

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Financial Statements

April 30, 2017

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Index to Financial Statements

Year Ended April 30, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

INDEPENDENT AUDITOR'S REPORT

To the Directors of The International Association of Hydrogeologists - Canadian National Chapter Inc.

We have audited the accompanying financial statements of The International Association of Hydrogeologists - Canadian National Chapter Inc., which comprise the statement of financial position as at April 30, 2017 and the statements of operations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The International Association of Hydrogeologists - Canadian National Chapter Inc. as at April 30, 2017 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that The International Association of Hydrogeologists - Canadian National Chapter Inc. adopted Canadian accounting standards for not-for-profit on May 1, 2016 with a transition date of May 1, 2015. These standards were applied retrospectively by management to the comparative information in these financial statements. We were not engaged to report on the restated comparative information, and as such, it is unaudited. The prior year figures were compiled by management.

Hogg, Shain & Scheck PC

Toronto, Ontario
September 11, 2017

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

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

**Statement of Operations
Year Ended April 30, 2017**

	2017	2016 <i>(Unaudited)</i>
REVENUES		
Advertising	\$ 700	\$ 1,200
Conference	340	37,025
Membership	30,099	35,335
	<u>31,139</u>	<u>73,560</u>
EXPENSES		
Awards	1,500	2,500
Conference	1,556	7,798
IAH International fees	33,975	29,860
Insurance	1,227	1,810
Local events	1,560	109
Membership fees	1,600	4,844
Office and general	4,337	1,077
Professional fees	4,279	4,850
Scholarship	5,000	-
	<u>55,034</u>	<u>52,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (23,895)</u>	<u>\$ 20,712</u>

See the accompanying notes to these financial statements

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Statement of Changes in Net Assets

Year Ended April 30, 2017

	General	Scholarship	2017	2016 <i>(Unaudited)</i>
NET ASSETS - BEGINNING OF YEAR	\$ 98,259	\$ 50,000	\$ 148,259	\$ 127,547
Excess (deficiency) of revenues over expenses	<u>(18,895)</u>	<u>(5,000)</u>	<u>(23,895)</u>	<u>20,712</u>
NET ASSETS - END OF YEAR	<u>\$ 79,364</u>	<u>\$ 45,000</u>	<u>\$ 124,364</u>	<u>\$ 148,259</u>

See the accompanying notes to these financial statements

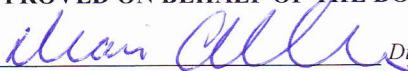
**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
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Statement of Financial Position

As at April 30, 2017

	2017	2016 <i>(Unaudited)</i>
ASSETS		
CURRENT		
Cash	\$ 135,322	\$ 127,734
Accounts receivable <i>(Note 4)</i>	19,703	51,401
Prepaid expenses	11,218	890
	\$ 166,243	\$ 180,025
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,028	\$ 16,618
Deferred revenues <i>(Note 5)</i>	28,851	15,148
	41,879	31,766
NET ASSETS		
GENERAL	79,364	98,259
SCHOLARSHIP <i>(Note 7)</i>	45,000	50,000
	124,364	148,259
	\$ 166,243	\$ 180,025

APPROVED ON BEHALF OF THE BOARD

 Director

Director

See the accompanying notes to these financial statements

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

**Statement of Cash Flows
Year Ended April 30, 2017**

	2017	2016 <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (23,895)	\$ 20,712
Changes in non-cash working capital:		
Accounts receivable	31,698	(22,091)
Prepaid expenses	(10,328)	(890)
Accounts payable and accrued liabilities	(3,590)	7,578
Deferred revenues	13,703	(13,813)
	<u>31,483</u>	<u>(29,216)</u>
INCREASE (DECREASE) IN CASH FLOW	7,588	(8,504)
CASH - BEGINNING OF YEAR	<u>127,734</u>	<u>136,238</u>
CASH - END OF YEAR	<u>\$ 135,322</u>	<u>\$ 127,734</u>

See the accompanying notes to these financial statements

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Notes to Financial Statements

Year Ended April 30, 2017

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The International Association of Hydrogeologists - Canadian National Chapter Inc. (the "organization") has elected to apply the standards in Part III of the CPA Accounting Handbook, Canadian accounting standards for not-for-profit. These financial statements are the first financial statements for which the organization has applied Canadian accounting standards for not-for-profit.

