

CANADIAN FEDERATION OF EARTH SCIENCES
Financial Statements
Year Ended March 31, 2019
(Unaudited)

CANADIAN FEDERATION OF EARTH SCIENCES

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Year Ended March 31, 2019

(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Canadian Federation of Earth Sciences

We have reviewed the accompanying financial statements of Canadian Federation of Earth Sciences which comprise the statement of financial position as at March 31, 2019 and the statements of changes in net assets, revenues and expenditures and cash flow 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 for the Financial Statements

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 these financial statements do not present fairly, in all material respects, the financial position of Canadian Federation of Earth Sciences as at March 31, 2019, 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.



Waterloo, Ontario
March 31, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

CANADIAN FEDERATION OF EARTH SCIENCES

Statement of Financial Position

March 31, 2019

(Unaudited)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 240,016	\$ 229,011
Investments <i>(Note 3)</i>	84,393	81,669
Accounts receivable	2,000	45,749
Prepaid expenses	999	999
	<u>\$ 327,408</u>	<u>\$ 357,428</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,643	\$ 8,895
Deferred contributions <i>(Note 4)</i>	102,215	139,399
	<u>104,858</u>	148,294
NET ASSETS	<u>222,550</u>	209,134
	<u>\$ 327,408</u>	<u>\$ 357,428</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

The accompanying notes form an integral part of these financial statements

CANADIAN FEDERATION OF EARTH SCIENCES

Statement of Changes in Net Assets

Year Ended March 31, 2019

(Unaudited)

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 209,134	\$ 200,766
Excess of revenue over expenses	<u>13,416</u>	<u>8,368</u>
NET ASSETS - END OF YEAR	<u>\$ 222,550</u>	<u>\$ 209,134</u>

The accompanying notes form an integral part of these financial statements

CANADIAN FEDERATION OF EARTH SCIENCES

Statement of Revenues and Expenditures

Year Ended March 31, 2019

(Unaudited)

	2019	2018
REVENUE		
GeoParks grant <i>(Note 4)</i>	\$ 59,620	\$ 5,898
CanGeoRef grant	39,264	1,125
Society dues	17,500	19,500
Investment income	3,379	2,955
Geoscience Canada booklet <i>(Note 4)</i>	1,900	-
Miscellaneous revenue	1,611	-
Four Billion Years and Counting (4BY) royalty	1,227	3,394
Unrealized gain/(loss) on investment	(655)	(1,549)
	123,846	31,323
EXPENSES		
Education and outreach	59,620	5,898
CanGeoRef program	26,080	2,384
Travel	8,636	6,639
Geoscience Canada booklet	8,000	-
Professional fees	2,825	2,613
Memberships	1,891	1,532
Insurance	1,080	1,307
Grants and donations	1,000	-
Office	603	621
Internet and website	573	1,281
Awards	81	641
Bank charges	41	39
	110,430	22,955
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 13,416	\$ 8,368

The accompanying notes form an integral part of these financial statements

CANADIAN FEDERATION OF EARTH SCIENCES

Statement of Cash Flow

Year Ended March 31, 2019

(Unaudited)

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 13,416	\$ 8,368
Changes in non-cash working capital:		
Accounts receivable	43,749	(44,618)
Prepaid expenses	-	227
Accounts payable and accrued liabilities	(6,252)	1,608
Deferred contributions	(37,184)	54,472
	313	11,689
Cash flow from operating activities	13,729	20,057
INVESTING ACTIVITY		
Purchase of investments	(2,724)	(1,406)
Cash flow used by investing activity	(2,724)	(1,406)
INCREASE IN CASH FLOW	11,005	18,651
Cash - beginning of year	229,011	210,360
CASH - END OF YEAR	\$ 240,016	\$ 229,011

The accompanying notes form an integral part of these financial statements

CANADIAN FEDERATION OF EARTH SCIENCES

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

1. DESCRIPTION OF BUSINESS

Canadian Federation of Earth Sciences (the "organization") is a not-for-profit organization chartered under the provisions of Part II of the Canada Corporations Act on March 26, 2007. The organization's principal business activities include promoting scientific awareness and education, providing expert advice concerning the earth sciences, attending and participating in related international conferences, and providing liaison between various levels of government and companies involved in geological activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Canadian Federation of Earth Sciences follows the deferral method of accounting for contributions.

Accordingly, restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Society dues are recognized in the period in which the membership related. Royalty income is recognized when received.

The restricted grants including GeoParks, CanGeoRef and the Four Billion Years and Counting (4BY) are deferred and recognized as revenue when the related expenses are incurred. Unrestricted grants are recognized as revenue when received.

Investment income is recognized as revenue when earned.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. Transaction costs are expensed when incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Cash and cash equivalents

The organization considers deposits in financial institutions and short-term deposits with maturities of three months or less to be cash and cash equivalents.

Contributed services

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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CANADIAN FEDERATION OF EARTH SCIENCES

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Income taxes

The organization is exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

3. INVESTMENTS

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ 84,393	\$ 81,669

Mutual funds consist of investments primarily in emerging and United States corporate and government bonds and have a book value of \$84,582 (2018 - \$81,203). The effective rate of return is 3.31% for the year (2018 - 1.74%).

4. DEFERRED CONTRIBUTIONS

The balance of deferred contributions consists of restricted grants received for specific projects which have not been spent at March 31, 2019. The changes in deferred contributions during the year is as follows:

	<u>GeoParks</u>	<u>4BY Book</u>	<u>Geoscience Booklet</u>	<u>Total</u>
Balance, beginning of the year	\$ 83,438	\$ 54,461	\$ 1,500	\$ 139,399
Add: Restricted contributions received in the year	23,936	-	400	24,336
Less: Contributions recognized as revenue in the year	(59,620)	-	(1,900)	(61,520)
Balance, end of the year	\$ 47,754	\$ 54,461	\$ -	\$ 102,215

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2019. It is management's opinion that the organization is not exposed to significant credit, liquidity, currency or other price risk.

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CANADIAN FEDERATION OF EARTH SCIENCES

Notes to Financial Statements

Year Ended March 31, 2019

(Unaudited)

5. FINANCIAL INSTRUMENTS *(continued)*

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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to currency and interest rate risk through its mutual fund holdings described in Note 3.

Unless otherwise noted, it is management's opinion that the organization's exposure to the above risk did not change significantly during the fiscal year.