
THE CANADIAN GEOTECHNICAL SOCIETY
Financial Statements
Year Ended December 31, 2014

THE CANADIAN GEOTECHNICAL SOCIETY
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Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Geotechnical Society

We have audited the accompanying financial statements of The Canadian Geotechnical Society, which comprise the statement of financial position as at December 31, 2014 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 audit opinion.

Independent Auditor's Report to the Members of The Canadian Geotechnical Society *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Canadian Geotechnical Society as at December 31, 2014 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.

Johnsen Archer LLP

Surrey, B.C.
September 1, 2015

THE CANADIAN GEOTECHNICAL SOCIETY
Statement of Financial Position
December 31, 2014

	2014	2013
ASSETS		
Current assets		
Cash	\$ 375,858	\$ 307,008
Restricted cash - Cold Regions Division (Note 3)	13,776	13,776
Restricted cash - Engineering Geology Division (Note 3)	8,836	8,836
Restricted cash - Education Committee (Note 3)	18,622	13,536
Short-term investments (Note 4)	113,669	159,687
Accounts receivable	38,649	39,101
Advances receivable (Note 5)	20,000	36,000
	589,410	577,944
Long-term investments (Note 4)	108,019	53,848
Loans to Canadian Foundation for Geotechnique (Note 6)	225,000	225,000
	\$ 922,429	\$ 856,792
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 47,429	\$ 35,455
Deferred revenue (Note 8)	85,007	60,644
	132,436	96,099
NET ASSETS		
Unrestricted net assets	748,759	724,545
Internally restricted net assets - Cold Regions Division	13,776	13,776
Internally restricted net assets - Engineering Geology Division	8,836	8,836
Internally restricted net assets - Education Committee	18,622	13,536
	789,993	760,693
	\$ 922,429	\$ 856,792

ON BEHALF OF THE BOARD

Director

Director



THE CANADIAN GEOTECHNICAL SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2014

	2014	2013
Revenue		
Conferences (<i>Schedule 1</i>)	\$ 45,975	\$ 27,199
Interest and miscellaneous income	4,813	6,264
Membership fees (<i>Schedule 2</i>)	265,661	263,874
Publications	59,700	70,448
Sponsorships	9,000	8,500
	385,149	376,285
Expenditures		
Conferences (<i>Schedule 3</i>)	2,304	8,367
Membership (<i>Schedule 4</i>)	139,973	125,406
Publications-CFEM	18,155	41,703
Society operations (<i>Schedule 5</i>)	195,417	189,171
	355,849	364,647
Excess of revenue over expenditures for the year	\$ 29,300	\$ 11,638

THE CANADIAN GEOTECHNICAL SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2014

	Unrestricted	Internally restricted	2014	2013
Net assets - beginning of year	\$ 724,545	\$ 36,148	\$ 760,693	\$ 749,055
Excess of revenue over expenditures	24,214	5,086	29,300	11,638
Net assets - end of year	\$ 748,759	\$ 41,234	\$ 789,993	\$ 760,693

THE CANADIAN GEOTECHNICAL SOCIETY
Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
Operating activities		
Excess of revenue over expenditures for the year	\$ 29,300	\$ 11,638
Changes in non-cash working capital:		
Accounts receivable	452	57,880
Advances receivable	16,000	(20,000)
Prepaid expenses	-	27,500
Accounts payable and accrued liabilities	11,974	20,407
Deferred revenue	24,363	(1,452)
	52,789	84,335
Cash flow from operating activities	82,089	95,973
Investing activities		
Short-term investments	46,018	(107,149)
Long-term investments	(54,171)	105,325
Cash flow used by investing activities	(8,153)	(1,824)
Increase in cash	73,936	94,149
Cash - beginning of year	343,156	249,007
Cash - end of year	\$ 417,092	\$ 343,156
Cash consists of:		
Cash	\$ 375,858	\$ 307,008
Restricted cash - Cold Regions Division	13,776	13,776
Restricted cash - Engineering Geology Division	8,836	8,836
Restricted cash - Education Committee	18,622	13,536
	\$ 417,092	\$ 343,156

THE CANADIAN GEOTECHNICAL SOCIETY
Notes to Financial Statements
Year Ended December 31, 2014

1. NATURE OF OPERATIONS

The Canadian Geotechnical Society (the "Society" or "CGS") is incorporated under the Canada Not-for-Profit Corporation Act without share capital. The Society is not subject to income taxation pursuant to paragraph 147(1)(f) of the Income Tax Act (Canada), subject to compliance with the rules contained therein. The Society is engaged in providing continuing education for geotechnical engineers and related geosciences.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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. These estimates include valuation of short-term investments, accounts receivable, advances receivable, long-term investments and loans to Canadian Foundation for Geotechnique, and completeness of accounts payable and accrued liabilities. These 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.

Contributed services

The Society and its members benefit greatly from donated services in the form of volunteer time for various divisions. The value of donated services that cannot be reliably measured is not recognized in these financial statements.

Revenue recognition

The Society follows the deferral method of accounting. Unrestricted revenues are recognized as revenue when received or receivable.

Externally restricted revenues are deferred and recognized as revenue when the related expenditures have been incurred.

Membership revenue, conference revenue, publication revenue, and sponsorship revenue are taken into income in the period in which they are earned.

Allocation of expenditures

Management allocates human resource expenditures based on the respective time committed to the specific areas of operations.

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THE CANADIAN GEOTECHNICAL SOCIETY
Notes to Financial Statements
Year Ended December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, derivatives and investments in equity instruments quoted in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments carried at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments carried at amortized cost are deferred and amortized over the life of the related instrument.

