



## December 2014 TIES Treasurer's Report

Yulia R. Gel (with the help of Sylvia Esterby)

### TIES Budget Today and Overview

The crude estimate of TIES Budget today if TIES pays all ISI liabilities for all previous years is around USD23,000. **So, TIES is financially viable.** For detailed information see Appendix 2 below.

ISI charges TIES around USD4,600 as overhead and at least USD2,000 for membership administration. In total, **TIES is supposed to pay ISI at least USD6,600 each year.**

TIES pays public accountant in Canada around USD3,500 for annual review engagement. However, under the new Canadian Non-for-Profit Act, TIES does not need a public accountant anymore (see details below).

**Cost of TIES in Canada will be USD0.**

### Compliance under the New Canadian Non-for-Profit Corporations Act (NFP Act)

According to *Ibid.*, s. 189 and Not-for-profit Corporations Regulations [CNCR], *supra* note 15, s. 84, TIES is considered a non-soliciting not-for-profit organization (<\$10,000 per year in revenue from public funds) and hence

*“It is possible for the members to waive the appointment of a public accountant annually by a unanimous resolution. In that case, a compilation of the financial statements would be sufficient.”*

**In other words, under the new CNCR TIES does not need to hire and pay for public accountant.**

Currently, the argument of extensive costs of annual review engagement is one of the main reasons on the table to remain a Full Association of ISI. However, this argument is no longer valid under the new Canadian Not-for-profit Corporations Act (NFP Act).

Given the new NFP Act, if TIES continues to be a Full Association of ISI, TIES will start losing money due to ISI overhead charges and all TIES funds will be managed by ISI under ISI practices and procedures.

### Potential Dissolution of TIES

- Under the Canadian NFP Act (<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs05167.html#howcan>),

*A corporation can apply to dissolve when it has no property or liabilities. The exception is a bankrupt corporation.*

If the corporation owns property or has liabilities, then there are two ways:

**1. Liquidation before starting the dissolution process**

The members can pass a special resolution authorizing the directors to distribute any property and discharge any liabilities in accordance with the articles of the corporation and the requirements under the NFP Act. If there is more than one class or group of members, each class or group must pass a special resolution to authorize the dissolution even if these members are not otherwise entitled to vote. The directors must then dispose of any property and liabilities before applying for a Certificate of Dissolution.

**2. Starting the dissolution process before the liquidation process**

If the corporation will cease carrying on business while it is in the process of liquidation, it may wish to apply for a Certificate of Intent to Dissolve. Members must authorize the liquidation and dissolution of the corporation by special resolution. If there is more than one class or group of members, each class or group must pass a special resolution to authorize the dissolution even if these members are not otherwise entitled to vote. The Certificate of Intent to Dissolve serves as public notice that the corporation is no longer carrying on its activities, except to the extent necessary for the liquidation.

When a Certificate of Intent to Dissolve is issued, the corporation must cease to carry on its activities except to the extent needed for the liquidation. It must also:

- a. notify creditors of its intent to dissolve;
- b. give notice of the intent to dissolve in each province in Canada where the corporation was carrying on activities at the time it sent the Statement of Intent to Dissolve to Corporations Canada;
- c. do all the acts required for the liquidation of property in accordance with the NFP Act and to discharge all the corporation's liabilities; and
- d. distribute the corporation's remaining property among the members according to the articles or the provisions of the NFP Act.

Once the liquidation process is completed, an application can be made for a Certificate of Dissolution.

Note that in all cases,

If there is more than one class or group of members, each class or group must pass a special resolution to authorize the dissolution even if these members are not otherwise entitled to vote.

Hence, **both TIES Regular and TIES Student Members must vote** despite that the latter are usually not entitled to vote. We also have TIES institutional members in our by-laws but none de-fact at the moment.

Does then AGM need an individual quorum of both membership groups:  
TIES Regular members and TIES Student members?

If TIES decides to dissolve, we probably need to hire a lawyer in Canada to help with the paperwork, which also adds additional expenses.

*Attachment 1 – Financial Update on Membership fees YTD in context of recent history*

*Attachment 2 – Overview of the TIES Financial Status (in a)*

| Type of Membership                         | Membership Dues                           | TIES Revenue | Estimated Number of Members as of June 26, 2014 |
|--|---|--------------|---|
| ISI-TIES regular from developed countries  | 1 ISI society is free with ISI membership | 17 Euro      | 71 (2013)<br>74 (2012)                          |
| ISI-TIES regular from developing countries | 1 ISI society is free with ISI membership | 5 Euro       | 10 (2013)<br>11 (2012)                          |
| TIES regular from developed countries      | 25 Euro                                   | 11 Euro      | 73 (2013)<br>80 (2012)                          |
| TIES regular from developing countries     | 8 Euro                                    | 3 Euro       | 8 (2013)<br>5 (2012)                            |
| ISI-TIES retired from developed countries  | 1 ISI society is free with ISI membership | 5 Euro       | 7 (2013)<br>6 (2012)                            |
| ISI-TIES retired from developing countries | 1 ISI society is free with ISI membership | 5 Euro       | 0 (2013)<br>0 (2012)                            |
| TIES retired from developed countries      | 15 Euro                                   | 10 Euro      | 1 (2013)<br>2 (2012)                            |
| Student                                    | 0 Euro                                    | -5 Euro      | 47 (2013),<br>121 (2012)                        |

