

**CIO ASSOCIATION OF CANADA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**CIO ASSOCIATION OF CANADA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of the  
**CIO Association of Canada**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of CIO Association of Canada, which comprise the statement of financial position as at June 30, 2022, and the statements of operations and changes in net assets 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 CIO Association of Canada as at June 30, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CIO Association of Canada 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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### *Auditor's 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 auditor's 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.

### INDEPENDENT AUDITORS' REPORT (Continued)

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- 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Association 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.

KRIENS~LAROSE, LLP



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
September 30, 2022

CIO ASSOCIATION OF CANADA  
**STATEMENT OF FINANCIAL POSITION**  
AS AT JUNE 30, 2022

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	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 2)	490,203	320,971
Investments (Note 3)	110,075	109,648
Accounts receivable	3,150	9,323
Prepaid expenses	3,461	7,460
	606,889	447,402
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	102,104	19,341
HST/GST payable	12,946	3,700
Deferred revenue (Note 4)	196,780	137,292
	311,830	160,333
<b>NET ASSETS</b>		
Unrestricted Net Assets	295,059	287,069
	606,889	447,402

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	\$	\$
<b>REVENUES</b>		
Sponsorship	334,751	229,400
Membership fees	313,109	264,784
Other revenue	11,978	11,985
Registration	800	4,425
Interest	638	1,242
	<b>661,276</b>	<b>511,836</b>
<b>EXPENSES</b>		
Events	209,500	100,787
General and administrative	184,547	166,924
Payroll	113,860	-
Management consulting	32,653	65,306
Professional fees	32,427	14,493
Technology	23,428	24,891
Governance	20,498	6,525
Interest and bank charges	16,181	14,083
Grants, scholarships and other support	6,000	8,500
Travel, meetings and entertainment	5,723	2,333
Insurance	2,731	2,356
License and dues	1,909	421
Advertising and promotion	1,525	3,452
Donations	1,450	1,018
Telephone	810	355
Postage and delivery	44	195
Special projects	-	36,643
	<b>653,286</b>	<b>448,282</b>
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>7,990</b>	<b>63,554</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>287,069</b>	<b>223,515</b>
<b>NET ASSETS, END OF YEAR</b>	<b>295,059</b>	<b>287,069</b>

See accompanying notes to the financial statements

	2022	2021
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from membership fees	319,798	286,764
Cash receipts from registration fees	800	4,425
Cash receipts from sponsorship	393,724	198,327
Cash receipts from other income	11,978	11,985
Cash receipts from interest income	638	1,242
Cash paid to suppliers	(557,279)	(442,409)
	169,659	60,334
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of guaranteed investment certificates	(427)	(1,058)
Change in cash	169,232	59,276
Cash, beginning of year	320,971	261,695
Cash, end of year	490,203	320,971



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## **PURPOSE OF THE ORGANIZATION**

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The CIO Association of Canada ("the Association") is a not-for-profit community of CIO's and IT leaders whose mission is to facilitate networking, sharing of best practices and executive development, and to collaborate on issues facing CIO's and IT Executives.

The Association provides members with an exchange forum for best IT leadership strategies and practices to enhance business results and ensures CIO's are represented at key industry and government decision tables.

The Association is a not-for-profit entity under the Income Tax Act (Canada) and as such, is exempt from the payment of income taxes under section 149(1)(l) of the Income Tax Act (Canada).

### **1. SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

#### **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. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

#### **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Prepaid Expenses**

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

**Revenue Recognition**

The Association uses the deferral method of accounting for contributions. Restricted contributions are 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.

Membership fees are recognized as revenue when invoiced. Membership fees received in advance of the year of membership are deferred to the year of membership.

All other revenues, with the exception of interest, are recognized as revenue when the service or event takes place. Interest is recognized as revenue when received.

**Donated Property and Services**

During the year, voluntary services were provided. Because these services are not normally purchased by the Association and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

**2. CASH**

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Cash is summarized as follows:

	2022	2021
	\$	\$
Canadian \$ bank account	490,185	320,959
US \$ bank account	14	10
Exchange on US \$ bank account	4	2
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	490,203	320,971

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**3. INVESTMENTS**

Investments are summarized as follows:

	2022	2021
	\$	\$
Flexible GIC, 0.40%, maturing November 14, 2022	54,037	-
Flexible GIC, 1.40%, maturing June 16, 2023	56,038	-
Flexible GIC, 0.25%, maturing November 30, 2021	-	53,854
Flexible GIC, 0.40%, maturing July 4, 2022	-	55,794
	<hr/> 110,075	<hr/> 109,648

**4. DEFERRED REVENUE**

Deferred revenue consists of the following:

	2022	2021
	\$	\$
Membership fees	141,292	134,854
Sponsorship	54,300	1,500
IDC Program 2019 - 2020	(62)	938
IDC Program 2021 - 2022	500	-
IDC Program 2022 - 2023	750	-
	<hr/> 196,780	<hr/> 137,292

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**4. DEFERRED REVENUE (Continued)**

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The changes in deferred membership fees balances are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	134,854	113,889
Amounts received during the year	319,547	329,505
Amounts recognized as revenue during the year	(313,109)	(308,540)
	<hr/>	<hr/>
	141,292	134,854

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The changes in deferred sponsorship balances are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	1,500	23,250
Amounts received during the year	451,737	166,000
Amounts recognized as revenue during the year	(398,937)	(187,750)
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	54,300	1,500

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**5. COMMITMENTS**

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The Association is committed to a management services agreement for the period July 1, 2022 to June 30, 2023.

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## 6. FINANCIAL INSTRUMENTS

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The Association is exposed to various risks through its financial instruments. The following presents the Association's risk exposure and concentration as at June 30, 2022.

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Association's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2021: \$nil).

### **Liquidity Risk**

Liquidity risk is the risk the Association will encounter difficulties in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable. The Association expects to meet these obligations as they come due by generating sufficient cash flow from operations, and from unrestricted net assets.

### **Market Risk**

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 risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association does not have a significant foreign currency risk.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association has a low interest rate risk.

### **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk.

**7. THE NOVEL CORONAVIRUS ("COVID-19")**

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In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus ("COVID-19"). The situation is continuously developing and the economic impact has been substantial to both Canada and the globe.

The Association is aware of the changes in its operations as a result of the pandemic, including the transition of events to a online/virtual platform. Management is actively monitoring and mitigating the financial and operational impact and, because the Association operated in a geographically distributed model prior to the pandemic does not foresee any future significant financial impact on operations.