3. RESTRICTED CASH

Restricted cash consists of funds that are internally restricted by the Board of Directors of the Society for future use by the specific Division or Committee to undertake various tasks, workshops, or conferences on behalf of the Society in order to support future education initiatives in the geosciences field.

4. INVESTMENTS

	2014	2013
RBC redeemable mutual funds	\$ 113,669	\$ -
Tangerine GIC maturing on May 4, 2016, bearing interest at 1.65% per annum	54,739	53,848
Tangerine GIC maturing on May 4, 2016, bearing interest at 1.45% per annum	53,280	-
Tangerine GIC maturing on May 4, 2014, bearing interest at 1.45% per annum	-	52,520
Ontario savings bond, maturing on June 21, 2014, bearing interest at 1.25% per annum	-	107,167
	221,688	213,535
Short-term investments	(113,669)	(159,687)
Long-term investments	\$ 108,019	\$ 53,848

5. ADVANCES RECEIVABLE

Avances receivable consist of seed monies provided to conference organizers. These amounts are unsecured and non-interest bearing, and are due upon completion of the conferences.

THE CANADIAN GEOTECHNICAL SOCIETY
Notes to Financial Statements
Year Ended December 31, 2014

6. LOANS TO CANADIAN FOUNDATION FOR GEOTECHNIQUE

	2014	2013
Due dates:		
December 31, 2015	\$ 100,000	\$ 100,000
February 18, 2016	100,000	100,000
February 28, 2018	25,000	25,000
	\$ 225,000	\$ 225,000

The loans to Canadian Foundation for Geotechnique are non-interest bearing and unsecured, with no principal repayments required until maturity.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances for Goods and Services Tax of \$2,925 (2013: \$1,838).

8. DEFERRED REVENUE

Deferred revenue represents 2015 membership fees received during the year.

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, restricted cash, short-term investments, accounts receivable, advances receivable, long-term investments, loans to Canadian Foundation for Geotechnique, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant commodity, interest or currency risks arising from these financial instruments.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from members. In order to reduce its credit risk, the Society reviews a new member's credit history before extending credit and conducts regular reviews of its existing members' credit performance. An allowance for doubtful accounts of \$nil (2013 - \$nil) is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of members which minimizes concentration of credit risk.

Fair Values

The Society's carrying values of cash, restricted cash, accounts receivable, advances receivable, and accounts payable and accrued liabilities approximate their fair values due to the immediate or short term maturity of these instruments.

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THE CANADIAN GEOTECHNICAL SOCIETY
Notes to Financial Statements
Year Ended December 31, 2014

9. FINANCIAL INSTRUMENTS *(continued)*

The fair values of short-term and long-term investments approximates their carrying values as these investments bear interest at market rates.

The fair values of the loans to Canadian Foundation for Geotechnique are practicable to determine as repayment date are known, therefore loans recorded at their face values.

THE CANADIAN GEOTECHNICAL SOCIETY
Schedule of Conference Revenues
Year Ended December 31, 2014

(Schedule 1)

	2014	2013
CGS annual conference	\$ 33,534	\$ 20,000
Other conferences	12,441	7,199
	\$ 45,975	\$ 27,199

Schedule of Membership Fees
Year Ended December 31, 2014

(Schedule 2)

	2014	2013
Membership fees collected directly		
Membership fees	\$ 259,234	\$ 254,439
Membership fees collected through other societies		
Canadian Society for Civil Engineers	4,580	7,815
Engineering Institute of Canada	270	675
International Association of Hydrogeologists	1,577	945
	6,427	9,435
	\$ 265,661	\$ 263,874

THE CANADIAN GEOTECHNICAL SOCIETY

Schedule of Conference Expenditures

(Schedule 3)

Year Ended December 31, 2014

	2014	2013
CGS student assistance	\$ 2,578	\$ 5,969
Net Legget dinner costs (recovery)	(274)	2,398
	\$ 2,304	\$ 8,367

Schedule of Membership Expenditures

(Schedule 4)

Year Ended December 31, 2014

	2014	2013
Membership fees submitted to other societies		
Canadian Federation of Earth Sciences	\$ 3,177	\$ 3,009
Canadian Society for Civil Engineering	9,384	9,108
Engineering Institute of Canada	2,793	2,638
International Association of Engineering Geology	7,046	5,605
International Association of Hydrogeologists	3,730	3,665
International/North American Geosynthetics Society	4,060	4,011
International Society for Rock Mechanics	3,510	2,850
	33,700	30,886
Publications		
BiTech - Geotechnical News	55,000	43,995
Canadian Journal of Earth Sciences	450	545
Canadian Geotechnical Journal	50,823	49,980
	106,273	94,520
	\$ 139,973	\$ 125,406



TAXATION • ACCOUNTING • ASSURANCE

THE CANADIAN GEOTECHNICAL SOCIETY
Schedule of Society Operations Expenditures
Year Ended December 31, 2014

(Schedule 5)

	2014	2013
Administration - GGMI	\$ 79,585	\$ 75,674
Audit fees	8,747	8,752
Bank and credit card charges	274	56
Certificates and awards	1,826	1,878
Cross Canada Lecture Tour	5,065	3,725
Insurance	269	353
Meetings	3,555	2,411
Merchant fees	6,547	8,467
Office supplies	141	255
Postage and courier	626	348
Printing and graphics	98	113
Promotions	1,878	4,478
Secretary general fees	69,270	71,151
Telephone & internet	910	721
Translation	4,165	2,874
Travel	1,021	536
Website	11,440	7,379
	\$ 195,417	\$ 189,171