

CANADIAN POLITICAL SCIENCE ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

DRAFT FOR REVIEW PURPOSES ONLY



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Canadian Political Science Association

Qualified Opinion

We have audited the financial statements of the Canadian Political Science Association (the "Association"), which comprise the statement of financial position as at December 31, 2024, the statement of operations, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, 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 Qualified Opinion

The Association derives revenue from royalties and charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of such revenue was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to the revenues referred to above, net revenue and cash flows from operations for the years ended December 31, 2024 and December 31, 2023, current assets and net assets as at December 31, 2024 and December 31, 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified opinion.

.../2



INDEPENDENT AUDITORS' REPORT (Cont'd.)

Restriction on Use

As disclosed in note 2(b), the financial statements report the activities of the Association not including the Ontario Legislature Internship Programme and the Parliamentary Internship Programme operations administered by the Association. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors of the Canadian Political Science Association.

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 auditors' 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.



INDEPENDENT AUDITORS' REPORT (Cont'd.)

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 auditors' 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 auditors' 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.

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,

CANADIAN POLITICAL SCIENCE ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

ASSETS		2024	2023
CURRENT			
Cash		\$ 146,888	\$ 128,922
Accounts receivable		349,400	149,491
HST recoverable		14,104	11,947
Prepaid expenses		<u>6,756</u>	<u>9,063</u>
		517,148	299,423
CAPITAL ASSETS (note 4)		<u>1,357</u>	<u>2,405</u>
		<u><u>\$ 518,505</u></u>	<u><u>\$ 301,828</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ 211,059	\$ 111,747
Deferred revenue		<u>19,057</u>	<u>15,947</u>
		230,116	127,694
NET ASSETS			
OPERATING FUND			
- Unrestricted		287,032	171,729
- Invested in capital assets		<u>1,357</u>	<u>2,405</u>
		<u>288,389</u>	<u>174,134</u>
		<u><u>\$ 518,505</u></u>	<u><u>\$ 301,828</u></u>

Subsequent event (note 7)

Approved on behalf of the Board of Directors:

Director

Director

CANADIAN POLITICAL SCIENCE ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING FUND		
UNRESTRICTED		
Balance - beginning of year	\$ 171,729	\$ 123,512
Net revenue for the year	114,255	49,430
Allocation from Net Assets Invested in Tangible Capital Assets	<u>1,048</u>	<u>(1,213)</u>
	<u>115,303</u>	<u>48,217</u>
Balance - end of year	\$ <u>287,032</u>	\$ <u>171,729</u>
INVESTED IN CAPITAL ASSETS		
Balance - beginning of year	\$ 2,405	\$ 1,192
Purchase of capital assets	-	2,261
Amortization	<u>(1,048)</u>	<u>(1,048)</u>
Allocation to unrestricted	<u>(1,048)</u>	<u>1,213</u>
Balance - end of year	\$ <u>1,357</u>	\$ <u>2,405</u>

CANADIAN POLITICAL SCIENCE ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Membership fees:		
- Individuals	\$ 164,621	\$ 124,830
- Departments	33,000	34,680
Conference	141,143	122,107
Publication (schedule)	117,058	120,870
Management fees	49,678	46,076
Donations	15,329	21,583
Interest and distributions (Note 6)	<u>11,257</u>	<u>10,325</u>
	532,086	480,471
EXPENSES		
Payroll	205,132	209,736
Conference	69,798	74,603
Publications (schedule)	67,931	64,538
Administration and overhead	42,550	38,654
Fees to other organizations	28,633	26,271
Electronic communications	6,592	8,789
Board and committees	665	5,332
Prizes	-	2,913
Chairs' meeting (recovery)	<u>(3,470)</u>	<u>205</u>
	<u>417,831</u>	<u>431,041</u>
NET REVENUE FOR THE YEAR	\$ <u><u>114,255</u></u>	\$ <u><u>49,430</u></u>

