

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

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**KLP PARTNERS LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**LICENSED PUBLIC ACCOUNTANTS**  
**853 MAIN STREET EAST**  
**HAMILTON, ONTARIO**  
**L8M-1L8**

**TELEPHONE: 905-544-5225**  
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## **Independent Auditor's Report**

To the Directors of Canadian Training Institute

We have audited the statement of financial position of the CTI Canadian Training Institute, Institut Canadien De Formation Inc. as at March 31, 2023, 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.

### **Unqualified Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CTI Canadian Training Institute, Institut Canadien De Formation Inc. as at March 31, 2023, and the results of its operations and its cash flows for the year then ended is in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled my other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing CTI Canadian Training Institute, Institut Canadien De Formation Inc's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CTI Canadian Training Institute, Institut Canadien De Formation Inc. or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing CTI Canadian Training Institute, Institut Canadien De Formation Inc's financial reporting process.

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### **Auditors responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CTI Canadian Training Institute, Institut Canadien De Formation Inc's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CTI Canadian Training Institute, Institut Canadien De Formation Inc's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CTI Canadian Training Institute, Institut Canadien De Formation Inc cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hamilton, Canada  
July 17, 2023

*KLP PARTNERS*  
KLP PARTNERS LLP

**CTI CANADIAN TRAINING INSTITUTE  
INSTITUT CANADIEN DE FORMATION INC.  
AUDITED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2023**

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	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Employment and Social Development Canada		
Steps 2 Success	\$ 1,405,618	\$ 1,324,779
WorkForce Challenge	2,553,141	2,018,927
Canada Summer Jobs	14,079	13,137
Training Fees	248,554	227,447
Ontario Ministry of Children, Community and Social Services	450,000	470,000
Ontario Ministry of the Solicitor General	74,580	56,930
City of Toronto -Employment and Social Services	148,545	111,087
LEAP Employment Program	75,950	76,100
Grants		
Black Business Initiatives Film Stars program	25,891	7,662
United Way - Film Stars program	NIL	20,471
Canada Emergency Wage and Rent Subsidy	NIL	31,717
Other	<u>34,146</u>	<u>15,226</u>
<b>Total Revenue</b>	<b>\$ <u>5,030,504</u></b>	<b>\$ <u>4,373,483</u></b>
<b>Expenses</b>		
Salaries and Benefits	2,084,619	1,844,578
Program		
Training	114,072	100,794
Other	2,285,580	1,932,995
Consulting	NIL	3,414
Rent	308,637	297,639
Insurance	15,060	12,678
Office and General	32,148	44,613
Professional Fees	68,230	43,634
Travel	<u>35,193</u>	<u>18,311</u>
<b>Total Expenses</b>	<b><u>4,943,539</u></b>	<b><u>4,298,656</u></b>
<b>Excess of current year operating revenues over expenses</b>	<b>\$ 86,965</b>	<b>\$ 74,827</b>
<b>Non Recurring Expenses</b>	<u>NIL</u>	<u>(40,000)</u>
<b>Net Surplus (Deficit) of revenues over expenses for the year</b>	<b>\$ 86,965</b>	<b>\$ 34,827</b>
<b>Net Assets, beginning of year</b>	<u>121,866</u>	<u>87,039</u>
<b>Net Assets, end of year</b>	<b><u>\$ 208,831</u></b>	<b><u>\$ 121,866</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, 2023**

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash in bank	\$ 1,281,140	\$ 1,598,178
Accounts receivable (Note 3)	144,587	58,406
Prepaid expenses	<u>58,247</u>	<u>57,578</u>
	<u>\$ 1,483,974</u>	<u>\$ 1,714,162</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payables	\$ 293,707	\$ 258,335
Deferred revenue (Note 5)	<u>941,436</u>	<u>1,293,961</u>
	\$ 1,235,143	\$ 1,552,296
<b>LOAN PAYABLE - CEBA (Note 6)</b>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
	<u>\$ 1,275,143</u>	<u>\$ 1,592,296</u>
<b>NET ASSETS</b>	<u>\$ 208,831</u>	<u>\$ 121,866</u>
	<u>\$ 1,483,974</u>	<u>\$ 1,714,162</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, 2023**

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	<u>2023</u>	<u>2022</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Working capital from operations		
Excess of revenues over expenses	\$ 86,965	\$ 34,827
Net change in non-cash working capital		
Decrease (Increase) in accounts receivable	(86,181)	16,653
Decrease (Increase) in prepaid expenses	(669)	(238)
Increase (decrease) in accounts payable	35,372	104,217
Increase (decrease) in deferred revenue	<u>(352,525)</u>	<u>747,324</u>
<b><u>INCREASE (DECREASE) IN CASH</u></b>	\$ (317,038)	\$ 902,783
CASH, beginning of year	<u>1,598,178</u>	<u>695,395</u>
<b><u>CASH, END OF YEAR</u></b>	<u>\$ 1,281,140</u>	<u>\$ 1,598,178</u>

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, 2023**

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**1. NATURE AND MANDATE OF THE 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 Organization provides training, promotes collaborative action and delivers evidence based programs that:

- contribute to the effectiveness of services delivered by criminal justice and related human service agencies and businesses,
- foster inclusively, equality and life-long learning by enhancing services which assist individuals to participate as responsible, valued and contributing members of Canadian society.
- develop knowledge, skills and services that reduce crime, promote active participation and ultimately contribute to healthy individuals, agencies and communities,
- assist in the development critical incident stress management and debriefing programs to prevent and mitigate the effects of trauma experienced by individuals in the criminal justice social service and human service field.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**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



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NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

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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**

Included in accounts receivable is \$33,117 (2022 - \$34,942) related to the registered charity rebate.

**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. As at March 31, 2023, the balance drawn on the operating line was nil (2022 - nil)

**5. DEFERRED REVENUE**

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

Operations

	<b><u>2023</u></b>	<b><u>2022</u></b>
Balance - beginning of year	\$ 1,293,961	\$ 546,637
Additions during the year	4,508,808	4,917,144
Included in revenue during the year	<u>(4,861,333)</u>	<u>(4,169,820)</u>
Balance - end of year	<u>941,436</u>	<u>1,293,961</u>

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**6 - CEBA LOAN**

The Canada Emergency Business Account (CEBA), was created by the federal government to provide interest free loans to business and non for profit organizations. The amount of the loan is \$60,000 and if repaid by December 31, 2023, \$20,000 of this loan will be forgiven, This forgiveness is reflected in the prior year (year ended March 31, 2021) financial statement as a reduction of the liability and an addition to income. If it is not repaid by that date, it will be converted into a term loan and CEBA loan will be increased to the original amount of \$60,000. This would be reflected in the financial statements for the year ended March 31, 2024.

**7. LEASE COMMITMENTS**

The company leases premises under a long term lease that expires on April 14, 2026.

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

2023	325,633
2024	191,411
2025	91,797
2026	91,797

**8. 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, 2023.

**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.