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

The Association is not exposed to significant interest rate risk on its financial instruments.

There has been no change to the risk exposures from 2016.

10. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Schedule - Analysis of Operations and Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

			2017	2016
	Operations	Canadian Geographer	Total	Total
Revenue:				
Canadian Geographer publication	\$ -	\$ 100,830	\$ 100,830	\$ 21,696
Royalties and promotion		86,128	86,128	101,260
Memberships				
Full members	26,216	8,739	34,955	34,876
Student members	12,910	4,303	17,213	15,161
Family members	1,327	443	1,770	1,566
Retired members	1,811	604	2,415	2,529
New members	2,104	702	2,806	3,090
Associate members	7,635	2,545	10,180	9,970
Annual General Meeting	33,543	-	33,543	4,070
SSHRCC publication grant	-	28,050	28,050	28,050
Investment income	20,111	-	20,111	9,737
Future meetings fund	12,166	-	12,166	11,868
Directory	880	-	880	13,365
Study groups	3,283	-	3,283	5,928
50th anniversary	-	-	-	7,582
	121,986	232,344	354,330	270,748
Expenses:				
Salaries and benefits	60,151	20,050	80,201	68,626
Travel and meetings				
Annual meeting	30,360	-	30,360	39,227
Executive	17,765	-	17,765	9,952
Student travel grant	11,725	-	11,725	7,122
Canadian Geographer publication	-	36,793	36,793	34,245
Office and general				
Bank and online merchant charges	2,155	719	2,874	4,168
Insurance	1,776	-	1,776	1,932
Office supplies	1,477	492	1,969	303
Miscellaneous	262	-	262	278
Rent	4,118	4,118	8,236	4,000
Postage and mailing	99	-	99	832
Division rebates and grants				
Grants	8,000	-	8,000	6,000
Rebates	2,675	-	2,675	3,005
Professional fees				
Audit	4,267	4,267	8,534	6,718
Legal	2,358	-	2,358	-
Careers project	9,507	-	9,507	823
Affiliation fees	5,013	-	5,013	5,441
Honoraria	-	12,350	12,350	12,100
Translation	602	1,805	2,407	7,185
Subtotal, expenses	162,310	80,594	242,904	211,957

THE CANADIAN ASSOCIATION OF GEOGRAPHERS

Schedule - Analysis of Operations and Changes in Net Assets (continued)

Year ended December 31, 2017, with comparative information for 2016

			2017	2016
	Operations	Canadian Geographer	Total	Total
Subtotal, expenses (balance brought forward)	162,310	80,594	242,904	211,957
Study groups	705	–	705	5,560
Publication of directory	1,274	–	1,274	10,147
Advertising and promotion	815	271	1,086	6,369
Awards	2,881	–	2,881	1,000
	167,985	80,865	248,850	235,033
Excess (deficiency) of revenue over expenses	(45,999)	151,479	105,480	35,715
Net assets, beginning of year	72,752	424,243	496,995	461,280
Net assets, end of year	\$ 26,753	\$ 575,722	\$ 602,475	\$ 496,995