

**INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA**

Financial Statements  
(Unaudited)

May 31, 2019

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To The Members of  
Institute of Professional Bookkeepers of Canada

We have reviewed the accompanying financial statements of Institute of Professional Bookkeepers of Canada that comprise the statement of financial position as at May 31, 2019 and the statements of changes in net assets, operations 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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Institute of Professional Bookkeepers of Canada as at May 31, 2019, and the results of its operations and its cashflows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



**CHARTERED PROFESSIONAL ACCOUNTANTS**

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August 19, 2019

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**INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA**

STATEMENT 1

**STATEMENT OF OPERATIONS**

Year Ended May 31, 2019

(Unaudited)

	2019	2018
<b>Revenue</b>		
Services, programs, other	\$ 40,491	\$ 95,299
Membership fees	521,497	456,064
Conferences - note 3	369,589	322,333
	931,577	873,696
<b>Direct costs</b>		
Advertising and promotion	24,695	31,011
Conference costs - note 3	298,446	254,440
Printing and reproduction	4,047	2,412
Professional advancement	18,200	37,102
Services, programs and other costs	13,204	60,816
Wages and subcontract fees	273,384	220,617
Website, platforms and networks	13,009	17,203
	644,985	623,601
<b>Gross profit</b>	286,592	250,095
<b>General and administrative expenses</b>		
Amortization	2,299	1,442
Merchant fees, bank charges and interest	21,629	27,372
Insurance	7,334	8,337
Office and general	19,866	19,388
Professional fees - note 4	32,475	54,002
Senior and executive wages and fees	99,060	129,266
Travel	11,737	11,967
	194,400	251,774
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 92,192</b>	<b>\$ (1,679)</b>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA**

STATEMENT 2

**STATEMENT OF CHANGES IN NET ASSETS**

Year Ended May 31, 2019

(Unaudited)

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	<b>2019</b>	<b>2018</b>
<b>Net assets, beginning of year</b>	\$ 304,292	\$ 305,971
Excess (deficiency) of revenue over expenses for the year	92,192	(1,679)
<b>Net assets, end of year</b>	<b>\$ 396,484</b>	<b>\$ 304,292</b>

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The accompanying notes are an integral part of these financial statements.

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**INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA**

STATEMENT 3

**STATEMENT OF CASH FLOWS**

Year Ended May 31, 2019

(Unaudited)

	2019	2018
<b>Cash flows from (for) operating activities:</b>		
Excess of revenue over expenses (expenses over revenue) for the year	\$ 92,192	\$ (1,679)
Items not requiring an outlay of funds		
Amortization	2,299	1,442
	94,491	(237)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	85,028	(44,865)
Decrease in prepaid expenses	25,628	27,029
Increase (decrease) in accounts payable and accrued liabilities	22,926	(30,789)
Increase in wages payable	7,996	14,939
Increase in government agencies recoverable	(24,562)	(15,024)
Increase (decrease) in deferred revenue	(230,379)	57,062
	(18,872)	8,115
<b>Cash flows from (for) investing activities:</b>		
Purchase of capital assets	-	(5,584)
<b>Increase (decrease) in cash</b>	<b>(18,872)</b>	<b>2,531</b>
<b>Cash, beginning of year</b>	<b>413,274</b>	<b>410,743</b>
<b>Cash, end of year</b>	<b>\$ 394,642</b>	<b>\$ 413,274</b>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA**

**STATEMENT 4**

**STATEMENT OF FINANCIAL POSITION**

May 31, 2019

(Unaudited)

	2019	2018
<b>ASSETS</b>		
Cash	\$ 394,642	\$ 413,274
Accounts receivable	17,895	102,923
Government agencies recoverable	4,450	-
Prepaid expenses	31,019	56,648
	<b>448,006</b>	<b>572,845</b>
Capital assets - note 2	2,771	5,310
Trademarks, at cost	27,599	27,599
	<b>\$ 478,376</b>	<b>\$ 605,754</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 36,799	\$ 13,874
Deferred revenue - note 5	14,946	245,325
Government agencies payable	-	20,111
Wages payable	30,147	22,152
	<b>81,892</b>	<b>301,462</b>
Net assets	396,484	304,292
	<b>\$ 478,376</b>	<b>\$ 605,754</b>

On behalf of the Board

Connie Sparks Director

2019-08-19 Date

[Signature] Director

2019-08-19 Date

# INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2019

(Unaudited)

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### STATUTE OF INCORPORATION AND NATURE OF BUSINESS

The Institute of Professional Bookkeepers of Canada (the "Institute") is a national not-for-profit organization, incorporated under the Society Act on January 31, 2007 and continued under the Canada Not-for-profit Corporations Act on August 14, 2014. The organization is exempt from income taxes under section 149 (1) (l) of the Income Tax Act.