Sylvia Esterby and Yulia R. Gel

21-Oct-14

## TIES Statement of Income and Capital US\$

No information is available on TIES2013. The audit for 2013 is finalized without TIES2013

| Revenue                           | by SB Partners |       |       |       | From Review Engagements done by SB Partners |       |       |       |      |       |
|-----------------------------------|----------------|-------|-------|-------|---|-------|-------|-------|------|-------|
|                                   | 2013           | 2012  | 2011  | 2010  | 2009  | 2008  | 2007  | 2006  | 2005 | 2004  |
| Membership dues (non-conference)* | 3335           | 4739  | 7146  | 4682  | 9465  | 11250 | 16085 | 14747 | 7784 | 18963 |
| TIES conferences                  | TBD            | 2110  | 3555  | 3843  |   |       |       |       |      |       |
| Environmetrics subscriptions      | (635€/USD843)* | 1633  | 2476  | 3242  |   |       |       |       |      |       |
| TIES conference revenue           | TBD            | 6612  | 5146  | 10885 |   |       |       |       |      |       |
| Interest                          | 35             | 24    | 15    | 91    | 83  | 349   | 612   | 618   | 213  | 95    |
| Sub Total                         | 3370           | 15118 | 18337 | 22743 | 9548  | 11599 | 16697 | 15365 | 7997 | 19058 |

\* invoiced minus depreciation debtors

| Expenses (Liability)                            | 2013  | 2012  | 2011  | 2010  | 2009  | 2008  | 2007  | 2006  | 2005  | 2004  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bank charges                                    | NA    | 74    | 480   | 411   | 925   | 624   | 522   | 457   | 567   | 400   |
| Journal subscriptions                           | 731   | 1476  | 2132  | 5084  | 5479  | 5270  | 10946 | 6922  | 10360 | 12697 |
| Accounting (amt for 2010,2011,2012 )            | 3500  | 3000  | 3000  | 3000  | 2484  | 3000  | 2364  | 2399  | 2676  | 1643  |
| Loss on foreign exchange                        | 3080  | -961  |       |       | -5960 | 6692  | -4525 | -23   | -570  | 363   |
| Newsletter                                      |       |       |       |       |       |       |       | 61    | 779   | 1647  |
| TIES speakers and awards                        | 7318  | 4277  | 3075  | 5080  | 2881  | 3676  |       |       |       |       |
| Office expenses (TIES web page,corp,...)        | 37    | 113   | 505   | 269   | 339   | 220   | 321   | 270   | 25    | 93    |
| ISI Overhead                                    | 4649  | 4888  | 6937  | 8812  |       |       |       |       |       |       |
| ISI Membership administration                   | 2002  | 2448  | 2729  | 3936  |       |       |       |       |       |       |
| ISI direct charges (travel ISI council, transfe | 0     | 7     | 58    | 1010  |       |       |       |       |       |       |
| Sub Total                                       | 21317 | 15321 | 18917 | 27602 | 6148  | 19482 | 9628  | 10086 | 13837 | 16843 |

\* not received from ISI and taken by ISI in lieu of our liability charges

| Assets              |       |       |       |       | From Review Engagements done by SB Partners (Auditors) |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|--|-------|-------|-------|-------|-------|
|                     | 2013  | 2012  | 2011  | 2010  | 2009   | 2008  | 2007  | 2006  | 2005  | 2004  |
| Bank and cash       | 37672 | 59978 | 54415 | 51095 | 50802  | 53673 | 53603 | 51048 | 43611 | 44366 |
| Short term deposits | 15276 | 15246 | 15223 | 15208 | 15191  | 15110 | 14766 | 14160 | 13560 | 13354 |
| Accounts receivable |       |       |       |       | 1892   |       |       |       |       |       |
| Sub Total           | 52948 | 75224 | 69638 | 66303 | 67885  | 68783 | 68369 | 65208 | 57171 | 57720 |

|                          |        |       |       |        |  |  |  |  |  |  |
|--------------------------|--------|-------|-------|--------|--|--|--|--|--|--|
| Revenue-expenses         |        |       |       |        |  |  |  |  |  |  |
| conf income included     | -17947 | -1164 | -580  | -7465  |  |  |  |  |  |  |
| conf income not included | -17947 | -9886 | -9281 | -21404 |  |  |  |  |  |  |

|  |       |  |  |  |  |  |  |  |  |  |
|--|-------|--|--|--|--|--|--|--|--|--|
| Current Estimate of the TIES budget    |       |  |  |  |  |  |  |  |  |  |
| including only 2013 ISI liabilities    | 35001 |  |  |  |  |  |  |  |  |  |
| including All Years of ISI liabilities | 22948 |  |  |  |  |  |  |  |  |  |

## Liabilities and other summaries

|  |       |      |      |      |       |       |       |       |       |       |
|--|-------|------|------|------|-------|-------|-------|-------|-------|-------|
| Conference funds                             |       |      |      |      | 22049 | 22569 | 22261 | 24660 | 18693 | 20123 |
| Liabilities ISI (costs exceed ISI collected) | 3315  | 2767 | 2409 | 3563 |       |       |       |       |       |       |
| Cumulative liability since 2010              | 12053 | 8739 | 5972 | 3563 |       |       |       |       |       |       |