

**ADMINISTRATIVE SCIENCES  
ASSOCIATION OF CANADA**

**Financial Statements**

**December 31, 2019**

# **ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA**

## **Financial Statements**

**For The Year Ended December 31, 2019**

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<b>Table of Contents</b>	<b>PAGE</b>
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12



## **INDEPENDENT AUDITORS' REPORT**

To the Members of **Administrative Sciences Association of Canada**:

### **Opinion**

We have audited the financial statements of **Administrative Sciences Association of Canada**, which comprise the statement of financial position as at December 31, 2019, and the statement of revenues and expenditures, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Association's financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2019, 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.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. Thomas, Ontario

October 21, 2020

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

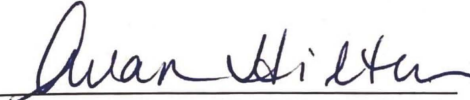
Licensed Public Accountants

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Statement of Financial Position As at December 31, 2019

	Past Presidents' Fund \$	Udayan Rege Fund \$	Research Fund \$	Operating Fund \$	2019 \$	2018 \$
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS</b>						
Cash	-	-	-	101,644	101,644	193,662
Short-term investments (Note 2)	138,590	16,239	47,339	316,764	518,932	263,037
Accounts receivable	-	-	-	34,041	34,041	54,200
Government remittances recoverable	-	-	-	-	-	1,408
Prepaid expenses	-	-	-	1,947	1,947	-
<b>TOTAL ASSETS</b>	<u>138,590</u>	<u>16,239</u>	<u>47,339</u>	<u>454,396</u>	<u>656,564</u>	<u>512,307</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued liabilities	-	-	-	23,650	23,650	23,332
Government remittances payable	-	-	-	14,341	14,341	-
Deferred revenues (Note 5)	-	-	-	1,170	1,170	15,845
	-	-	-	39,161	39,161	39,177
<b>NET ASSETS</b>						
Externally restricted	-	16,239	-	-	16,239	16,017
Internally restricted	138,590	-	47,339	-	185,929	185,853
Unrestricted	-	-	-	415,235	415,235	271,260
	<u>138,590</u>	<u>16,239</u>	<u>47,339</u>	<u>415,235</u>	<u>617,403</u>	<u>473,130</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>138,590</u>	<u>16,239</u>	<u>47,339</u>	<u>454,396</u>	<u>656,564</u>	<u>512,307</u>

On behalf of the Board:

 Director

 Director

See accompanying notes to the financial statements

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Statement of Changes in Net Assets For The Year Ended December 31, 2019

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	Past Presidents' Fund \$	Udayan Rege Fund \$	Research Fund \$	Operating Fund \$	2019 \$	2018 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	136,695	16,017	49,158	271,260	<b>473,130</b>	440,409
Excess (deficiency) of revenues over expenditures for the year	<u>1,895</u>	<u>222</u>	<u>(1,819)</u>	<u>143,975</u>	<u><b>144,273</b></u>	<u>32,721</u>
<b>NET ASSETS, END OF YEAR</b>	<u>138,590</u>	<u>16,239</u>	<u>47,339</u>	<u>415,235</u>	<u><b>617,403</b></u>	<u>473,130</u>

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See accompanying notes to the financial statements

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Statement of Revenues and Expenditures For The Year Ended December 31, 2019

	Past Presidents' Fund \$	Udayan Rege Fund \$	Research Fund \$	Operating Fund \$	2019 \$	2018 \$
<b>REVENUES</b>						
Conference surplus allocation (Note 3)	-	-	-	81,692	<b>81,692</b>	36,630
Membership fees	-	-	-	58,850	<b>58,850</b>	49,426
Conference sponsorships (Note 3)	-	-	-	58,351	<b>58,351</b>	-
Interest income	<u>1,895</u>	<u>222</u>	<u>681</u>	<u>3,532</u>	<u><b>6,330</b></u>	<u>2,134</u>
	<u>1,895</u>	<u>222</u>	<u>681</u>	<u>202,425</u>	<u><b>205,223</b></u>	<u>88,190</u>
<b>EXPENDITURES</b>						
Meetings and administration	-	-	-	32,599	<b>32,599</b>	28,825
Professional fees	-	-	-	9,323	<b>9,323</b>	8,926
Website	-	-	-	5,528	<b>5,528</b>	3,915
Awards	-	-	2,500	-	<b>2,500</b>	1,500
Insurance	-	-	-	935	<b>935</b>	2,244
Bank charges and fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>484</u>	<u><b>484</b></u>	<u>2,529</u>
	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>48,869</u>	<u><b>51,369</b></u>	<u>47,939</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,895	222	(1,819)	153,556	<b>153,854</b>	40,251
<b>CANADIAN JOURNAL OF ADMINISTRATIVE SCIENCES DEFICIT (NOTE 4)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,581)</u>	<u><b>(9,581)</b></u>	<u>(7,530)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR</b>	<u>1,895</u>	<u>222</u>	<u>(1,819)</u>	<u>143,975</u>	<u><b>144,273</b></u>	<u>32,721</u>

