

Canadian Council for International Co-operation



Financial Statements

For the year ended March 31, 2018



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For the year ended March 31, 2018

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Independent Auditor's Report

To the Members of the Canadian Council for International Co-operation

We have audited the accompanying financial statements of the Canadian Council for International Co-operation, which comprise the statement of financial position as at March 31, 2018, 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 of our audit opinion.



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Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Council for International Co-operation as at March 31, 2018, 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.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
May 7, 2018
Ottawa, Ontario

Canadian Council for International Co-operation Financial Position

March 31	2018	2017
Assets		
Current		
Cash	\$ 357,115	\$ 717,217
Term deposits	216,330	216,330
Trade and other receivables (Note 1)	113,560	79,520
Contributions receivable	7,831	8,276
Prepaid expenses	6,789	6,139
	701,625	1,027,482
Tangible capital assets (Note 2)	68,555	47,002
	\$ 770,180	\$ 1,074,484

Liabilities and Net Assets

Current		
Trade payables and other operating liabilities	\$ 89,466	\$ 66,720
Deferred contributions (Note 3)	284,181	554,609
	373,647	621,329
Net assets		
Invested in tangible capital assets	68,555	47,002
Restricted reserve fund	312,000	290,000
Unappropriated surplus	15,978	116,153
	396,533	453,155
	\$ 770,180	\$ 1,074,484

On behalf of the Board:

Director

Director

**Canadian Council for International Co-operation
Statement of Changes in Net Assets**

For the year ended March 31

	Invested in Tangible Capital Assets	Restricted reserve fund	Unappropriated surplus	2018 Total	2017 Total
Balance, beginning of year	\$ 47,002	\$ 290,000	\$ 116,153	\$ 453,155	\$ 524,180
Deficiency of revenue over expenses for the year	(17,812)	-	(38,810)	(56,622)	(71,025)
Acquisition of tangible capital asset	39,365	-	(39,365)	-	-
Interfund transfers	-	22,000	(22,000)	-	-
Balance, end of year	\$ 68,555	\$ 312,000	\$ 15,978	\$ 396,533	\$ 453,155

Canadian Council for International Co-operation Statement of Operations

For the year ended March 31	2018	2017
Revenues		
Membership fees	\$ 607,466	\$ 558,783
International Development Research Centre	300,996	185,988
Working groups contributions	116,087	112,505
Humanitarian Response Network	64,008	-
Bill and Melinda Gates Foundation	383,579	85,802
Other grants and contributions	92,016	103,340
Registration fees	103,278	49,591
Other revenues (donations, organization transfers, fees for services)	62,241	44,834
Interest	10,195	9,317
	<u>1,739,866</u>	<u>1,150,160</u>
Expenses		
Staff costs	1,005,411	664,505
Administrative costs, including Board	156,044	135,843
Expenses by program		
Research, conference and workshop activities	213,422	110,996
Policy	92,580	68,758
Communications	19,898	20,538
Member engagement (AGM, workshops, seminars)	10,323	9,159
Working groups activities	15,230	26,254
CEO office	7,795	11,612
Special projects	3,870	11,636
Enhanced Canadian support for sustainable development	209,361	58,953
International assistance review	-	29,403
Humanitarian Response Network	5,897	-
	<u>1,739,831</u>	<u>1,147,657</u>
Excess of revenues over expenses resulting from current operations	35	2,503
Strategic investments specifically approved to be paid from unappropriated surplus (Note 4)	<u>(56,657)</u>	<u>(73,528)</u>
Deficiency of revenue over expenses	<u>\$ (56,622)</u>	<u>\$ (71,025)</u>

Canadian Council for International Co-operation Statement of Cash Flows

For the year ended March 31	2018	2017
Cash flows from (used in) operating activities		
Deficiency of revenue over expenses for the year	\$ (56,622)	\$ (71,025)
Non-cash items		
Amortization of tangible capital assets	17,812	9,171
Changes in non-cash working capital balances		
Trade and other receivables	(34,040)	(50,564)
Contribution receivable	445	(4,455)
Prepaid expenses	(650)	201
Trade payables and other operating liabilities	22,746	47,428
Deferred contributions	(270,428)	488,526
Cash flows from operating activities	<u>(320,737)</u>	<u>419,282</u>
Cash flows from (used in) investing activities		
Acquisition of tangible capital assets	<u>(39,365)</u>	<u>(42,657)</u>
Increase (decrease) in cash and cash equivalents during the year	(360,102)	376,625
Cash and cash equivalents, beginning of year	<u>717,217</u>	<u>340,592</u>
Cash and cash equivalents, end of year	<u>\$ 357,115</u>	<u>\$ 717,217</u>

