

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

FINANCIAL STATEMENTS

MARCH 31, 2018

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

FINANCIAL STATEMENTS

MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:

Institute for Citizen-Centred Service/
L'Institut des Services Axes sur les Citoyens

We have audited the accompanying financial statements of Institute for Citizen-Centred Service/L'Institut des Services Axes sur les Citoyens, which comprise the Statement of Financial Position as at March 31, 2018 and the Statements of Changes in Net Assets, Operations 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.

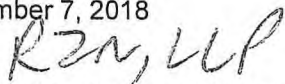
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Institute for Citizen-Centred Service/L'Institut des Services Axes sur les Citoyens as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Toronto, Ontario
September 7, 2018



Chartered Professional Accountants & Licensed Public Accountants

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

ASSETS

	<u>2018</u>	<u>2017</u>
	\$	\$
CURRENT		
Cash	661,266	629,337
Short-term investments (Note 3)	100,000	-
Accounts receivable	365,863	324,434
Government remittances recoverable	8,670	-
Prepaid expenses	<u>3,722</u>	<u>2,059</u>
	<u>1,139,521</u>	<u>955,830</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	194,596	42,388
Deferred revenue (Note 4)	186,220	383,428
Government remittances payable	<u>-</u>	<u>16,804</u>
	380,816	442,620

NET ASSETS

Per statement	<u>758,705</u>	<u>513,210</u>
	<u>1,139,521</u>	<u>955,830</u>
COMMITMENT (Note 6)		

The accompanying notes are an integral part of these financial statements.

**THESE FINANCIAL STATEMENTS ARE
APPROVED BY AND ON BEHALF OF
THE BOARD OF DIRECTORS**


DIRECTOR

PRESIDENT

INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u> \$	<u>2017</u> \$
NET ASSETS, BEGINNING OF YEAR	513,210	437,209
Excess of revenue over expenses	<u>245,495</u>	<u>76,001</u>
NET ASSETS, END OF YEAR	<u>758,705</u>	<u>513,210</u>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u> \$	<u>2017</u> \$
PROGRAM REVENUES		
Sales - services	172,064	224,338
Sales - products	690,647	469,178
Contributions	393,130	374,630
Registration fees	77,755	74,767
Other program revenue	<u>2,088</u>	<u>386</u>
	<u>1,335,684</u>	<u>1,143,299</u>
PROGRAM EXPENSES		
Conferences and meetings	70,050	64,566
Consulting services	380,341	260,308
Executive	120,000	122,450
Miscellaneous	987	693
Other direct services	320	6,373
Salaries and employees' benefits	322,988	305,608
Travel	44,871	36,697
Amortization of Learning and Certification Program (Note 5)	<u>-</u>	<u>84,865</u>
	<u>939,557</u>	<u>881,560</u>
PROGRAM SURPLUS	<u>396,127</u>	<u>261,739</u>
EXPENSES		
Awards	1,185	933
Bank charges	5,549	4,247
Conference and hospitality	113	2,925
Dues and fees	4,193	2,854
Data processing, web and computer	18,443	43,646
General and office	55,716	48,046
Insurance	3,334	3,474
Occupancy cost	31,094	29,372
Professional fees	31,005	33,130
Travel	<u>-</u>	<u>17,111</u>
	<u>150,632</u>	<u>185,738</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>245,495</u></u>	<u><u>76,001</u></u>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u> \$	<u>2017</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	245,495	76,001
Add: Amortization of Learning and Certification Program	<u>-</u>	<u>84,865</u>
	245,495	160,866
Accounts receivable	(41,429)	(274,879)
Government remittances recoverable/payable	(25,474)	11,687
Prepaid expenses	(1,663)	1,554
Accounts payable and accrued liabilities	152,208	(41,639)
Deferred revenue	<u>(197,208)</u>	<u>60,275</u>
Cash flows provided by (used in) operating activities	<u>131,929</u>	<u>(82,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short-term investments	<u>(100,000)</u>	<u>-</u>
Cash flows provided by (used in) investing activities	<u>(100,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	31,929	(82,136)
CASH, BEGINNING OF YEAR	<u>629,337</u>	<u>711,473</u>
CASH, END OF YEAR	<u>661,266</u>	<u>629,337</u>

The accompanying notes and schedules are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

1. PURPOSE OF THE ORGANIZATION

Institute for Citizen-Centred Service/L'Institut des Services Axes sur les Citoyens ("the Organization") was incorporated on August 2, 2005 under the Canada Corporations Act as a corporation without share capital to promote high levels of citizen satisfaction with public sector service delivery. As a not-for-profit organization, while registered, the Organization is exempt from income tax under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared by management in accordance with Accounting Standards for Not-for-Profit Organization ("ASNPO").