The objectives of the Institute are to:

- maintain and improve the qualifications and standards of the bookkeeping profession through the development and implementation of bookkeeping certification and continuing education programs;
- promote and protect the interests and conserve the rights of those engaged in the bookkeeping profession;
- promote uniformity in bookkeeping standards and practices;
- undertake technical and statistical research relating to the bookkeeping profession;
- provide business information and statistics of interest to members of the organization;
- organize and hold conferences, educational events and round-table discussion groups and to provide trade related resources and opportunities for the benefit of members of the organization.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

#### Capital Assets and Amortization

Capital assets are recorded at cost. Amortization is provided on the declining balance basis using the following annual rate.

Computer equipment	55%
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#### Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment when events and circumstances indicate that cost may not be recoverable. Impairment exists when the carrying value of an asset is greater than the undiscounted future cash flows expected to be provided by the asset. The amount of an impairment loss, if any, is the excess of the carrying value over its fair value.

#### Trademarks

Trademarks are recorded at cost and relate to two trademark phrases. Amortization has not been recorded as trademarks are determined to have an indefinite useful life. Trademarks are tested on an annual basis for impairment when the events or changes in the circumstances indicate the carrying values will not be recoverable.

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# INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2019

(Unaudited)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

#### **Revenue Recognition**

Membership fees are recognized as revenue when received.

Conference revenues are recognized when the conference takes place. Any conference revenues received in advance of the conference are recorded as deferred revenue.

Services, programs and other revenue are recognized at the time the product is shipped or the services rendered.

#### **Financial Instruments**

##### *Measurement of financial instruments*

The Institute initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, which are measured in accordance with CPA Handbook Part II section 3840 - Related Party Transactions.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and wages payable.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

##### *Transaction costs*

The Institute recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### **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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates are used for, but are not limited to, the accounting for doubtful accounts, accrued liabilities, useful lives of equipment, impairments and contingencies. Actual results may differ from those estimates.

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# INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2019

(Unaudited)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

#### Risk Management

##### *Liquidity Risk*

Liquidity risk is the risk that the Institute will encounter difficulty in raising funds to meet its short term commitments. The Institute manages liquidity by appropriately taking into account expected cash flow from operations and holdings of cash and cash equivalents to meet its short-term operating requirements.

### 2. CAPITAL ASSETS

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 6,898	\$ 4,127	\$ 2,771	\$ 5,310

### 3. CONFERENCES

	2019	2018
<b>Revenue</b>		
Sponsorship	\$ 222,250	\$ 196,345
Ticket sales	147,339	125,988
	<u>369,589</u>	<u>322,333</u>
<b>Costs</b>		
Hotel, travel and meals	163,966	126,771
Printing, marketing and advertisement	25,578	11,381
Presentations and general	35,838	41,343
Staff wages and casual labour	73,065	74,945
	<u>298,447</u>	<u>254,440</u>
<b>Net excess of conference revenue over direct costs</b>	<u>\$ 71,142</u>	<u>\$ 67,893</u>

# INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2019

(Unaudited)

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### 4. PROFESSIONAL FEES

During the fiscal year, the Institute incurred various professional fees as follows:

	2019	2018
Accounting fees	\$ 16,250	\$ 8,750
Bookkeeping fees	10,143	9,469
Bylaw and legal fees	5,685	7,483
Consulting fees	-	17,984
Recruitment costs	397	10,316
	\$ 32,475	\$ 54,002

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### 5. DEFERRED REVENUE

The above amounts represent sponsorship fees and ticket sales received for a conference to be held after the year end.

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