

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

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, 2021, 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, 2021, 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
March 14, 2022

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash	\$ 288,928	\$ 237,618
Guaranteed Investment Certificate (note 2)	100,264	100,000
Accounts receivable (note 4)	29,112	39,033
HST receivable	3,122	8,425
Prepaid expenses	<u>68,076</u>	<u>71,379</u>
	<u><u>\$ 489,502</u></u>	<u><u>\$ 456,455</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 4)	\$ 15,634	\$ 33,829
Deferred revenue - Mentorship program	9,975	3,192
Deferred revenue - Annual national workshop	-	209,853
Deferred revenue - Regional workshop Vancouver	<u>10,225</u>	<u>16,650</u>
	<u>35,834</u>	<u>263,524</u>
NET ASSETS		
Restricted	60,000	60,000
Unrestricted	<u>393,668</u>	<u>132,931</u>
	<u>453,668</u>	<u>192,931</u>
	<u><u>\$ 489,502</u></u>	<u><u>\$ 456,455</u></u>

APPROVED BY THE BOARD:

_____ Director _____ Director

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
RESTRICTED NET ASSETS	<u>\$ 60,000</u>	<u>\$ 60,000</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ 132,931	\$ 347,775
Excess (deficiency) of revenue over expenses for the year	<u>260,737</u>	<u>(214,844)</u>
Balance, end of year	<u>\$ 393,668</u>	<u>\$ 132,931</u>

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Virtual conference	\$ -	\$ 136,325
Virtual summit	184,170	-
Annual national workshop	509,297	-
Mentorship program	21,147	6,750
Other revenue	<u>265</u>	<u>442</u>
	<u>714,879</u>	<u>143,517</u>
EXPENSES		
Virtual conference	-	104,675
Virtual summit	99,524	-
Annual national workshop	206,529	58,904
Regional workshop	-	16,943
Mentorship program	15,240	16,650
Regional chapter support	120	595
Learn events	13,817	29,608
Administration	65,378	76,635
Website	19,797	22,911
Awards	7,497	4,170
Outreach	23,561	27,270
Job posting	<u>2,679</u>	<u>-</u>
	<u>454,142</u>	<u>358,361</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u><u>\$ 260,737</u></u>	<u><u>\$ (214,844)</u></u>

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 260,737	\$ (214,844)
Net changes in non-cash items related to operations:		
Accounts receivable	9,921	(16,429)
HST receivable	5,303	(4,156)
Prepaid expenses	3,303	(21,023)
Accounts payable and accrued liabilities	(18,195)	(13,313)
Deferred revenue - Mentorship program	6,783	(3,558)
Deferred revenue - Annual national workshop	(209,853)	148,011
Deferred revenue - Regional workshop Vancouver	<u>(6,425)</u>	<u>16,650</u>
INCREASE (DECREASE) IN CASH	51,574	(108,662)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>337,618</u>	<u>446,280</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 389,192</u>	<u>\$ 337,618</u>
CASH AND CASH EQUIVALENTS		
Cash	\$ 288,928	\$ 237,618
Guaranteed Investment Certificate	<u>100,264</u>	<u>100,000</u>
	<u>\$ 389,192</u>	<u>\$ 337,618</u>

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2020, expiring March 5, 2021, at a variable interest rate of prime less 2.7%. The organization reinvested \$100,264 of funds in a Guaranteed Investment Certificate on March 5, 2021, expiring March 4, 2022, at a variable interest rate of prime less 2.2%.

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.

CANADIAN INSTITUTE FOR PROCUREMENT AND MATERIEL MANAGEMENT INC.
NOTES TO THE FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2021

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 Mastercard 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 \$6,977 (2020 - \$22,529) of funds owing to the Willow Group. Included in accounts receivable is approximately \$4,358 (2020 - \$28,914) of funds owing from the Willow Group.

5. COMMITMENTS

The organization has entered into several contracts for services and the reservation of venues for future events to be held in years 2022, 2023 and 2024. The potential amount of future liability in relation to cancellation fees of these services and venues amounts to \$158,153.

The organization has entered into a three year contract expiring December 31, 2025, with the Willow Group for provision of management services for the administration of the organization. The estimated annual fees are as follows:

- Administration management services estimated to be \$93,120 plus HST;
- Annual National Workshop management services estimated to be \$90,240 plus HST;
- Annual Fleet Workshop management services estimated to be \$19,200 plus HST;
- Virtual Summit management services estimated to be \$28,800 plus HST;
- Emerging Practices Symposium management services estimated to be \$28,800 plus HST;
- Two Regional Workshops per year estimated to be \$14,440 each plus HST;
- Special Event Webinar management services estimated to be \$4,800 each plus HST;
- Community Celebration Event(s)/Special event estimated to be \$2,880 each plus HST;
- and,
- Event registration processing fee at the fixed rate of \$22.50 per registrant plus HST.

6. COMPARATIVE FIGURES

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