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**CTI CANADIAN TRAINING INSTITUTE  
INSTITUT CANADIEN DE FORMATION INC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2018**

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**PAUL KWIATKOSKI PROFESSIONAL CORPORATION  
LICENCED PUBLIC ACCOUNTANT  
853 MAIN STREET EAST  
HAMILTON, ONTARIO  
L8M-1L8**

**PHONE 905-544-5225  
FAX 905-544-4061**

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**REVIEW ENGAGEMENT REPORT**

To the directors of the CTI Canadian Training Institute, Institut Cnadien De Formation Inc.

I have reviewed the supplementary information of the CTI Canadian Training Institute, Institut Cnadien De Formation Inc. for the year ended March 31, 2018. My review was made in accordance with generally accepted standard for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussions related to information supplied to me by the organization.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Base on my review, nothing has come to my attention that causes me to believe that the supplementary information is not, in all material respects, in accordance with Canadian generally accounting principles.

Hamilton, Canada  
August 10, 2018

  
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PAUL KWIATKOSKI CPA CA

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**PAUL KWIATKOSKI PROFESSIONAL CORPORATION**  
**CHARTERED ACCOUNTANT**  
**LICENSED PUBLIC ACCOUNTANT**  
**853 MAIN STREET EAST**  
**HAMILTON, ONTARIO**  
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### **Independent Auditor's Report**

To the Directors of Canadian Training Institute

I have audited the statement of financial position of the CTI Canadian Training Institute, Institut Canadien De Formation Inc. as at March 31, 2018, and the statements of operations and 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 generally accepted accounting principles, 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.

#### **Auditors responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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

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**Basis of Qualified Opinion**

In common with many charitable organizations, Canadian Training Institute derives revenue from donations and fund raising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Qualified Opinion**

In my opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had I been able to satisfy myself concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2018, and the results of its operations and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles for non for profit organizations. My opinion on the financial statements for the year ended March 31, 2017 was modified because of the possible effects of a similar limitation with respect to the completeness of revenue.

Hamilton, Canada  
July 31, 2018

  
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PAUL KWIATKOSKI CPA CA

Authorized to practice public accounting by the The Institute of Chartered Accountant of Ontario

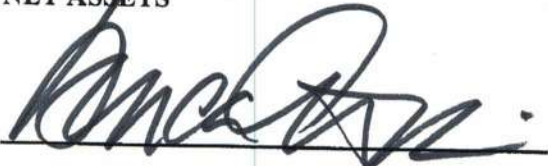
**CTI CANADIAN TRAINING INSTITUTE  
INSTITUT CANADIEN DE FORMATION INC.  
AUDITED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Economic and Social Development Canada		
S2S	\$ 1,203,059	\$ 911,466
Workforce Challenge	222,179	NIL
Training and Development Fees	231,574	444,205
Ontario Ministry of Children and Youth Services	386,006	360,000
Public Safety Canada	73,450	109,472
Grants		
Thunder Foundation	38,601	38,501
Trillium Foundation - Film Star program	85,197	NIL
- other	22,000	NIL
Ontario Ministry of Community Safety & Correctional Services	57,000	56,930
Toronto District School Boards program	NIL	17,690
City of Toronto		
Employment and Social Services	68,795	55,800
Film Stars program	NIL	89,505
Other	<u>1,040</u>	<u>1,757</u>
<b>Total Revenue</b>	<b>\$ <u>2,388,901</u></b>	<b>\$ <u>2,085,326</u></b>
<b>Expenses</b>		
Salaries and Benefits	1,129,852	791,721
Program		
Training and development	125,376	240,355
Other	828,197	703,608
Consulting	119,594	123,261
Rent	73,101	61,073
Insurance	10,050	7,909
Office and General	39,414	33,323
Professional Fees	25,907	53,754
Travel	<u>28,160</u>	<u>20,824</u>
<b>Total Expenses</b>	<b><u>2,379,651</u></b>	<b><u>2,035,828</u></b>
<b>Excess of revenues over expenses</b>	<b>\$ 9,250</b>	<b>\$ 49,498</b>
<b>Net Assets, beginning of year</b>	<u>39,457</u>	<u>(10,041)</u>
<b>Net Assets, end of year</b>	<b><u>\$ 48,707</u></b>	<b><u>\$ 39,457</u></b>

See accompanying notes to the financial statements

**CTI CANADIAN TRAINING INSTITUTE  
 INSTITUT CANADIEN DE FORMATION INC.  
 AUDITED STATEMENT OF FINANCIAL POSITION  
 AS AT MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash in bank	\$ 254,045	\$ 96,930
Accounts receivable (Note 3)	86,442	148,116
Prepaid expenses	<u>28,173</u>	<u>5,152</u>
	<u>\$ 368,660</u>	<u>\$ 250,198</u>
 <b>LIABILITIES</b>		
<b>Current</b>		
Accounts payables (Note 3)	65,039	84,922
Deferred revenue (Note 5)	<u>254,914</u>	<u>125,819</u>
	\$ 319,953	\$ 210,741
 <b>NET ASSETS</b>	 <u>\$ 48,707</u>	 <u>\$ 39,457</u>
	 <u>\$ 368,660</u>	 <u>\$ 250,198</u>