The financial statements for the year ended April 30, 2017 were prepared in accordance with the accounting principles and provisions set out in FIRST-TIME ADOPTION, Section 1501 of the Handbook.

The application of adopting this new financial reporting framework had no impact on the previously reported financial position as at May 1, 2015 to April 30, 2016 or to previously reported revenue over expenses or changes in net assets for the year ended April 30, 2016. Consequently, a reconciliation of previously reported income to net income as reported using accounting standards for not-for-profit organizations was not prepared.

The statement of financial position at May 1, 2015 has been restated as follows:

	<i>May 1</i> 2015	Adjustment	Restated
ASSETS			
Cash	\$ 127,734	\$ -	\$ 127,734
Accounts receivable	51,401	-	51,401
Prepaid expenses	890	-	890
	180,025	-	180,025
	\$ 180,025	\$ -	\$ 180,025
LIABILITIES			
Accounts payable and accrued liabilities	\$ 16,618	\$ -	\$ 16,618
Deferred revenue	15,148	-	15,148
	31,766	-	31,766
	31,766	-	31,766
NET ASSETS			
General	98,259	-	98,259
Scholarship	50,000	-	50,000
	148,259	-	148,259
	148,259	-	148,259
	\$ 180,025	\$ -	\$ 180,025

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Notes to Financial Statements

Year Ended April 30, 2017

2. PURPOSE OF THE ORGANIZATION

The organization was incorporated on May 11, 2009 as a not-for-profit organization. As a not-for-profit organization, it is exempt from income taxes under the Income Tax Act (Canada).

The organization operates to provide its members with a variety of lectures, seminars, networking opportunities and conferences in the field of hydrogeology.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions, are recognized as revenues in the year in which the related activity occurs and expenditures are incurred. Unrestricted contributions are recognized as revenues, provided that contributions receivable can be reasonably estimated and collection is reasonably assured.

Membership, conference and advertising revenue received are recognized as revenue in the fiscal year to which they relate.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequently, it measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include accounts receivable. The financial liabilities measured at amortized cost include accounts payable.

Contributed services

Volunteers contribute time to assist the organization in carrying out its programs. Since the organization would not otherwise purchase these services, the value of contributed services are not recognized in the financial statements.

Measurement uncertainty

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 and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the period they become known. Estimates exist with respect to determining the allowance for doubtful accounts receivable. Actual results could vary from those estimates.

**THE INTERNATIONAL ASSOCIATION OF HYDROGEOLOGISTS -
CANADIAN NATIONAL CHAPTER INC.**

Notes to Financial Statements

Year Ended April 30, 2017

4. ACCOUNT RECEIVABLE

	2017	2016
Accounts receivable	\$ 21,279	\$ 51,401
Allowance for doubtful accounts	(1,576)	-
	\$ 19,703	\$ 51,401

5. DEFERRED REVENUE

Deferred revenue represents receipts of next fiscal year's membership.

	2017	2016
Balance, beginning of year	\$ 15,148	\$ 28,961
Add: receipts of next fiscal year's membership	28,851	15,148
	43,999	44,109
Less: membership revenues recognized in the year	(15,148)	(28,961)
Balance, end of year	\$ 28,851	\$ 15,148

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of April 30, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from members who have not paid their membership fees. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of members which minimizes concentration of credit risk.

It is management's opinion that the organization is not exposed to significant liquidity, other price, currency or interest rate risks.

7. SCHOLARSHIP FUND

The fund was established in 2014 to provide \$5,000 assistance to a graduate student who is studying hydrogeology. The continuity of this scholarship is as follows:

	2017	2016
Balance, beginning of the year	\$ 50,000	\$ 50,000
Less: disbursement	(5,000)	-
Balance, end of the year	\$ 45,000	\$ 50,000