See accompanying notes to the financial statements

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Statement of Cash Flows For The Year Ended December 31, 2019

	2019 <u>\$</u>	2018 <u>\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	144,273	32,721
Changes in non-cash working capital:		
Decrease in accounts receivable	17,027	31,525
Decrease in government remittances recoverable	15,749	6,074
(Increase) decrease in prepaid expenses	(1,947)	274
Increase in accounts payable and accrued liabilities	318	18
(Decrease) increase in deferred revenues	<u>(14,675)</u>	<u>7,495</u>
	<u>16,472</u>	<u>45,386</u>
Cash flows from operating activities	<u>160,745</u>	<u>78,107</u>
 <b>NET CHANGE IN CASH</b>	 160,745	 78,107
 <b>CASH, BEGINNING OF YEAR</b>	 <u>455,912</u>	 <u>377,805</u>
 <b>CASH, END OF YEAR</b>	 <u>616,657</u>	 <u>455,912</u>
 <b>CASH IS COMPRISED OF:</b>		
Cash	101,644	193,662
Unrestricted short-term investments	312,847	60,381
Restricted short-term investments	<u>202,167</u>	<u>201,869</u>
	<u>616,658</u>	<u>455,912</u>

See accompanying notes to the financial statements



# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Notes to the Financial Statements For The Year Ended December 31, 2019

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### PURPOSE OF THE ORGANIZATION

The Administrative Sciences Association of Canada (the "Association") is incorporated under the Canada Corporations Act as a not-for-profit organization. The Association is a registered charity and is tax-exempt under paragraph 149(1)(f) of the Income Tax Act (Canada). The purpose of the Association is to advance knowledge, practice, and research in management and administrative studies.

### 1. SUMMARY OF 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:

#### Accounting Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. There are no significant accounting estimates in these financial statements and as such no further disclosures were made.

#### Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

#### Past Presidents' Fund

The Past Presidents' Fund provides research grants totaling approximately \$5,000 every second year (even years), provided there are applicants of sufficient quality for the award.

#### Udayan Rege Fund

The Udayan Rege Fund consists of a gift from Kanchan Rege in honour of her late husband. A \$1,000 award is payable every second year (even years), provided the recipient meets all qualification requirements.

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Notes to the Financial Statements For The Year Ended December 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Research Fund

The Research Fund provides funding to research projects undertaken by member Ph.D. candidates. A \$2,500 award is payable every second year (odd years), with additional grants awarded at the Board's discretion.

#### Operating Fund

The Operating Fund reports revenues and expenses related to program delivery and administrative activities.

#### Revenue Recognition

The Association follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the appropriate fund in the year in which they are received. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from membership fees are recognized in the period when the services are provided. Interest income is recognized as it is earned.

#### Short-Term Investments

Short-term investments consist of Guaranteed Investment Certificates (GICs) which are recorded at amortized cost. Some of the GICs invested are market growth GICs whereby the interest rates could be subject to a market adjustment bonus interest rate at the date of maturity. As the bonus interest is not known until the time of maturity, the Association recognizes any bonus interest income once the amount becomes known.

#### Donations-In-Kind and Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services and donations-in-kind are not recognized in the financial statements.

#### Financial Instruments

##### *Measurement of financial instruments*

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures its financial assets and financial liabilities at amortized cost, except for cash which is measured at fair value.

# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Notes to the Financial Statements For The Year Ended December 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments (continued)

Financial assets measured at amortized cost include short-term investments 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 deficiency of revenues over expenditures. 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 deficiency of revenues over expenditures.