  
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 Approved on behalf on the board of directors

See accompanying notes to the financial statements

**CTI CANADIAN TRAINING INSTITUTE  
 INSTITUT CANADIEN DE FORMATION INC.  
 AUDITED STATEMENT OF CASH POSITION  
 AS AT MARCH 31, 2018**

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	<u>2018</u>	<u>2017</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Working capital from operations		
Excess of revenues over expenses	\$ 9,250	\$ 49,498
Net change in non-cash working capital		
Decrease (Increase) in accounts receivable	61,674	(86,954)
Decrease (Increase) in prepaid expenses	(23,021)	NIL
Increase (decrease) in accounts payable	(19,883)	(41,352)
Increase (decrease) in deferred revenue	<u>129,095</u>	<u>(27,943)</u>
<b><u>INCREASE (DECREASE) IN CASH</u></b>	<b>\$ 157,115</b>	<b>\$ (106,751)</b>
CASH, beginning of year	<u>96,930</u>	<u>203,681</u>
<b><u>CASH, END OF YEAR</u></b>	<b><u>\$ 254,045</u></b>	<b><u>\$ 96,930</u></b>

See accompanying notes to the financial statements

**CTI CANADIAN TRAINING INSTITUTE  
INSTITUT CANADIEN DE FORMATION INC.  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

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**1. NATURE OF ORGANIZATION**

The Canadian Training Institute, Institut Canadien De Formation Inc., is a not for profit organization incorporated under the laws of Ontario and is a registered charity under the Income Tax Act.

The mandate of the Organization is:

- a) to provide training and consulting assistance, promote collaborative action and undertake applied research projects that contribute to the effectiveness of services delivered by human service agencies and organizations in Canada.
- b) to assist in the development of knowledge, skills, and services that reduce crime, promote active individual participation and ultimately contribute to healthy individuals, agencies, organizations and communities within Canada.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

**Equipment**

Equipment is carried at cost less amortization. Amortization is calculated on a straight-line basis over their estimated useful lives of ten years: All equipment has been fully depreciated

**Financial Instruments**

The organization's financial assets and financial liabilities instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Cash and cash equivalents are classified as held for trading and are measured at fair value. Gains and losses are recorded in net income.

Other financial assets and liabilities are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method.

**Revenue Recognition**

- i) The organization follows the deferral method of accounting for project and program revenue and grants, whereby revenue related to expenses of a future period are deferred and recognized as revenue in the period in which the related expenses are incurred.
- ii) Donations are recognized upon the receipt of funds from the donating party.
- iii) Training revenue and other service related revenues are recorded when the services have been provided



**CTI CANADIAN TRAINING INSTITUTE  
 INSTITUT CANADIEN DE FORMATION INC.  
 NOTES TO THE AUDITED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2018**

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**2. Significant accounting policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires managements to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

**Contributed goods and services**

Due to the difficulty in determining the fair value of volunteer services , they are not recorded in the financial statements

**3. GOVERNMENT RECEIVABLES AND REMITTANCES**

Included in accounts receivable is \$24,096 (2017 - \$49,303) related to the registered charity rebate. Included in accounts payable is \$20,789 (2017 - \$14,478) related to source deduction remittances.

**4. OPERATING LINE OF CREDIT**

The organization has an operating line of credit available of \$80,000 and is secured by an assignment of accounts receivable and a general security agreement covering its remaining assets.

**5. DEFERRED REVENUE**

Activity for the year with respect to the deferred contributions or revenues are as follows:

Operations

	<u>2018</u>	<u>2017</u>
Balance - beginning of year	\$ 125,819	\$ 153,762
Additions during the year	1,433,532	1,457,266
Included in revenue during the year	<u>(1,304,437)</u>	<u>(1,485,209)</u>
Balance - end of year	<u>254,914</u>	<u>125,819</u>

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NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

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**6. LEASE COMMITMENTS**

The company leases premises under a long term lease that expires on February 28, 2020.

Future minimum lease payments for building and equipment as at year end are as follows:

2019	167,717
2020	85,021

**7. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the company's risk exposure as at March 31, 2018

**Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and bank indebtedness.

**Credit risk**

The organization is exposed to credit risk on the accounts receivable from its funders. The organization establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its funders. Although a substantial portion of its funders' ability to pay is dependent upon the general economic sector, concentration of credit risk is limited due to the organizations credit evaluation process, and its funding base.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of bank indebtedness.