

**ASSOCIATION OF CANADA LANDS SURVEYORS**

**Financial Statements**

**Year Ended December 31, 2017**

*Draft for discussion purposes only*

# ASSOCIATION OF CANADA LANDS SURVEYORS

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Association of Canada Lands Surveyors

We have audited the accompanying financial statements of Association of Canada Lands Surveyors, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flows 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.

### Auditor's 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 the 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 the auditor's 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, the auditor considers 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 qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Association of Canada Lands Surveyors derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Association of Canada Lands Surveyors. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

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Independent Auditor's Report to the Members of Association of Canada Lands Surveyors *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Association of Canada Lands Surveyors as at December 31, 2017 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.

Ottawa, Ontario

Leslie & MacLeod, Chartered Accountants  
(A Professional Corporation)  
Authorized to practise public accounting by  
The Institute of Chartered Professional Accountants of  
Ontario

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# ASSOCIATION OF CANADA LANDS SURVEYORS

## Statement of Financial Position

December 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 24,966	\$ 11,358
Accounts receivable	108,957	71,915
Short term investments (Note 5)	88,622	-
Prepaid expenses	20,566	24,370
Inventory	13,822	18,352
	<b>256,933</b>	<b>125,995</b>
<b>EQUIPMENT (Note 4)</b>	<b>3,741</b>	<b>2,280</b>
<b>LONG TERM INVESTMENTS (Note 5)</b>	<b>499,138</b>	<b>513,719</b>
	<b>\$ 759,812</b>	<b>\$ 641,994</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 38,901	\$ 35,620
Harmonized sales tax payable	2,393	4,552
Provincial sales tax payable	2,473	2,201
Employee deductions payable	17,849	5,255
Deferred revenue (Note 6)	148,659	101,540
	<b>210,275</b>	<b>149,168</b>
<b>NET ASSETS</b>		
General fund	350,135	307,050
Discipline and Illegal Practice Reserve Fund	199,402	185,776
	<b>549,537</b>	<b>492,826</b>
	<b>\$ 759,812</b>	<b>\$ 641,994</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ASSOCIATION OF CANADA LANDS SURVEYORS

## Statement of Revenues and Expenditures

Year Ended December 31, 2017

	2017	2016
<b>REVENUE</b>		
Membership dues	\$ 296,378	\$ 295,918
Survey	211,397	168,437
Other	131,859	198,938
Candidate income	49,197	20,667
	<b>658,831</b>	<b>683,960</b>
<b>EXPENSES</b>		
Administration	404,370	358,531
Annual general meeting	12,961	49,579
Candidate expenses	42,126	38,368
Committees	8,033	7,928
Council meetings	11,295	14,827
Discipline	2,520	4,940
Member mailings	2,579	1,513
Online exam program	4,804	529
Outside services	20,411	11,601
Practice review	94,051	89,074
Publicity and promotion	23,572	26,352
Seminars	4,458	30,876
	<b>631,180</b>	<b>634,118</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>27,651</b>	<b>49,842</b>
<b>OTHER INCOME (EXPENSES)</b>		
Gain on disposal of investments	5,605	2,604
Investment income	21,088	2,479
Unrealized gain (loss) on investments	2,367	12,615
	<b>29,060</b>	<b>17,698</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 56,711</b>	<b>\$ 67,540</b>

# ASSOCIATION OF CANADA LANDS SURVEYORS

## Statement of Changes in Net Assets

Year Ended December 31, 2017

	General Fund	Discipline and Illegal Practice Reserve Fund	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 307,050	\$ 185,776	\$ <b>492,826</b>	\$ 425,286
Excess of revenue over expenses	43,085	13,626	<b>56,711</b>	67,540
<b>NET ASSETS - END OF YEAR</b>	\$ 350,135	\$ 199,402	\$ <b>549,537</b>	\$ 492,826

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# ASSOCIATION OF CANADA LANDS SURVEYORS

