

**PERFORMANCE AND PLANNING EXCHANGE (PPX)
FINANCIAL STATEMENTS
DECEMBER 31, 2009**

CHRISTIAN ASSELIN
Comptable agréé/Chartered Accountant

PERFORMANCE AND PLANNING EXCHANGE (PPX)

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AUDITOR'S REPORT

To the Members of Performance and Planning Exchange (PPX)

I have audited the balance sheet of Performance and Planning Exchange (PPX) as at December 31, 2009 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the PPX's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of PPX as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

A handwritten signature in black ink, appearing to read 'Christian Asselin', written over a horizontal line.


Christian Asselin, Chartered Accountant
Licensed Public Accountant
Ottawa, Ontario
May 19, 2010


**PERFORMANCE AND PLANNING EXCHANGE (PPX)
BALANCE SHEET
DECEMBER 31**

| | 2009 <u> \$</u> | 2008 <u> \$</u> |
|---|------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 46,486 | 47,982 |
| Accounts receivable (Note 3) | 6,779 | 14,354 |
| Guaranteed investment certificate and accrued interests, at lower of cost and net recoverable value | 20,423 | 20,033 |
| Prepaid expenses | <u>2,000</u> | <u>109</u> |
| | <u>75,688</u> | <u>82,478</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | 7,827 | 8,287 |
| Deferred revenue | <u>10,544</u> | <u>23,255</u> |
| | 18,371 | 31,542 |
| NET ASSETS | | |
| UNRESTRICTED NET ASSETS | <u>57,317</u> | <u>50,936</u> |
| | <u>75,688</u> | <u>82,478</u> |

See accompanying notes

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

CHRISTIAN ASSELIN
Comptable agréé/Chartered Accountant

PERFORMANCE AND PLANNING EXCHANGE (PPX)
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31

| | 2009 | 2008 |
|--|----------------|----------------|
| | <u>\$</u> | <u>\$</u> |
| REVENUES | | |
| Members' fees | | |
| Annual symposium | 153,853 | 158,265 |
| Learning events | 45,121 | 39,857 |
| Membership | 4,000 | 13,800 |
| Interest and other income | <u>495</u> | <u>33</u> |
| | <u>203,469</u> | <u>211,955</u> |
| EXPENSES | | |
| Executive director fees | 70,025 | 61,340 |
| Facility rentals | 48,845 | 48,562 |
| Audio visual equipment rentals | 18,196 | 16,587 |
| Presenter fees and honorariums - annual symposium | 14,343 | 10,250 |
| Planning fees (Note 5) | 10,000 | 10,000 |
| Graphic design, participant and promotional material | 7,854 | 16,227 |
| Presenters - travel expenses and gifts | 7,096 | 3,962 |
| Translation services | 5,085 | 5,417 |
| Credit card fees and bank charges | 4,405 | 3,728 |
| Office supplies and postage | 3,948 | 3,479 |
| Professional fees | 4,087 | 2,842 |
| Conferences | 2,500 | - |
| Web Site and Internet services | 2,435 | 1,101 |
| Board meeting expenses | 1,527 | 1,996 |
| Insurance | 1,297 | 1,307 |
| Bad debts (recovery) (Note 4) | <u>(4,555)</u> | <u>22,565</u> |
| | <u>197,088</u> | <u>209,363</u> |
| EXCESS OF REVENUES OVER EXPENSES for the year | 6,381 | 2,592 |
| UNRESTRICTED NET ASSETS – beginning of year | <u>50,936</u> | <u>48,344</u> |
| UNRESTRICTED NET ASSETS – end of year | <u>57,317</u> | <u>50,936</u> |