Canadian Council for International Co-operation Summary of Significant Accounting Policies

March 31, 2018

Nature of Organization	The Canadian Council for International Co-operation (CCIC) is a coalition of Canadian voluntary sector organizations working globally to achieve sustainable human development. CCIC seeks to end global poverty and to promote social justice and human dignity for all. The Council is a registered charitable organization.
Basis of Presentation	These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.
Accounting Estimates	The preparation of financial statements in accordance 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the fiscal year in which they become known. Significant estimates include assumptions used in: estimating the initial fair value of financial instruments; estimating the amounts and + of accounts receivable; establishing the useful lives and related amortization of tangible capital assets; estimating provisions for accrued liabilities; estimating the salaries and benefits allocated to various operational areas; and estimating the amount of contributions earned, receivable, accrued and deferred and other funding agreements.
Financial Instruments	<p>Financial instruments are financial assets or financial liabilities of the Council where, in general, the Council has the right to receive cash or another financial asset from another party or has obligation to pay another party cash or other financial assets.</p> <p><i>Measurement of financial instruments</i></p> <p>The Council initially measures its financial assets and financial liabilities at fair value.</p> <p>The Council subsequently measures all its financial assets and financial liabilities at amortized cost.</p> <p>Financial assets measured at amortized cost include cash, term deposits, trade and other receivables and contribution receivable. Financial liabilities measured at amortized cost include trade payable and other operating liabilities. The Council has no financial assets or financial liabilities measured at fair value.</p>

Canadian Council for International Co-operation Summary of Significant Accounting Policies

March 31, 2018

Financial Instruments
(continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that could have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

**Cash and Cash
Equivalents**

The Council's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

Revenue Recognition

Contributions

The Council follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses such as CCIC projects and administration fees, are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees

Membership fees are recognized in the period to which they relate.

Registration fees

Registration fees are recognized as revenue in accordance with the agreement between the parties, during the period for which the fees apply and when the fees are fixed or determinable and collection is reasonably assured. The liability relating to the received but unearned portion of revenues from registration fees is recognized in the statement of financial position as deferred contributions.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Interest income is recognized on a time apportionment basis.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. The balance of investment income is unrestricted and recognized as revenue.

Canadian Council for International Co-operation Summary of Significant Accounting Policies

March 31, 2018

Capital Assets

Tangible capital assets are recorded at cost. When the Council receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date or to a nominal value of \$1 if the fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the following methods, annual rate and period:

Furniture	5 to 10	years straight-line basis
Computers and equipment	30%	diminishing balance basis
Leasehold improvements	5	years straight-line basis

Write-down

When the Council recognizes that a tangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of revenues and expenses.

Foreign Currency Transactions

Revenue and expenses are translated at the rate of exchange in effect on the transaction date. Exchange gains or losses are included in the determination of the statement of revenues and expenses. Monetary assets and liabilities are translated using the exchange rate in effect at the balance sheet date.

Restricted Reserve Fund

CCIC has established a restricted reserve fund to be used to meet the Council's financial obligations in the event that it is necessary to scale back operations or to cease operations all together. The amounts required to meet the Council's financial obligations in the event of closure will be reviewed annually and additional funds will be transferred to the restricted reserve fund if needed to ensure that the funds will be able to cover all financial obligations. In the event that the amounts are lower than the balance in the restricted reserve fund, the Board of Directors may agree to transfer excess funds to the unappropriated surplus fund.

Canadian Council for International Co-operation Notes to Financial Statements

March 31, 2018

1. Trade and Other Receivables

	2018		2017	
Trade accounts receivable	\$	63,811	\$	66,921
Sales taxes receivable		49,749		12,599
	\$	113,560	\$	79,520

2. Tangible Capital Assets

	2018			2017		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture, computers and equipment	\$ 154,673	\$ 113,878	\$ 40,795	\$ 128,512	\$ 102,347	\$ 26,165
Leasehold improvements	36,356	8,596	27,760	23,152	2,315	20,837
	\$ 191,029	\$ 122,474	\$ 68,555	\$ 151,664	\$ 104,662	\$ 47,002

