

**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.  
(FORMERLY NAMED MATERIEL MANAGEMENT INSTITUTE)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

To the members of the:

**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**

### **Opinion**

We have audited the accompanying financial statements of the Canadian Institute For Procurement And Materiel Management Inc., which comprise the Statement Of Financial Position as at December 31, 2020, and the Statements Of Changes In Net Assets, Operations, and Cash Flows for the year then ended, and Notes To The Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Canadian Institute For Procurement And Materiel Management Inc. as at December 31, 2020, 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.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Institute For Procurement And Materiel Management Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matter**

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenditures may result in a significant negative impact on excess of revenue over expenses. The ability for the organization to sustain operations will be dependent on a variety of factors. These financial statements do not include any potential adjustments or accruals for these potential effects.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Canadian Institute For Procurement And Materiel Management Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Canadian Institute For Procurement And Materiel Management Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Institute For Procurement And Materiel Management Inc.'s financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Canadian Institute For Procurement And Materiel Management Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Canadian Institute For Procurement And Materiel Management Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Canadian Institute For Procurement And Materiel Management Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation  
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario  
April 19, 2021

**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 237,618	\$ 346,280
Guaranteed Investment Certificate (note 2)	100,000	100,000
Accounts receivable (note 4)	39,033	22,604
HST receivable	8,425	4,269
Prepaid expenses	<u>71,379</u>	<u>50,356</u>
	<u>\$ 456,455</u>	<u>\$ 523,509</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (note 4)	\$ 33,829	\$ 47,142
Deferred revenue - Mentorship program	3,192	6,750
Deferred revenue - Annual national workshop	209,853	61,842
Deferred revenue - Regional workshop Vancouver	<u>16,650</u>	<u>-</u>
	<u>263,524</u>	<u>115,734</u>
<b>NET ASSETS</b>		
Restricted	60,000	60,000
Unrestricted	<u>132,931</u>	<u>347,775</u>
	<u>192,931</u>	<u>407,775</u>
	<u>\$ 456,455</u>	<u>\$ 523,509</u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<u>2020</u>	<u>2019</u>
<b>RESTRICTED NET ASSETS</b>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ 347,775	\$ 292,928
(Deficiency) excess of revenue over expenses for the year	<u>(214,844)</u>	<u>54,847</u>
Balance, end of year	<u>\$ 132,931</u>	<u>\$ 347,775</u>

**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Virtual conference	\$ 136,325	\$ -
Annual national workshop	-	816,504
Regional workshop	-	41,275
Fleet workshop	-	55,405
Mentorship program	6,750	21,392
Agile symposium	-	67,425
TBS event	-	-
Other revenue	442	1,191
	<b>143,517</b>	<b>1,003,192</b>
 <b>EXPENSES</b>		
Virtual conference	104,675	-
Annual national workshop	58,904	553,345
Regional workshop	16,943	69,215
Fleet workshop	-	65,626
Mentorship program	16,650	39,036
Agile symposium	-	56,602
Regional chapter support	595	-
Learn events	29,608	1,943
Administration	76,635	69,830
30th anniversary	-	25,590
Website	22,911	30,316
Awards	4,170	2,765
Outreach	27,270	34,077
	<b>358,361</b>	<b>948,345</b>
 <b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ (214,844)</b>	<b>\$ 54,847</b>

**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenses	\$ (214,844)	\$ 54,847
Net changes in non-cash items related to operations:		
Accounts receivable	(16,429)	32,232
HST receivable	(4,156)	2,797
Prepaid expenses	(21,023)	(3,435)
Accounts payable and accrued liabilities	(13,313)	14,322
Deferred revenue - Mentorship program	(3,558)	6,750
Deferred revenue - Annual national workshop	148,011	61,842
Deferred revenue - Regional workshop Vancouver	<u>16,650</u>	<u>-</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(108,662)</b>	<b>169,355</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>446,280</u></b>	<b><u>276,925</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 337,618</u></b>	<b><u>\$ 446,280</u></b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	\$ 237,618	\$ 346,280
Guaranteed Investment Certificate	<u>100,000</u>	<u>100,000</u>
	<b><u>\$ 337,618</u></b>	<b><u>\$ 446,280</u></b>

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**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**1. PURPOSE OF THE ORGANIZATION**

The Canadian Institute For Procurement And Materiel Management Inc. is a not-for-profit organization whose primary purpose is to develop a high professional standard of materiel management with the Public Service of Canada, and to provide a forum for information exchange and continuous improvement.

**INCORPORATION**

The organization was incorporated under the Canada Corporations Act on May 16, 1997.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

**REVENUE RECOGNITION**

Workshop and other revenues are recognized as revenue when received or receivable.

**IN-KIND SPONSORSHIPS**

In-kind sponsorships are recorded at fair market value, at the date of receipt, when fair market value can be reasonably estimated.

**BASIS OF PRESENTATION**

These financial statements have been prepared on the basis that the organization will generate an excess of revenue over expenses in the future and maintain adequate financing of operations.

**GUARANTEED INVESTMENT CERTIFICATE**

The certificate is recorded at the lower of cost and net realizable value and is held with the Bank of Montreal. The organization reinvested \$100,000 of funds in a Guaranteed Investment Certificate on March 6, 2019, expiring March 4, 2020, at a variable interest rate of prime less 2.7%. The organization reinvested \$100,000 of funds in a Guaranteed Investment Certificate on March 6, 2020, expiring March 5, 2021, at a variable interest rate of prime less 2.7%.

**3. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, Guaranteed Investment Certificate, accounts receivable, and accounts payable and accrued liabilities. The book values of the accounts receivable and payable and liabilities charges approximate fair values due to their short-term nature.



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**CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2020**

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**4. DUE TO/FROM RELATED PARTY**

The Willow Group provides management, administrative, accounting, secretarial and support services to the organization. The Willow Group also processes Visa and American Express receipts through their books. This has resulted in an amount payable to them at year end. These amounts are subsequently added to or subtracted from Willow Group invoices.

Included in accounts payable is approximately \$22,529 (2019 - \$20,915) of funds owing to the Willow Group. Included in accounts receivable is approximately \$28,914 (2019 - \$17,550) of funds owing from the Willow Group.

**5. COMMITMENTS**

The organization has entered into several contracts for the reservation of venues for future National Workshops to be held in years 2021, 2022 and 2023. The potential amount of future liability in relation to cancellation fees of these venues amounts to \$179,023.

The organization has entered into a three year contract expiring December 31, 2021, with the Willow Group for provision of management services for the administration of the organization. The estimated management services fees, Annual National Workshop management fees, Annual Fleet Workshop management fees and two Regional Workshops' management fees are \$87,360 plus HST, \$103,680 plus HST, \$19,200 plus HST and \$14,440 each plus HST respectively. Event registration fees are at a rate of \$27.50 per registrant plus HST.

**6. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified in order to conform with the current year financial statement presentation.