

Toronto Chapter of the Institute of
Chartered Accountants of India

Financial Statements

For the year ended March 31, 2019



Independent Auditor's Report

To the Board of Directors of Toronto Chapter of the Institute of Chartered Accountants of India

Opinion

I have audited the financial statements of Toronto Chapter of the Institute of Chartered Accountants of India ("the Chapter") which comprise the statement of financial position as at March 31, 2019, and the statements of operations, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Chapter as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPOs).

Basis for Opinion

I conducted my audit in accordance Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Chapter in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPOs, 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

Chapter'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 Chapter or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the attached Appendix to the Auditor's Report. This description forms part of my auditor's report.

Edmonds Professional Corporation

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario
Toronto, Canada
June 11, 2019

Appendix to the Auditor's Report

As part of an audit in accordance with CASs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Chapter'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 Chapter's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Chapter to cease to continue as a going concern.

I 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 I identify during my audit.

Toronto Chapter of the Institute of Chartered
Accountants of India
Statement of Financial Position
As at March 31,

	2019	2018
Assets		
Current		
Cash and cash equivalents	\$ 109,772	\$ 101,176
Accounts receivable	15,000	2,543
Prepaid expenses	6,166	3,925
	130,938	107,644
Liabilities		
Current		
Accounts payable and accrued liabilities	8,622	4,151
Deferred membership fees	7,210	5,700
	15,832	9,851
Net assets	115,106	97,793
	\$ 130,938	\$ 107,644

APPROVED ON BEHALF OF THE BOARD:

_____, Director

_____, Director

**Toronto Chapter of the Institute of Chartered
Accountants of India**
Statement of Operations and Changes in Net Assets
For the year ended March 31,

	2019	2018
Revenue		
Sponsorship for annual event	\$ 55,200	\$ 65,043
Annual membership fees	36,700	31,000
Members' contributions for annual gala event	10,975	10,575
Members' contributions for professional development events	2,550	7,825
Interest income on bank deposits	398	396
	105,823	114,839
Expenses		
Annual gala event (Note 3)	57,160	50,236
Professional development events (Note 4)	19,405	29,616
Annual general meeting	3,687	390
Professional fees	3,390	3,390
Bank fees	1,857	2,073
Office and general	1,589	3,540
Insurance	1,148	1,110
Committee meetings	274	277
Legal fees	-	5,447
Social and member benefit event	-	2,368
	88,510	98,447
Excess of revenue over expenditures for the year	17,313	16,392
Net assets, beginning of year	97,793	81,401
Net assets, end of year	\$115,106	\$ 97,793

Toronto Chapter of the Institute of Chartered
Accountants of India
Statement of Cash Flows
For the year ended March 31,

	2019	2018
Cash provided by (used in)		
Operations		
Excess of revenue over expenditures for the year	\$ 17,313	\$ 16,392
Net changes in non-cash working capital		
Accounts receivable	(12,457)	207
Prepaid expenses	(2,241)	(1,984)
Accounts payable and accrued liabilities	4,471	759
Deferred membership fees	1,510	(3,100)
Net change in cash	8,596	12,274
Cash, beginning of year	101,176	88,902
Cash, end of year	\$ 109,772	\$ 101,176

**Toronto Chapter of the Institute of Chartered
Accountants of India**
Notes to the Financial Statements
For the year ended March 31, 2019

1. NATURE OF THE ORGANIZATION

Toronto Chapter of the Institute of Chartered Accountants of India ("the Chapter") is a not-for-profit organization for the alumni (associate and fellow members) of the Institute of Chartered Accountants of India living in the Greater Toronto Area and other members who live in Canada and the United States of America in areas which do not have a chapter of the Institute of Chartered Accountants of India. The Chapter is funded by its members as well as by event sponsors. The Chapter commenced activities as an unincorporated entity on August 19, 2006. The Chapter was later incorporated under the laws of the Province of Ontario as a not-for-profit entity on July 31, 2007.

The objective of the Chapter amongst other things is to help, support, promote and foster a sense of community, loyalty, fellowship, fraternity, partnership and professionalism among the members of the Institute of Chartered Accountants of India. The Chapter is exempt from income tax under the provisions of Section 149(1)(l) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). Outlined below are those policies considered particularly significant for the Chapter.

Revenue Recognition

Membership revenues are recognized as revenue on an earned basis over the membership period. Contributions for specific events or activities are recognized as revenue when the event occurs.

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates.

Contributed Services

Volunteers contribute about 3,157 (2018 - 3,883) hours in a year to assist the Chapter in carrying out its service delivery activities. Because of the difficulty in determining the fair value, contributed services are not recognized in these financial statements.

**Toronto Chapter of the Institute of Chartered
Accountants of India**
Notes to the Financial Statements
For the year ended March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

The Chapter initially measures its financial assets and liabilities at fair value. The Chapter subsequently measures its financial assets and financial liabilities at amortized cost.

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

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to 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 in the year the reversal occurs.

The Chapter is exposed to various risks in the course of operations.

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 Chapter is exposed to credit risk on its accounts receivable. It attempts to mitigate these risks by following up regularly on their outstanding receivables.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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. 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. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Chapter does not believe it is subject to significant liquidity, interest rate, market, or currency risks.

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Notes to the Financial Statements
For the year ended March 31, 2019

3. ANNUAL GALA EVENT

	2019	2018
Facilities, media, decorations and meals	\$ 38,693	\$ 29,645
Event program	11,585	9,722
Magazine and displays	4,413	7,580
Awards of excellence and gifts	1,339	2,159
Anniversary commemorative video	1,130	1,130
	\$ 57,160	\$ 50,236

4. PROFESSIONAL DEVELOPMENT EVENTS

Included in professional development events are expenses of \$7,374 relating to one full day professional development event during the year (2018 - \$27,010 for three full day events)