

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA**

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2019

**Review Engagement Report
Statement of Financial Position
Statement of Revenues and Expenses
Statement of Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements**



To
The members of
The Chartered Institute of Logistics & Transport
Chapman Mills

REVIEW ENGAGEMENT REPORT

We have reviewed the statement of assets and liabilities of The Chartered Institute of Logistics & Transport as at July 31, 2019 and the statements of revenues and expenditures and 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.

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.

Basis for Qualified Conclusion

As disclosed in note 2b), membership dues received by CILTNA are recorded on a cash basis. In this respect the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The amount of the adjustment required to record membership dues on an accrual basis for 2018 and 2019 is indeterminable.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis For Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the assets and liabilities of The Chartered Institute of Logistics & Transport as at July 31, 2019, and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Prior year financial statements and thus the comparatives for July 31, 2018 were not subject to a review.

A handwritten signature in black ink that reads "Frouin Group". The signature is written in a cursive, flowing style.

Frouin Group Professional Corporation
Ottawa, Ontario
November 14, 2019

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

FROUIN
GROUP

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA
(Incorporated under the Laws of Ontario)**

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 24,014	\$ 31,111
HST recoverable	185	2,914
Prepaid expenses	<u>2,850</u>	<u>0</u>
	27,049	34,025
PROPERTY AND EQUIPMENT (Notes 2g & 4)	<u>6,236</u>	<u>10,394</u>
TOTAL ASSETS	<u>\$ 33,285</u>	<u>\$ 44,419</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 11,010	\$ 12,677
Deferred income	<u>0</u>	<u>5,000</u>
	<u>11,010</u>	<u>17,677</u>
LONG-TERM LIABILITIES		
NET ASSETS		
Internally-restricted (Note 2f)	0	8,000
Unrestricted	<u>22,275</u>	<u>18,742</u>
	<u>22,275</u>	<u>26,742</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 33,285</u>	<u>\$ 44,419</u>

APPROVED ON BEHALF OF THE BOARD:

Director _____ Director _____

(See accompanying Notes to Financial Statements)

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA**

UNAUDITED STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JULY 31, 2019

	2019	2018
REVENUES		
The Outlook Conference	\$ 23,195	\$ 38,881
Membership fees	39,100	36,100
AGM & annual dinner	22,505	20,297
Corporate sponsorship	22,365	35,900
TC Agreement	10,000	0
Other revenue	<u>0</u>	<u>1,504</u>
	<u>117,165</u>	<u>132,682</u>
EXPENSES		
Management fees	32,875	23,100
CILT International activities and dues	3,396	1,359
The Outlook Conferences	9,733	16,362
AGM and annual dinner	11,844	8,386
Office and office services	25,841	22,147
Bad debts	0	5,096
Service charges	2,664	3,262
Professional fees	5,500	5,080
Amortization (Note 1a)	4,158	2,371
Meeting and conferences	839	3,711
Website	3,040	271
Newsletter	9,000	10,200
Travel	9,114	14,812
Insurance	2,376	2,376
Telephone	<u>1,252</u>	<u>1,456</u>
	<u>121,632</u>	<u>119,989</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ <u>(4,467)</u>	\$ <u>12,693</u>

(See accompanying Notes to Financial Statements)

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA**

UNAUDITED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JULY 31, 2019

	2019	2018
NET ASSETS, INTERNALLY-RESTRICTED		
Balance, beginning of year	\$ 8,000	\$ 8,000
Transfer to unrestricted net assets	<u>(8,000)</u>	<u>0</u>
Balance, end of year	<u>\$ 0</u>	<u>\$ 8,000</u>
 NET ASSETS, UNRESTRICTED		
Balance, beginning of year	\$ 18,742	\$ 6,049
Excess (deficiency) of revenue over expenses for the year	(4,467)	12,693
Transfer from internally-restricted net assets	<u>8,000</u>	<u>0</u>
Balance, end of year	<u>\$ 22,275</u>	<u>\$ 18,742</u>

(See accompanying Notes to Financial Statements)

THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (4,467)	\$ 12,693
Add: Amortization	<u>4,158</u>	<u>2,371</u>
	(309)	15,064
Cash flows from current operating items	<u>(6,788)</u>	<u>18,802</u>
	<u>(7,097)</u>	<u>33,866</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>0</u>	<u>(12,473)</u>
NET CHANGE IN CASH	(7,097)	21,393
CASH, beginning of year	<u>31,111</u>	<u>9,718</u>
CASH, end of year	<u>\$ 24,014</u>	<u>\$ 31,111</u>
REPRESENTED BY:		
Cash	<u>\$ 24,014</u>	<u>\$ 31,111</u>

(See accompanying Notes to Financial Statements)

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2019

1. ORGANIZATION

The Chartered Institute of Logistics & Transport in North America is engaged in promoting and coordinating the study in the advancement of the science and art of logistics and transport.

The Institute is incorporated under the laws of Canada as a not-for-profit organization and is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue Recognition

The Institute follows the deferral method of accounting for revenue. 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.

Conference revenue is recognized when the conference occurs. Revenue received prior to the conference is recorded as deferred revenue.

b. Membership Fees

Membership fees are recognized on a cash basis in the fiscal year in which they are received. This is a departure from Canadian accounting standards for not-for-profit organizations.

c. Financial Instruments

The Institute's financial assets and financial liabilities are recorded at fair market value. Consequently, gains and losses, both realized and unrealized, are recorded on the statement of revenue and expenses.

**THE CHARTERED INSTITUTE OF LOGISTICS
& TRANSPORT IN NORTH AMERICA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

e. Donated Assets, Goods and Services

The value of significant donated assets, goods and services is not recognized in these financial statements. The most significant of these donations is contributed services. Volunteers contribute many hours per year to assist the Institute in carrying out its services delivery activities.

f. Net Assets Internally-Restricted

The board had internally-restricted these assets for the CSL Gold Medal Award in 2003. These assets were transferred to unrestricted net assets upon board approval.

g. Property and Equipment and Amortization

Capital assets are recorded at cost. Amortization is provided at the rates and on the basis as set out below:

<u>Assets</u>	<u>Rate</u>	<u>Basis</u>
Website development	3 years	Straight-line
Office equipment	20%	Declining balance

Additions are amortized at one-half of the above rates in the year of acquisition.

3. FINANCIAL INSTRUMENTS

The carrying value of cash, accounts receivable and accounts payable approximate their fair value because of the relatively short period to maturity of the instruments. Unless otherwise noted, it is management's opinion that the Institute is not exposed to significant interest, currency or credit risks.

**THE CHARTERED INSTITUTE OF LOGISTICS
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2019

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2019	Net Book Value 2018
Computer equipment	3,558	(3,558)	0	0
Website development	<u>12,473</u>	<u>(6,237)</u>	<u>6,236</u>	<u>10,394</u>
TOTAL	<u>\$ 16,031</u>	<u>\$ (9,795)</u>	<u>\$ 6,236</u>	<u>\$ 10,394</u>

5. FINANCIAL RISK MANAGEMENT POLICY

The Institute is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at July 31, 2019:

Credit risk

Credit risk associated with receivables is minimal as it comprises amounts due from parties with a history of collection. The Institute must make estimates with respect to the allowance for doubtful accounts

Liquidity risk

The Institute manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

Currency risk

The Institute has members who pay membership dues and conference fees in US dollars. To reduce the risk of currency rate fluctuation between Canadian and US currency rates, the Institute deposits US fees into the Institute's US dollar bank account. At year end US dollars constitute approximately 4% (2018: 2%) of all cash held by the Institute. With US-Canadian currency average rates for the period being relatively close to par, the currency risk of the Institute is low. However, the currency risk may increase if the spread between US and Canadian currency value were to widen.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2019

5. FINANCIAL RISK MANAGEMENT POLICY (cont'd)

Interest rate risk

The Institute is exposed to interest rate risk with regard to cash. The Institute has no interest-bearing liability. Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations.

6. COMMITMENTS

The Institute has a contract in place for administrative services until March 2020. Billings are based upon hours required and these vary depending on need.