

CIO ASSOCIATION OF CANADA

FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of the
CIO Association of Canada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CIO Association of Canada, which comprise the statement of financial position as at June 30, 2023, 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, 2023, 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)

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)

- 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

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Canada
October 5, 2023

CIO ASSOCIATION OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash (Note 2)	242,504	490,203
Investments (Note 3)	242,084	110,075
Accounts receivable	-	3,150
Prepaid expenses	2,615	3,461
	487,203	606,889
CAPITAL ASSETS (Note 4)	1,842	-
	489,045	606,889
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	64,928	102,104
HST/GST payable	10,480	12,946
Deferred revenue (Note 5)	175,688	196,780
	251,096	311,830
NET ASSETS		
Unrestricted net assets	237,949	295,059
	489,045	606,889

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____, Director

_____, Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	\$	\$
REVENUES		
Sponsorship	364,657	334,751
Membership fees	318,232	313,109
Registration	48,170	800
Other revenue	20,477	11,978
Interest	6,415	638
	757,951	661,276
EXPENSES		
Events	286,156	209,500
Payroll	285,797	113,860
General and administrative	108,876	184,547
Professional fees	63,830	32,427
Interest and bank charges	18,093	16,181
Technology	17,849	23,428
Grants, scholarships and other support	11,000	6,000
Governance	6,700	20,498
Travel, meetings and entertainment	3,968	5,723
Telephone	2,939	810
Insurance	2,633	2,731
Advertising and promotion	2,345	1,525
Special projects	2,247	-
License and dues	840	1,909
Donations	650	1,450
Postage and delivery	496	44
Amortization	368	0
Office supplies	274	-
Management consulting	-	32,653
	815,061	653,286
(DEFICIENCY) / EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	(57,110)	7,990
NET ASSETS, BEGINNING OF YEAR	295,059	287,069
NET ASSETS, END OF YEAR	237,949	295,059

See accompanying notes to the financial statements

	2023	2022
	\$	\$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from membership fees	314,120	319,798
Cash receipts from registration fees	48,170	800
Cash receipts from sponsorship	350,827	393,724
Cash receipts from other income	20,477	11,978
Cash receipts from interest income	6,415	638
Cash paid to suppliers	(853,489)	(557,279)
	(113,480)	169,659
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of investments	(132,009)	(427)
Purchase of capital assets	(2,210)	-
	(134,219)	(427)
Change in cash	(247,699)	169,232
Cash, beginning of year	490,203	320,971
Cash, end of year	242,504	490,203

PURPOSE OF THE ORGANIZATION

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

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 amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at 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)**

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.

Capital Assets and Amortization

Purchased capital assets are recorded at cost less accumulated amortization. Amortization is provided annually on a basis designed to amortize the assets over their estimated useful lives, as follows:

Computer equipment	5 year straight line
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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

Cash is summarized as follows:

	2023	2022
	\$	\$
Canadian \$ bank account	242,504	490,185
US \$ bank account	-	14
Exchange on US \$ bank account	-	4
	242,504	490,203

3. INVESTMENTS

Investments are summarized as follows:

	2023	2022
	\$	\$
Flexible GIC, 3.45%, maturing October 25, 2023	204,688	-
Flexible GIC, 3.75%, maturing April 1, 2024	27,258	-
Flexible GIC, 4.50%, maturing March 11, 2024	10,138	-
Flexible GIC, 1.40%, maturing June 16, 2023	-	56,038
Flexible GIC, 0.40%, maturing November 14, 2022	-	54,037
	242,084	110,075

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4. CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer equipment	2,210	(368)	-	-
Net book value	1,842		-	

5. DEFERRED REVENUE

Deferred revenue consists of the following:

	2023 \$	2022 \$
Membership fees	138,368	141,293
Sponsorship	37,320	54,300
IDC Programs 2019 - 2020	-	(63)
IDC Program 2021 - 2022	-	500
IDC Program 2022 - 2023	-	750
	175,688	196,780

6. COMMITMENTS

The Association is committed to a management services agreement for the period July 1, 2023 to December 31, 2023. The total commitment is \$16,200.

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7. FINANCIAL INSTRUMENTS

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, 2023.

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 (2022: \$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 and accrued liabilities. 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.