## Statement of Cash Flows Year Ended December 31, 2017

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 56,711	\$ 67,540
Item not affecting cash:		
Amortization of equipment	1,629	1,065
	<b>58,340</b>	<b>68,605</b>
Changes in non-cash working capital:		
Accounts receivable	(37,042)	(8,145)
Prepaid expenses	3,804	(3,645)
Inventory	4,530	(4,218)
Accounts payable and accrued liabilities	3,280	(50,253)
Harmonized sales taxes payable	(2,159)	8,982
Provincial sales tax payable	272	(443)
Employee deductions payable	12,594	125
Deferred revenue	47,119	(25,315)
	<b>32,398</b>	<b>(82,912)</b>
Cash flow from (used by) operating activities	<b>90,738</b>	<b>(14,307)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(3,090)	(2,376)
Net change in short term investments	(88,622)	-
Net change in long term investments	14,582	(69,197)
Cash flow used by investing activities	<b>(77,130)</b>	<b>(71,573)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>13,608</b>	<b>(85,880)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>11,358</b>	<b>97,238</b>
<b>CASH - END OF YEAR</b>	<b>\$ 24,966</b>	<b>\$ 11,358</b>



# ASSOCIATION OF CANADA LANDS SURVEYORS

## Notes to Financial Statements

Year Ended December 31, 2017

### 1. PURPOSE OF ORGANIZATION

The Association of Canada Lands Surveyors (the "Association") is a national self-regulated professional association that governs the activities of the Canada Land Surveyors, whose mission is to promote and enhance the practice of professional land surveying and the use of the Canada Lands Surveyors Commission in the surveying of Canada Lands.

The Association is incorporated under the Canada Companies Act and is registered as a non-profit organization without share capital and as such is exempt from income taxes.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association follows the standards in Part III of the CPA accounting Handbook and has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies outlined below.

#### Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

#### Inventory

Inventory consists of publications and other merchandise and is valued at the lower of cost and net realizable value with cost being determined on an average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

#### Equipment

Equipment are stated at cost less accumulated amortization. Equipment are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computer equipment	5 years	straight-line method

#### Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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# ASSOCIATION OF CANADA LANDS SURVEYORS

## Notes to Financial Statements

Year Ended December 31, 2017

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

#### Fund accounting

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted grants.

The Discipline and Illegal Practice Fund is an internally board restricted fund which will be used to cover legal fees, investigation costs and court fees for discipline cases and for cases of illegal practice by individuals whom do not hold an ACLS licence and entities that do not hold an ACLS permit. It reports resources contributed and investment income earned on those resources.

#### Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from the sale of products is recognized when the product is shipped and collection is reasonably assured.

Unrestricted and board restricted investment income is recognized as revenue when earned.

#### Contributed services

Board members and other volunteers volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

#### Financial instruments policy

##### *Measurement of financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

Financial assets measures at amortized cost on a straight-line basis include cash, and accounts receivable.

Financial liabilities measures at amortized cost on a straight-line basis include accounts payable and accrued liabilities, government remittances payable and deferred revenue.

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# ASSOCIATION OF CANADA LANDS SURVEYORS

## Notes to Financial Statements

Year Ended December 31, 2017

### 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.

### 3. CASH

	2017	2016
General fund	\$ 22,947	\$ 26,358
General fund investment account	19	(15,000)
Reserve fund investment account	2,000	-
	<b>\$ 24,966</b>	<b>\$ 11,358</b>

### 4. EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 23,424	\$ 21,743	\$ 1,681	\$ 2,280
Furniture and equipment	2,649	589	2,060	-
	<b>\$ 26,073</b>	<b>\$ 22,332</b>	<b>\$ 3,741</b>	<b>\$ 2,280</b>

### 5. INVESTMENTS

	2017	2016
Short term - General Fund	\$ 61,271	\$ -
Short term - Discipline and Illegal Practice Reserve Fund	27,351	-
Long term - General Fund	327,087	327,943
Long term - Discipline and Illegal Practice Reserve Fund	172,051	185,776
	<b>\$ 587,760</b>	<b>\$ 513,719</b>
Market value	<b>\$ 587,760</b>	<b>\$ 513,719</b>

# ASSOCIATION OF CANADA LANDS SURVEYORS

## Notes to Financial Statements

Year Ended December 31, 2017

### 6. DEFERRED REVENUE

Deferred revenue consists of 2018 members fees, licences, and permits paid in advance as well as funding received for Pathways to Credential Recognition of FTLS project.

### 7. FINANCIAL INSTRUMENTS

#### Fair Value

The Association's carrying value of cash, accounts receivable, investments and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments.

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association's credit and collection policies and its significant number of customers help minimize the concentration of credit risk.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk on its investments. Since the investments have relatively low interest rates, management believes fluctuations in interest rates would not have a material impact on the Association's results.

### 8. COMPARATIVE FIGURES

Some of the comparative figures may have been reclassified to conform to the current year's presentation.

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