3. Deferred Contributions

	2018			
	Balance beginning of year	Received during the year	Recognized as revenue	Balance end of year
Bill and Melinda Gates Foundation	\$ 394,321	\$ 95,966	\$ (383,579)	\$ 106,708
International Development Research Centre	107,528	332,109	(300,996)	138,641
Working Groups	47,520	78,095	(116,087)	9,528
Humanitarian Response Network	-	93,312	(64,008)	29,304
Other deferred contributions	5,240	-	(5,240)	-
	\$ 554,609	\$ 599,482	\$ (869,910)	\$ 284,181

Canadian Council for International Co-operation Notes to Financial Statements

March 31, 2018

3. Deferred Contributions (continued)

	2017			
	Balance beginning of year	Received during the year	Recognized as revenue	Balance end of year
Bill and Melinda Gates Foundation	\$ -	\$ 480,123	\$ (85,802)	\$ 394,321
International Development Research Centre	7,157	286,359	(185,988)	107,528
Working Groups	57,291	102,734	(112,505)	47,520
Other deferred contributions	-	5,240	-	5,240
Inter Pares- sustainability project	1,635	10,000	(11,635)	-
	\$ 66,083	\$ 884,456	\$ (395,930)	\$ 554,609

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover CCIC's expenses for the coming year.

4. Strategic Investments Specifically Approved to be Paid from Unappropriated Surplus

Strategic investments represent expenses, such as staff costs, consulting, translation fees, and strategic planning that have been specifically approved by the Board of Directors for particular projects in addition to the original budgeted costs. The costs specifically approved for this year are staff costs of \$41,205 (2017 - \$73,528) and strategic planning expenses for the year are \$15,452 (2017 - \$nil).

5. Pension Plan

The Council participates in an employer pension plan. The plan is a defined contribution pension plan. Contributions made during the year were \$31,002.

6. Commitments

The Council has entered into a long-term lease agreement expiring on August 30, 2021. The future lease payments and related costs on a fiscal year basis are as follows:

2019	\$ 38,867
2020	39,631
2021	40,410
2022	16,974
	\$ 135,882

Canadian Council for International Co-operation Notes to Financial Statements

March 31, 2018

6. Commitments (continued)

Some leasehold improvements have been paid by the landlord. These costs are being repaid through the lease payments and are included in trade payables and other operating liabilities. The agreement also calls for \$1,500 penalty per year for early termination.

7. Financial Instruments

The Council is exposed to various risk through its financial instruments. The following analysis provides a measure of the Council's risk exposure and concentrations as at March 31, 2018.

The Council is not involved in any hedging relationships through its operations and does not hold or used any derivative financial instruments for trading purposes.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect of its trade payables and other operating liabilities.

Credit risk

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 Council's main credit risk relates to its trade and other receivables and contribution receivable.

Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk and other price risk. The Council is mainly exposed to interest rate risk.

Interest rate risk

The Council is mainly exposed to interest rate risk with respect to financial assets bearing fixed interest rates. Term deposits bear interest at a fixed rate and the Council is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Council's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Changes in risk

There have been no significant changes in the Council's risk exposures from its previous fiscal year ended March 31, 2017.

Canadian Council for International Co-operation Notes to Financial Statements

March 31, 2018

8. Corresponding Amounts and Financial Disclosures

In certain instances, 2017 fiscal year corresponding amounts and financial disclosures presented have been reclassified to conform with the financial statement presentation and financial disclosures adopted for the 2018 fiscal year.

Specifically, the payable to the landlord has been reclassified from leasehold inducement to trade payables and other operating liabilities to match the terms of the lease.

Canadian Council for International Co-operation Schedule

For the year ended March 31 **2018** **2017**

EXPENSES BY CATEGORY

Amortization of tangible capital assets	\$ 17,812	\$ 9,171	
Bank and service charges	6,569	3,875	
Communications	22,722	17,790	
Consultants	298,881	177,267	
Equipment rental	17,546	5,936	
Meeting expenses	125,212	55,000	
Memberships and hospitality	6,008	3,072	
Miscellaneous	3,009	5,864	
Photocopies, postage and office supplies	10,924	8,902	
Professional fees	14,030	9,279	
Publications and subscriptions	1,707	596	
Recruitment and training	614	1,247	
Rent and insurance	42,230	39,226	
Salaries and benefits	1,047,880	734,873	
Translation	56,373	57,564	
Travel	83,411	63,326	
Workshops and coalitions	41,560	28,197	
	\$ 1,796,488	\$ 1,221,185	

This Schedule presents expenses including strategic investments. Strategic investments are recorded on a separate line in the Statement of Operations.