CANADIAN POLITICAL SCIENCE ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 114,255	\$ 49,430
Item not requiring an outlay of cash		
- amortization	<u>1,048</u>	<u>1,048</u>
	115,303	50,478
Changes in non-cash working capital		
- accounts receivable	(199,909)	(54,468)
- HST recoverable	(2,157)	(5,005)
- prepaid expenses	2,307	(1,031)
- accounts payable and accrued liabilities	99,312	(4,521)
- deferred revenue	<u>3,110</u>	<u>(4,018)</u>
	17,966	(18,565)
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(2,261)</u>
CHANGE IN CASH POSITION DURING THE YEAR	17,966	(20,826)
Cash position - beginning of year	<u>128,922</u>	<u>149,748</u>
CASH POSITION - END OF YEAR	\$ <u><u>146,888</u></u>	\$ <u><u>128,922</u></u>

CANADIAN POLITICAL SCIENCE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. ORGANIZATION

The Canadian Political Science Association, a not-for-profit organization, began its activities in 1912 and was incorporated under the Canada Corporations Act in 1971. During the 2016 fiscal year, the Association received certification of continuance under the Canada Not-for-Profit Corporations Act. The objectives of the Association are to encourage and develop political science and its relationship with other disciplines. Membership is open to all individuals who are interested in the objectives of the Association.

The Association is exempt from income tax and is a registered charity under paragraph 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue Recognition

The Association respects the following policies pertaining to revenue recognition:

- i) Membership fees are recognized as revenue in the year membership relates to. If membership fees are billed in advance, for a subsequent year, this membership revenue is deferred.
- ii) Conference revenue is recognized in the year that the conference is presented.
- iii) Publication royalties relate to the *Canadian Journal of Political Science*, which is produced by an outsourced publisher, and are recognized in the period they are earned.
- iv) The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grant revenue is recognized during the same period as the related expense is incurred.
- v) The other fees are recognized when the services are performed.

CANADIAN POLITICAL SCIENCE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(b) Controlled and Related Entities

The Canadian Political Science Association administers two programmes, the Ontario Legislature Internship Programme and the Parliamentary Internship Programme. The Association appoints the Directors of the programmes and participates on several of the programmes' committees. These programmes have a fiscal year end of June 30 and share in the Association's not-for-profit and charitable status.

Neither the Parliamentary Internship Programme nor the Ontario Legislature Internship Programme have been consolidated in the financial statements of the Canadian Political Science Association. Financial statements of the programmes are available on request. Summaries of financial information of these unconsolidated entities follow in note 5.

An unaudited general purpose statement is prepared for the combined operations of the Association and the Programmes for tax reporting purposes. Summaries of unaudited financial information of the Programmes has been disclosed in note 5.

(c) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

CANADIAN POLITICAL SCIENCE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(d) Capital Assets and Amortization

Capital assets are stated at cost, net of accumulated amortization. Amortization is provided on the straight line basis over five years.

(e) Volunteer Services

The Association receives the services of volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

3. FINANCIAL RISKS AND CONCENTRATION OF RISK

It is the Board of Directors' opinion that the Association is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

4. CAPITAL ASSETS

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ <u>5,240</u>	\$ <u>3,883</u>	\$ <u>1,357</u>	\$ <u>2,405</u>

Amortization for 2024 was \$1,048 (2023 - \$1,048) and is included in administration and overhead.

