

CANADIAN EVALUATION SOCIETY

FINANCIAL STATEMENTS

JUNE 30, 2004

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AUDITOR'S REPORT

To the Members of the
Canadian Evaluation Society

I have audited the statement of financial position of the Canadian Evaluation Society as at June 30, 2004 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the society as at June 30, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa, Canada
February 2, 2005

ELIZABETH P. REDMOND
CHARTERED ACCOUNTANT



CANADIAN EVALUATION SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2004

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	Operating Fund	Scholarship Fund	SSHRC Fund	2004 Total	2003 Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 191,820	\$ -	\$ 27,736	\$ 219,556	\$ 229,069
Term deposits	-	-	-	-	61,830
Accounts receivable	75,000	-	-	75,000	142,213
Due from Operating Fund	-	-	-	-	3,879
Prepaid expenses	5,401	-	-	5,401	4,224
	<u>272,221</u>	<u>-</u>	<u>27,736</u>	<u>299,957</u>	<u>441,215</u>
LOAN TO CES/AEA CONFERENCE 2005 (note 3)	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
	<u>\$ 284,721</u>	<u>\$ -</u>	<u>\$ 27,736</u>	<u>\$ 312,457</u>	<u>\$ 453,715</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 125,095	\$ -	\$ 23,461	\$ 148,556	\$ 226,163
Due to Scholarship Fund	3,321	-	-	3,321	3,879
Deferred grants (note 4)	<u>-</u>	<u>-</u>	<u>4,275</u>	<u>4,275</u>	<u>6,400</u>
	<u>128,416</u>	<u>-</u>	<u>27,736</u>	<u>156,152</u>	<u>236,442</u>
FUND BALANCES					
Unrestricted	156,305	-	-	156,305	142,962
Internal restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,311</u>
	<u>156,305</u>	<u>-</u>	<u>-</u>	<u>156,305</u>	<u>217,273</u>
	<u>\$ 284,721</u>	<u>\$ -</u>	<u>\$ 27,736</u>	<u>\$ 312,457</u>	<u>\$ 453,715</u>

The accompanying notes are an integral part of these financial statements.

APPROVED ON BEHALF OF THE SOCIETY


 _____ Director


 _____ Director



CANADIAN EVALUATION SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

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	Operating Fund	Scholarship Fund	SSHRC Fund	2004 Total	2003 Total
REVENUE					
Membership fees	\$ 150,375	\$ -	\$ -	\$ 150,375	\$ 132,460
Conference profit (note 5)	42,194	-	-	42,194	55,729
Publications	1,191	-	-	1,191	2,010
Essential Skills fees	15,593	-	-	15,593	13,687
Grants (note 4)	-	-	22,560	22,560	22,720
Contributions					
Federal Government	500	-	-	500	25,000
Contributed services (note 6)	28,000	-	-	28,000	28,000
Interest	906	-	-	906	1,681
Royalties	2,514	-	-	2,514	3,564
Other	460	-	-	460	1,301
	<u>241,733</u>	<u>-</u>	<u>22,560</u>	<u>264,293</u>	<u>286,152</u>
EXPENSES					
Administration	15,094	-	-	15,094	18,614
National Office	70,676	-	-	70,676	37,090
Translation	14,824	-	-	14,824	12,761
National Council	33,180	-	-	33,180	60,103
Committees					
Administration	300	-	-	300	2,301
Member services	29,500	-	-	29,500	33,656
Professional development	8,159	-	-	8,159	15,817
Journal	26,782	-	-	26,782	28,410
Chapter fee share	24,254	-	-	24,254	22,718
Contribution to CESSF (note 7)	5,621	-	-	5,621	-
Awards	-	-	-	-	300
Travel expenses	-	-	22,560	22,560	21,465
	<u>228,390</u>	<u>-</u>	<u>22,560</u>	<u>250,950</u>	<u>253,235</u>
EXCESS OF REVENUE OVER EXPENSES	13,343	-	-	13,343	32,917
TRANSFER TO CESSF (note 7)	-	(74,311)	-	(74,311)	-
FUND BALANCES, beginning of year	<u>142,962</u>	<u>74,311</u>	<u>-</u>	<u>217,273</u>	<u>184,356</u>
FUND BALANCES, end of year	<u>\$ 156,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,305</u>	<u>\$ 217,273</u>

The accompanying notes are an integral part of these financial statements

1. STATUS AND NATURE OF ACTIVITIES

The Canadian Evaluation Society is incorporated as a not-for-profit organization, under part II of the *Canada Business Corporations Act* and is not subject to either federal or provincial income taxes.