### 2. SHORT-TERM INVESTMENTS

The Association holds short-term investments in GICs with varying terms of maturity. The details of each deposit are as follows:

	<b>2019</b>	<b>2018</b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
The Canada Trust Company - 0.95%, due February 21, 2020	<b>50,031</b>	50,031
TD Mortgage Corporation - 0.09%, due February 21, 2019	-	50,780
TD Mortgage Corporation - 0.09%, due January 23, 2019	-	100,775
The Toronto Dominion Bank - 2.40%, due July 30, 2020	<b>100,959</b>	-
TD Mortgage Corporation - 0.54%, due January 22, 2023	<b>60,000</b>	60,000
TD Mortgage Corporation - 0.38%, due June 20, 2021	<b>50,873</b>	-
The Toronto Dominion Bank - 2.20%, due August 19, 2020	<b>200,000</b>	-
The Toronto Dominion Bank - 1.30%, due January 8, 2020	<b>50,237</b>	-
Accrued interest	<b><u>6,832</u></b>	<u>1,451</u>
	<b><u>518,932</u></b>	<u>263,037</u>
Past Presidents' Fund	<b>138,590</b>	136,695
Udayan Rege Fund	<b>16,239</b>	16,017
Research Fund	<b>47,339</b>	49,158
Operating Fund	<b><u>316,764</u></b>	<u>61,167</u>
	<b><u>518,932</u></b>	<u>263,037</u>

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# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Notes to the Financial Statements For The Year Ended December 31, 2019

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### 3. CONFERENCE SURPLUS ALLOCATION

The Association holds an annual conference for its membership. The annual conference is held at a host university each year. The agreement with the host university generally entitles the Association to a negotiated percent of the conference surplus. In the current year, the annual conference was planned and administered by the Association and therefore they sent the negotiated percent of the conference surplus to the host university. The conference surplus allocation has been recorded on a net basis by the Association since it was considered to be an agent in the transaction and not a principal. In the prior year the conference was accounted for in the same manner. During the current year the conference sponsorships were planned and administered by the Association and therefore have been reported separately.

### 4. CANADIAN JOURNAL OF ADMINISTRATIVE SCIENCES

The Association publishes a quarterly journal, The Canadian Journal of Administrative Sciences (CJAS), with administrative support from Concordia University under contract with the Association. Under the terms of the contract, half of any surplus accumulated by the The Canadian Journal of Administrative Sciences will be remitted to the Association. The Association is fully responsible for any deficit incurred by the journal.

	2019 \$	2018 \$
Surplus from CJAS	19,041	17,570
Less: Editor's stipend	(9,000)	(9,000)
Less: Publishing fees paid to publisher	<u>(19,622)</u>	<u>(16,100)</u>
Net deficit from CJAS	<u><u>(9,581)</u></u>	<u><u>(7,530)</u></u>

### 5. DEFERRED REVENUES

The Association had deferred revenues consisting of the following amounts during the year:

	2019 \$	2018 \$
Deferred membership fees	1,170	7,345
Deferred conference sponsorship revenues	<u>-</u>	<u>8,500</u>
	<u><u>1,170</u></u>	<u><u>15,845</u></u>

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# ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA

## Notes to the Financial Statements For The Year Ended December 31, 2019

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### 6. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at the statement of financial position date:

#### Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with its financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### 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 Association'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 Association is mainly exposed to interest rate risk.

#### 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 Association is exposed to interest rate risk on its fixed and variable rate term deposits, which subject the Association to a fair value risk.

The Association manages its term deposits based on its cash flow needs with a view to optimizing its interest income. Management reduces the Association's exposure to fluctuations in interest rates by investing in stable financial assets with fixed terms and guaranteed minimum returns.

It is management's opinion that the entity is not exposed to any significant currency or other price risk.

The Association was not subject to any covenants in the year and there are no financial liabilities in default at the end of the year.

There were no changes to the Association's risks from the prior year.

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# **ADMINISTRATIVE SCIENCES ASSOCIATION OF CANADA**

## **Notes to the Financial Statements For The Year Ended December 31, 2019**

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### **7. SUBSEQUENT EVENT**

Subsequent to year end, the Association was exposed to economic risks associated with the coronavirus pandemic. These risks are beyond the Association's control. The impact of these risks cannot be identified at this time but could impact the Association's operations, future net earnings, cash flows and financial conditions.