CANADIAN POLITICAL SCIENCE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. CONTROLLED AND RELATED ENTITIES

**PARLIAMENTARY INTERNSHIP PROGRAMME
Unaudited Financial Position as at June 30, 2024**

	<u>2024</u>	<u>2023</u>
Total assets	\$ <u>503,990</u>	\$ <u>444,898</u>
Total liabilities	\$ 105,367	\$ 63,270
Total net assets	<u>398,623</u>	<u>381,628</u>
	\$ <u>503,990</u>	\$ <u>444,898</u>

Unaudited Results of Operations for the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>
Total revenue	\$ 801,737	\$ 599,507
Total expenses	<u>784,742</u>	<u>576,095</u>
Net revenue for the year	\$ <u>16,995</u>	\$ <u>23,412</u>

**ONTARIO LEGISLATURE INTERNSHIP PROGRAMME
Unaudited Financial Position as at June 30, 2024**

	<u>2024</u>	<u>2023</u>
Total assets	\$ <u>622,374</u>	\$ <u>559,712</u>
Total liabilities	\$ 91,136	\$ 67,296
Total net assets	<u>531,238</u>	<u>492,416</u>
	\$ <u>622,374</u>	\$ <u>559,712</u>

CANADIAN POLITICAL SCIENCE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. CONTROLLED AND RELATED ENTITIES (Cont'd.)

Unaudited Results of Operations for the year ended June 30, 2024

	<u>2024</u>	<u>2023</u>
Total revenue	\$ 519,162	\$ 456,504
Total expenses	<u>480,331</u>	<u>452,905</u>
Net revenue for the year	<u>\$ 38,831</u>	<u>\$ 3,599</u>

During the year ended December 31, 2024, the Association received \$12,000 (2023 - \$10,500) from the Parliamentary Internship Programme and \$12,000 (2023 - \$10,500) from the Ontario Legislature Internship Programme for administration services. Included in accounts receivable is \$168,904 (2023 - \$42,070) that is due from the Parliamentary Internship Programme and \$93,999 (2023 - \$10,150) that is due from the Ontario Legislature Internship Programme. Included in accounts payable is \$56,467 (2023 - \$16,754) that is due to the Parliamentary Internship Programme and \$34,322 (2023 - \$12,663) that is due to the Ontario Legislature Internship Programme. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

The Board of Directors of the Parliamentary Internship Program is contemplating a transfer of the Program to another organization. As at the audit report date no agreement has been executed but is planned for 2025 as detailed in note 7.

6. CONTRIBUTIONS TO THE OTTAWA COMMUNITY FOUNDATION

In March 2018, the Association established the CPSA Innovation Fund (the "Fund") at the Ottawa Community Foundation ("OCF") which is managed and controlled by the OCF. During 2024, the Association received distributions of \$9,543 (2023 - \$5,241) and made contributions of \$nil (2023 - \$nil). As of December 31, 2024, the Fund had a value of \$146,352 (unaudited) with \$100 available for disbursement. This Fund balance is not reflected in these financial statements as the funds are held and administered by the OCF.

7. SUBSEQUENT EVENT

Subsequent to the year-end, the Board of Directors approved transferring the operations and assets of the Parliamentary Internship Programme to a registered charity, expected to occur on or about July 2025. As of the date of the audit report, a memorandum of understanding between parties is being negotiated.

CANADIAN POLITICAL SCIENCE ASSOCIATION

CANADIAN JOURNAL OF POLITICAL SCIENCE

SCHEDULE OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Publication royalties	\$ 84,245	\$ 88,362
Grants - Social Sciences and Humanities Research Council of Canada	30,000	30,000
Interest	<u>2,813</u>	<u>2,508</u>
	117,058	120,870
EXPENSES		
Editorial team allocation	23,200	18,900
CPSA administration	25,678	25,076
Administration	9,678	1,945
John McMenemy Prize	<u>-</u>	<u>104</u>
	<u>58,556</u>	<u>46,025</u>
NET REVENUE BEFORE ALLOCATION	58,502	74,845
Less: SQSP share of the <i>CJPS</i> net revenue	9,375	18,513
Less: CPSA share of the <i>CJPS</i> net revenue	<u>49,127</u>	<u>56,332</u>
NET REVENUE FOR THE YEAR	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

CJPS net revenue allocated to SQSP (2024 - \$9,375, 2023 - \$18,513) is included in publication expense.