Mission:

The Society will advance evaluation theory, knowledge and practice through leadership, advocacy and professional development for members and non-members.

2. SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Revenues and expenses related to the programs and administrative activities are reported in the Operating Fund.

Grants from the Social Sciences and Humanities Research Council (SSHRC) related to travel are reported in the SSHRC Fund. The Social Sciences and Humanities Research Council Fund was established to administer the grants received to reimburse travel expenses incurred by participants to attend the annual conference.

Revenue recognition

The Canadian Evaluation Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when it is earned.

Membership fees, net profit from conferences, publications and other sales are recognized as revenue of the Operating Fund when received or receivable.



2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contributed services

Contributed services are recognized when a fair value can be reasonably estimated and when the services are used in the normal course of the society's operations and would otherwise have been purchased.

The society would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, contributed volunteer hours are not recognized in the financial statements.

Equipment

Equipment is recorded as expenses in the year acquired. No equipment was expensed during the year or the prior year.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ from these estimates.

Financial instruments

The society's financial instruments consist of cash, term deposits, accounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise stated. It is management's opinion that the society is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

3. LOAN TO CES/AEA CONFERENCE 2005

The Canadian Evaluation Society (CES) and the American Evaluation Association (AEA) have agreed to co-sponsor a joint conference in October 2005. CES and AEA agreed to contribute equal amounts to the conference as seed money.

4. DEFERRED GRANTS

The deferred grants recorded in the Operating Fund constitute restricted funding from the Social Sciences and Humanities Research Council (SSHRC) to cover the production expenses related to an additional issue of the journal and to defray administrative, translation, printing, marketing and distributions expenses relating to the journal. Other deferred grants relate to the SSHRC Fund.

	<u>2004</u>	<u>2003</u>
SSHRC FUND		
Balance, beginning of year	\$ 6,400	\$ 7,430
Plus amount received during year	20,435	20,435
Less amount recognized as revenue in year	<u>(22,560)</u>	<u>(21,465)</u>
Balance, end of year	<u>\$ 4,275</u>	<u>\$ 6,400</u>

5. CONFERENCE PROFIT

	<u>2004</u>	<u>2003</u>
Revenue	\$ 133,069	\$ 201,390
Expenses	<u>80,046</u>	<u>131,729</u>
	53,023	69,661
Chapter fee share	<u>10,829</u>	<u>13,932</u>
Profit	<u>\$ 42,194</u>	<u>\$ 55,729</u>



6. CONTRIBUTED SERVICES

Contributed services of \$28,000 (2003, \$28,000) represents the estimated fair value of a contribution of website support services. The expense of \$28,000 (2003, \$28,000) is included under member services committee expenses.

7. TRANSFER TO CESSF

During the year, the society transferred all cash and term deposits held within the Scholarship Fund to Canadian Evaluation Society Scholarship Foundation (CESSF). A contribution equal to 2% of the gross Operating Fund revenues plus \$1 per member is made annually to the CESSF. The contribution of \$5,621 (2003, \$6,179) has been included under expenses in 2004 and included in Transfer to CESSF in 2003.

8. RELATED PARTY TRANSACTIONS

The society pays 20% of the regular membership fees collected to its chapters. This amount is included in expenses as chapter fee share. Accounts payable includes \$30,346 (2003, \$28,087) with respect to these transactions.

The society pays 20% of the profit from the annual conference to the hosting chapter. This amount is included in conference expenses and amounted to \$10,829 (2003, \$13,932). Accounts payable includes \$24,761 (2003, \$28,295) with respect to these transactions.

Accounts payable also includes \$9,739 (2004, \$3,319) owing to a chapter for monies collected on the chapter's behalf and \$4,500 (2004, \$0) owing to chapters for services provided by the chapters.

The chapters receive payments for society membership fees and course delivery fees and forward these fees to the society. Accounts receivable includes \$26,000 (2003, \$17,846) owing from various chapters to the society with respect to these transactions.

9. COMMITMENTS

The society has entered into a contract expiring June 30, 2006 with The Willow Group for provision of management services for the administration of the society. Future minimum contract payments will aggregate \$120,000 including the following payments over the next two years: 2005, \$60,000; 2006, \$60,000.

The society has entered into a contract jointly with the American Evaluation Association with the hotel providing accommodation, meeting rooms and services for the CES/AEA Conference 2005. The contract includes cancellation fees ranging from 25% to 100% of total anticipated revenue for cancellation up to October 2005.

10. CASH FLOW STATEMENT

A cash flow statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.