

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

Financial Statements
(Unaudited)

May 31, 2017

REVIEW ENGAGEMENT REPORT	
STATEMENT OF OPERATIONS	STATEMENT 1
STATEMENT OF CHANGES IN NET ASSETS	STATEMENT 2
STATEMENT OF CASH FLOWS	STATEMENT 3
STATEMENT OF FINANCIAL POSITION	STATEMENT 4
NOTES TO THE FINANCIAL STATEMENTS	

REVIEW ENGAGEMENT REPORT

To The Members of
Institute of Professional Bookkeepers of Canada

We have reviewed the statement of financial position of Institute of Professional Bookkeepers of Canada as at May 31, 2017 and the statements of changes in net assets , operations and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussions related to information supplied to us by management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.



CHARTERED PROFESSIONAL ACCOUNTANTS

Coquitlam, B.C.
August 30, 2017

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

STATEMENT 1

STATEMENT OF OPERATIONS

Year Ended May 31, 2017

(Unaudited)

	2017	2016
Revenue		
Membership fees	\$ 469,355	\$ 423,474
Services, programs and other	89,301	56,091
Conferences - note 2	282,796	249,573
	841,452	729,138
Direct costs		
Advertising and promotion	21,203	11,889
Printing and reproduction	3,885	2,944
Services, programs and other costs	59,832	42,630
Wages and subcontract fees	195,338	172,222
Website, platforms and networks	17,357	16,635
Conference costs - note 2	249,024	219,659
	546,639	465,979
Gross margin	294,813	263,159
General and administrative expenses		
Amortization	146	-
Merchant fees, bank charges and interest	24,036	22,170
Insurance	6,874	5,073
Office and general	16,887	17,353
Professional development	19,504	7,823
Professional fees - note 3	50,080	23,921
Senior and executive wages and fees	89,927	87,144
Telephone	881	1,947
Travel	57	4,953
	208,392	170,384
Excess of revenue over expenses for the year	\$ 86,421	\$ 92,775

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, 2017

(Unaudited)

	2017	2016
Net assets, beginning of year	\$ 219,550	\$ 126,775
Excess of revenue over expenses for the year	86,421	92,775
Net assets, end of year	\$ 305,971	\$ 219,550

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

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA
STATEMENT OF CASH FLOWS
Year Ended May 31, 2017
(Unaudited)

STATEMENT 3

	2017	2016
Cash flows from (for) operating activities:		
Excess of revenue over expenses for the year	\$ 86,421	\$ 92,775
Item not involving cash		
Amortization	146	-
	86,567	92,775
Changes in non-cash working capital		
Increase in accounts receivable	(46,433)	(9,625)
Decrease (increase) in prepaid expenses	(45,394)	36,522
Increase in accounts payable and accrued liabilities	14,492	3,617
Increase (decrease) in government agencies payable	20,885	(14,256)
Increase (decrease) in deferred revenue	(11,253)	57,470
Cash flows from (for) investing activities:		
Purchase of equipment	(1,314)	-
Increase in cash	17,550	166,503
Cash, beginning of year	393,193	226,690
Cash, end of year	\$ 410,743	\$ 393,193

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, 2017

(Unaudited)

	2017	2016
ASSETS		
Current:		
Cash	\$ 410,743	\$ 393,193
Accounts receivable	58,058	11,625
Prepaid expenses - note 4	83,677	38,283
	552,478	443,101
Capital assets	1,168	-
Trademarks, at cost	27,599	27,599
	\$ 581,245	\$ 470,700
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 51,876	\$ 37,384
Deferred revenue - note 5	188,263	199,516
Government agencies payable	35,135	14,250
	275,274	251,150
Net assets	305,971	219,550
	305,971	219,550
	\$ 581,245	\$ 470,700

Related party transactions - note 6

Comparative figures - note 7

On behalf of the Board

A. Maxwell Director

August 31, 2017 Date

Connie Spinks Director

Aug 31, 2017 Date

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



INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2017

(Unaudited)

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 Canada Corporation 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 proceeding year. Outlined below are those policies considered particularly significant.

Capital Assets and Amortization

Capital assets are recorded at cost. Amortization is provided on the straight-line basis over the assets' estimated useful life as follows:

Computer equipment	3 years
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Trademarks

Trademarks are recorded at cost. Amortization has not been provided for. Trademarks are tested for impairment when the events or changes in the circumstances indicate the carrying values will not be recoverable. No impairment test has been performed for the current year.

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2017

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Revenue Recognition

Membership fees are recognized as revenue when received.

Revenue from conference is recognized when conference takes place.

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 and subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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, amortization, impairments and contingencies. Actual results may differ from those estimates.

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2017

(Unaudited)

2. CONFERENCES

	2017	2016
Revenue		
Sponsorship	\$ 163,500	\$ 138,128
Ticket sales	119,296	111,445
	282,796	249,573
Costs		
Hotel, travel and meals	112,995	120,964
Printing, marketing and advertisement	17,958	11,843
Presentations and general	54,601	28,027
Staff wages and casual labour	63,470	58,825
	249,024	219,659
Net earnings	\$ 33,772	\$ 29,914

3. PROFESSIONAL FEES

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

	2017	2016
Accounting fees	\$ 8,000	\$ 7,500
Bookkeeping fees	9,000	9,000
Bylaw and legal fees	13,094	7,421
Consulting fees	2,700	-
Recruitment costs	17,286	-
	\$ 50,080	\$ 23,921

4. PREPAID EXPENSES

The amount includes \$69,430 (2016 - \$28,296) expenses and deposits paid for a conference to be held after the year end.

5. DEFERRED REVENUE

The amount represents fees received for a conference to be held after the year end.

INSTITUTE OF PROFESSIONAL BOOKKEEPERS OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended May 31, 2017

(Unaudited)

6. RELATED PARTY TRANSACTIONS

During the year, the institute paid a company controlled by the chair of the board \$12,500 for serving as interim executive director and \$24,793 for service provided with respect to Sage 50 training program and trade show.

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current period's financial statement presentation.