

Canadian Council for International Co-operation

Financial Statements

For the year ended March 31, 2016



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For the year ended March 31, 2016

Contents

Independent Auditor's Report	1
Financial Statements	
Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	10
Schedule	12

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, 2016, 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.

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, 2016, 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.

Other Matter

The financial statements of Canadian Council for International Co-operation for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 11, 2015.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
May 10, 2016
Ottawa, Ontario

Canadian Council for International Co-operation Financial Position

March 31 2016 2015

Assets

Current

Cash	\$ 340,592	\$ 289,013
Term deposits	216,330	216,330
Trade and other receivables (Note 1)	28,956	38,227
Contribution receivable	3,821	105,570
Prepaid expenses	6,340	7,175

596,039 656,315

Tangible capital assets (Note 2)

13,516 18,513

\$ 609,555 \$ 674,828

Liabilities and Net Assets

Current

Trade payables and other operating liabilities	\$ 19,292	\$ 39,589
Deferred contributions and membership fees (Note 3)	66,083	81,724

85,375 121,313

Net assets

Betty Plewes Fund	-	4,666
Invested in tangible capital assets	13,516	18,513
Restricted reserve fund	235,000	235,000
Unappropriated surplus	275,664	295,336

524,180 553,515

\$ 609,555 \$ 674,828

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

	Betty Plewes fund	Invested in Tangible Capital Assets	Restricted reserve fund	Unappropriated surplus	2016 Total	2015 Total
Balance , beginning of year	\$ 4,666	\$ 18,513	\$ 235,000	\$ 295,336	\$ 553,515	\$ 578,902
Deficiency of revenue over expenses for the year	(4,666)	(9,378)	-	(15,291)	(29,335)	(25,387)
Acquisition of tangible capital asset	-	5,381	-	(5,381)	-	-
Disposal of tangible capital assets	-	(1,000)	-	1,000	-	-
Balance , end of year	\$ -	\$ 13,516	\$ 235,000	\$ 275,664	\$ 524,180	\$ 553,515

Canadian Council for International Co-operation Statement of Operations

For the year ended March 31	2016	2015
Revenues		
Membership fees	\$ 484,683	\$ 459,857
International Development Research Centre	177,667	207,579
Working groups contributions	76,553	105,518
Other grants and contributions	37,776	43,640
Registration fees	60,012	42,988
Other revenues (donations, organization transfers, fees for services)	79,086	62,912
Interest	6,368	6,937
	922,145	929,431
Expenses by program (Schedule - Expenses by category including strategic investments)		
Staff costs	544,513	533,023
Administrative costs, including Board	106,267	130,223
Expenses by program		
Research, conference and workshop activities	151,976	131,276
Policy	46,789	39,641
Communications	23,747	21,471
Member engagement (AGM, workshops, seminars)	12,260	5,392
Working groups activities	26,325	45,060
CEO office	6,520	8,303
Special projects	3,365	14,999
	921,762	929,388
Excess of revenues over expenses resulting from current operations	383	43
Strategic investments specifically approved to be paid from unappropriated surplus (Note 4)	(25,052)	(25,430)
Betty Plewes Fund Grant, net of interest income	(4,666)	-
Deficiency of revenue over expenses	\$ (29,335)	\$ (25,387)

Canadian Council for International Co-operation Statement of Cash Flows

For the year ended March 31	2016	2015
Cash flows from (used in) operating activities		
Deficiency of revenue over expenses for the year	\$ (29,335)	\$ (25,387)
Non-cash items		
Loss on disposal of capital assets	4,626	-
Amortization of tangible capital assets	4,752	6,163
Changes in non-cash working capital balances		
Trade and other receivables	9,271	(11,249)
Contribution receivable	101,749	(83,470)
Prepaid expenses	835	6,593
Trade payables and other operating liabilities	(20,297)	15,199
Deferred contributions and membership fees	(15,641)	(10,163)
Cash flows from operating activities	<u>55,960</u>	<u>(102,314)</u>
Cash flows from (used in) investing activities		
Acquisition of tangible capital assets	(5,381)	(6,940)
Disposal of tangible capital assets	1,000	-
Cash flows from investing activities	<u>(4,381)</u>	<u>(6,940)</u>
Increase (decrease) in cash and cash equivalents during the year	51,579	(109,254)
Cash and cash equivalents, beginning of year	<u>289,013</u>	<u>398,267</u>
Cash and cash equivalents, end of year	<u>\$ 340,592</u>	<u>\$ 289,013</u>

Canadian Council for International Co-operation

Summary of Significant Accounting Policies

March 31, 2016

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 collectibility 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><u>Measurement of financial instruments</u></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, 2016

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, 2016

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

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, 2016

1. Trade and Other Receivables

	2016	2015
Trade accounts receivable	\$ 14,304	\$ 17,873
Sales taxes receivable	14,652	20,354
	\$ 28,956	\$ 38,227

2. Tangible Capital Assets

	2016			2015		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture, computers and equipment	\$ 109,008	\$ 95,492	\$ 13,516	\$ 113,004	\$ 94,491	\$ 18,513

3. Deferred Contributions and Membership Fees

	2016	2015
Balance, beginning of year	\$ 81,724	\$ 91,887
Recognized as revenues	(81,724)	(91,887)
Received relating to the following year	66,083	81,724
	\$ 66,083	\$ 81,724

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 and consulting and translation fees, that have been specifically approved for particular projects or working groups in addition to the original budgeted costs. The costs specifically approved for the year are staff costs of \$18,465 (2015 - \$nil) and consulting and translation fees of \$6,587 (2015 - \$25,430).

Canadian Council for International Co-operation

Notes to financial Statements

March 31, 2016

5. Commitments

The Council has entered into a long-term lease agreement expiring on August 31, 2016 which calls for lease payments of \$ 26,609 for the rental of a building. The minimum lease payments for the next year are \$11,086 in 2017.

6. Pension Plan

The Council participates in an employer pension plan. The plan is a defined contribution pension plan. Contributions made during the year were \$19,930.

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, 2016.

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 2015 fiscal year.

Canadian Council for International Co-operation Schedule

For the year ended March 31	2016	2015
EXPENSES BY CATEGORY		
(including strategic investments)		
Amortization of tangible capital assets	\$ 4,752	\$ 6,163
Bank and service charges	4,329	4,072
Communications	15,567	15,646
Consultants	91,878	128,953
Equipment rental	2,821	12,457
Loss on disposal of assets	4,626	-
Meeting expenses	74,240	69,390
Memberships and hospitality	2,098	1,128
Miscellaneous	2,257	6,990
Photocopies, postage and office supplies	9,063	7,767
Professional fees	8,835	9,355
Publications and subscriptions	558	311
Recruitment and training	973	-
Rent and insurance	37,204	50,491
Salaries and benefits	562,978	533,023
Translation	70,999	64,723
Travel	46,465	41,464
Workshops and coalitions	7,171	2,885
	\$ 946,814	\$ 954,818