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management 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 statement of financial position and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial statement items subject to significant management judgement include revenue recognition, the completeness of accounts payable and accrued liabilities and the valuation of intangible assets.

Revenue recognition

The Organization derives its revenues from the sale of its publications and from the provision of consulting and related services, from fees earned for joint council meetings, educational courses and seminars, marketing memberships and outreach subscriptions, and from contributions to the Organization's research projects, occupancy and secretarial support and subcontractor labour services. Revenues are recognized under the accrual basis of accounting, except for contributions which are externally restricted and payments received in advance of the rendering of services which are accounted for under the deferral method as noted below.

Payments received in advance of the rendering of services are recorded as a component of deferred revenue on the accompanying statement of financial position when received and are recognized as revenue over the term of the corresponding project.

Sales and registration fee revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured and the corresponding service has been provided or the goods have been sold with a corresponding transfer of the risks and rewards of ownership. Included in registration fees are membership and subscription revenues which are recognized evenly over the period to which the contract applies. The unearned portion of these revenues is recorded as a component of deferred revenue on the accompanying statement of financial position.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Contributed assets and services

The work of the Organization is partly dependent upon the services provided by certain staff members from other organizations under secondment arrangements. In addition, the Organization's tangible capital assets are provided by other organizations at no cost. Since these assets and certain of the services are not normally purchased by the Organization and because of the difficulty of determining their fair value, contributed assets and certain services are not recognized in the accompanying financial statements.

Leases

Lease obligations are classified as either capital or operating leases. Leases that transfer ownership upon conclusion of the lease or substantially all of the benefits and inherent risks of ownership of property and equipment to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Financial instruments

Financial assets and financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. At initial recognition, the Organization classifies its financial instruments depending on the purpose for which the instruments were acquired. Trade-date accounting is used.

The Organization measures cash and short-term investments at fair value with changes in fair value recognized in excess of revenue over expenses (expenses over revenue.)

Accounts receivable are classified as loans and receivables, which are measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

3. SHORT-TERM INVESTMENTS

The Organization's short-term investments comprise two guaranteed investments certificates bearing interest at 1.3% and 1.5% per annum, maturing during the Organization's 2019 fiscal year.

4. DEFERRED REVENUE

Deferred revenue comprises operating funding and payments received in advance of rendering services received in the current year to be recognized in the subsequent year. Changes in the deferred revenue balance are as follows:

	<u>2018</u> \$	<u>2017</u> \$
Deferred revenue balance, beginning of year	383,428	323,153
Funding and payments received in during the year	1,042,974	888,425
Revenue recognized in year (before costs)	<u>(1,240,182)</u>	<u>(828,150)</u>
Deferred revenue balance, end of year	<u>186,220</u>	<u>383,428</u>

5. LEARNING AND CERTIFICATION PROGRAM

Intangible assets relate to the expenditures incurred in prior years regarding the Learning and Certification Program as follows:

	<u>2018</u> \$	<u>2017</u> \$
Learning and Certification Program, balance beginning of year	-	84,865
Amortization	<u>-</u>	<u>(84,865)</u>
Learning and Certification Program, balance end of year	<u>-</u>	<u>-</u>

6. COMMITMENT

The Organization leases its office from the Legislative Assembly of Ontario under an operating lease with no expiry date. The minimum annual rental payments, exclusive of certain operating costs, are \$29,517.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Organization's financial instruments approximates book value due to the short-term maturity of these instruments, unless otherwise noted.

The Organization's risk management policies are established to identify and analyse the risks faced by the Organization, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Organization's activities. There have been no changes to the Organization's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting period.

Currency Risk

The Organization is not exposed to currency risks in that none of the Organization's financial instruments are denominated in foreign currencies.

Interest Rate and Investment Risk

The Organization is exposed to interest rate risk arising from fluctuations in interest rates on its short-term investments from time to time to the extent that changes in market conditions will affect the available returns that the Organization can earn on these investments as they mature and are reinvested. All of the Organization's other financial instruments are non-interest bearing.

The Board of Directors of the Organization regularly reviews both the compliance and performance of its short-term investments where applicable. The Organization does not consider there to be a significant credit risk for its investments based on investment grade ratings and performance criteria used in selecting these investments.

Liquidity Risk

The Organization is exposed to liquidity risk to the extent that it must meet its financial obligations as these fall due. The Organization's approach to managing liquidity risk is to ensure that it has sufficient cash and other financial assets, with varying maturities, to meet its obligations when and as due. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through a combination of cash and investment management. As at March 31, 2018, the Organization had accounts payable and accrued liabilities arising in the normal course of operations of \$194,596 due within 12 months.

Credit Risk

Management believes that the Organization is not exposed to material credit risks in that most of its clients are either governments or are also not-for-profit entities that receive government funding and do not withhold overdue payments.