See accompanying notes

PERFORMANCE AND PLANNING EXCHANGE (PPX)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31

| | <u>2009</u> \$ | <u>2008</u> \$ |
|--|-------------------|-------------------|
| Operating activities | | |
| Excess of revenues over expenses | 6,381 | 2,592 |
| Net change in non-cash working capital items | | |
| Decrease in accounts receivable | 7,575 | 49,081 |
| Decrease (increase) in prepaid expenses | (1,891) | 3,208 |
| Increase (decrease) in accounts payable and accrued liabilities | (460) | 3,715 |
| Increase (decrease) in deferred revenue | <u>(12,711)</u> | <u>11,983</u> |
| <i>Funds used by operating activities and net increase (decrease) in cash and cash equivalents for the year</i> | <u>(1,106)</u> | <u>70,579</u> |
| Cash (bank overdraft) and cash equivalents – beginning of year | <u>68,015</u> | <u>(2,564)</u> |
| Cash and cash equivalents – end of year | <u>66,909</u> | <u>68,015</u> |
| | | |
| <u>Represented by:</u> | | |
| Cash | 46,486 | 47,982 |
| Guaranteed investment certificate and accrued interests | <u>20,423</u> | <u>20,033</u> |
| | <u>66,909</u> | <u>68,015</u> |

See accompanying notes

PERFORMANCE AND PLANNING EXCHANGE (PPX)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. JURISDICTIONAL STATUTE AND NATURE OF OPERATIONS

The Performance and Planning Exchange (PPX) (in French: "Forum d'échange sur le rendement et la planification (FERP)") was incorporated on March 6th, 2000 under Part II of the *Canada Corporations Act*. PPX is a Canada-based international centre of excellence for learning, sharing and developing expertise in performance and planning, including its measurement, implementation, public reporting and management. It is committed to:

- encouraging membership from a wide variety of discipline and sectors;
- learning that increases awareness, understanding and skills in planning, measuring, implementing, reporting and managing results;
- creating the means for members to more easily share knowledge, experience, problems and solutions;
- research and development in the managing of results.

Its members may come from the public as well as the private sectors and they totalled more than 2,600 at the end of the year (2008: more than 2,500). Any participant in any learning event or in the annual symposium automatically becomes a member of PPX and, since the mid year 2008, PPX does no longer require the payment of the one-time initiation fee of \$25 for membership.

PPX's main activities are the presentation of five to seven learning events each on a particular relevant topic in the course of the year and the holding of an annual symposium.

PPX is a non-profit organization and is exempt from income taxes by virtue of Section 149(1)(l) of the *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable for non-profit organizations and include the following:

Revenue recognition

Fees for attending learning events and the annual symposium are recognized as revenue upon the presentation of the event. The liability for the portion of learning event revenues invoiced but not yet presented is recorded as deferred revenue.

Capital assets

Capital assets costing more than a \$1,000 will be recorded at cost and amortize on a straight-line basis over their estimated useful. There were no capital asset acquisitions in 2009 and 2008. Capital assets acquired in prior years have been written off as the end of their useful life had been reached before 2008.

Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported period. Estimates were used in the recording and valuation of accounts receivable.

PERFORMANCE AND PLANNING EXCHANGE (PPX)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

3. ACCOUNTS RECEIVABLE

The accounts receivable include an amount of \$8,500 (2008: \$10,000) due from a former contract employee of PPX. This receivable arose prior to 2008 as the collections of revenue by this former individual on behalf of PPX were not deposited in a timely fashion into PPX's bank account. Management of PPX has been monitoring this account closely in the last two years to ensure as much recovery as possible. However, in order to provide for any potential future loss on this account, management has decided to record an allowance for loss for an equivalent amount of the receivable at the end of the year, net of payments received after year-end up to the date of the finalization of the annual financial statements.

4. BAD DEBTS (RECOVERY)

The recovery of bad debts of \$4,555 (2008: bad debts of \$22,565) includes the recovery of \$2,000 from a former contract employee (note 3) and from the collection of other various accounts that were deemed uncollectible in prior years.

5. RELATED PARTY TRANSACTIONS

The planning fees of \$10,000 in 2009 and 2008 paid to a board member correspond to their exchange amount as they were incurred in the normal course of operations.

6. COMMITMENT

In December 2009, PPX has engaged the Willow Group (Willow) as its Executive Director effective on January 1st 2010. Willow is replacing Performance Management Network Inc. who has resigned this position. The contract with Willow is for a 30 month period expiring on June 30th, 2012. If by then, the contract has not been renewed or terminated, then the contract will continue on a month-to-month basis under the same terms until the contract is formally renewed or terminated. The agreement calls for a basic daily fee of \$440 as well as specific fees for organizing events such as learning events and the annual symposium. It also provides for the reimbursement of expenses incurred by Willow on behalf of PPX.

The annual basic fees are estimated to total about \$47,000.