

Canadian Public Procurement Council



Financial Statements

For the year ended March 31, 2023

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Independent Practitioner's Review Engagement Report

To the Members of Canadian Public Procurement Council

We have reviewed the accompanying financial statements of Canadian Public Procurement Council that comprise the statement of financial position as at March 31, 2023 and the statements of operations 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.

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 Canadian Public Procurement Council as at March 31, 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.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
August 16, 2023
Ottawa, Ontario

Canadian Public Procurement Council Statement of Financial Position

March 31	2023	2022
Assets		
Current		
Cash	\$ 325,494	\$ 218,375
Short-term investments (Note 2)	45,831	90,032
Accounts receivable	5,713	12,044
Sales tax receivable	-	78
Prepaid expenses	32,209	5,622
	409,247	326,151
Investments (Note 3)	73,286	27,342
	\$ 482,533	\$ 353,493

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 36,213	\$ 12,942
Sales tax payable	1,814	-
Deferred revenue (Note 4)	118,680	19,658
	156,707	32,600
Unrestricted net assets	325,826	320,893
	\$ 482,533	\$ 353,493

Approved on behalf of the board of directors:

_____ Director

_____ Director

Canadian Public Procurement Council Statement of Operations and Changes in Net Assets

For the year ended March 31	2023	2022
Revenue		
Membership dues	\$ 51,300	\$ 49,280
Workshops	253	13,641
Interest income	1,879	804
Other revenue	4,500	5,645
	<u>57,932</u>	<u>69,370</u>
Expenses		
Advertising and promotion	1,305	1,025
Bank and credit card charges	2,837	3,188
Contract service	63	1,500
Executive director fees and expenses	19,109	9,500
Insurance	3,328	3,306
Office salaries	10,643	25,799
Office supplies	2,633	1,115
Professional fees	3,750	4,000
Telecommunications	-	3
Travel	8,496	1,583
Website	835	4,063
	<u>52,999</u>	<u>55,082</u>
Excess of revenue over expenses for the year	4,933	14,288
Net assets, beginning of year	<u>320,893</u>	<u>306,605</u>
Net assets, end of year	<u>\$ 325,826</u>	<u>\$ 320,893</u>

Canadian Public Procurement Council Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 4,933	\$ 14,288
Change in non-cash working capital items		
Accounts receivable	6,331	(3,817)
Sales tax receivable	78	881
Prepaid expenses	(26,587)	(2,870)
Accounts payable and accrued liabilities	23,271	4,041
Sales tax payable	1,814	-
Deferred revenue	99,022	1,445
	108,862	13,968
Cash flows from investing activities		
Increase in investments	(1,743)	(28,130)
Increase (decrease) in cash during the year	107,119	(14,162)
Cash, beginning of year	218,375	232,537
Cash, end of year	\$ 325,494	\$ 218,375

Canadian Public Procurement Council Notes to the Financial Statements

March 31, 2023

1. Significant Accounting Policies

Nature of Organization	<p>Canadian Public Procurement Council (the "organization") was incorporated without share capital under Part II of the Canada Corporations Act on September 23, 1999. The organization was continued under the Canada Not-for-profit Corporations Act on April 2, 2014. The organization is exempt from income taxes.</p> <p>The organization aims to bring together public and broader public organizations and crown corporations to support the public procurement community across Canada by promoting dialogue, facilitating information exchange, developing approaches to common issues, and providing leadership for the resolution of shared problems.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles.</p>
Use of Estimates	<p>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 reporting period. The major financial statement area that require estimates and assumptions is the net realizable value of accounts receivable and prepaid expenses and certain accrued liabilities. Actual results could differ from the management's best estimates as additional information becomes available in the future.</p>
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.</p> <p><u>Measurement of arm's length financial instruments</u></p> <p>The organization initially measures its financial assets and liabilities at fair value.</p> <p>The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.</p>

Canadian Public Procurement Council

Notes to the Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Measurement of arm's financial instruments (continued)

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, short-term and long-term investments and accounts payable and accrued liabilities.

There are no financial assets and liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.

Transaction costs

The organization recognizes its transactions costs in the 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.

Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Membership fees are recognized based on the member's membership year. If the membership year extends past the year end of the organization a pro-rated amount is deferred into the following year.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

CPPC forum revenue, workshops, interest income and other revenue is recognized when earned.

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Notes to the Financial Statements

March 31, 2023

2. Short-Term Investments

Short-term investments consist of guaranteed investment certificates with interest rates between 4.00% to 4.30% and mature by December 2023.

3. Long-Term Investments

Long-term investments consist of guaranteed investment certificates with interest rates between 0.08% and 4.65% and mature by December 2025.

4. Deferred Revenue

Deferred revenue represents funds received during the year that relate to operations of the following year.

	<u>2023</u>	<u>2022</u>
Membership	\$ 22,470	\$ 19,658
Forum registration	56,210	-
Forum sponsorship	40,000	-
	<u>\$ 118,680</u>	<u>\$ 19,658</u>

5. Commitments

The organization has entered into an agreement for the rental of facilities related to the annual forum beginning in April 2023. This agreement is in the normal course of the organization's operations, is not abnormal in amount or nature, and does not include a high degree of speculative risk.

6. Financial Instruments Risks And Uncertainties

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at March 31, 2023.

The organization is not involved in any hedging relationships through its operations.

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Notes to the Financial Statements

March 31, 2023

6. Financial Instruments Risks And Uncertainties (continued)

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its ability to provide the activities related to its deferred revenue.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable.

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 risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk related to its investments.

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 organization is exposed to fair value risk on its investments with fixed interest rates.

Changes in risk

There have been no significant changes in the organization's risk exposure from the previous fiscal year.
