

**THE VOCATIONAL REHABILITATION
ASSOCIATION OF CANADA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Members:

Report on the Financial Statements

We have audited the accompanying financial statements of The Vocational Rehabilitation Association of Canada which comprise the statement of financial position as at December 31, 2016 and the statements of changes in net assets, operations and cash flow 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 these 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, these financial statements present fairly, in all material respects, the balance sheet of The Vocational Rehabilitation Association of Canada as at December 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The 2015 figures were audited by another firm of Chartered Professional Accountants.



Smiths Falls, Ontario
May 4, 2017

Chartered Professional Accountants
Licensed Public Accountants


THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA


STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 526,912	\$ 270,937
Temporary investments	-	313,386
Accounts receivable - trade (net of allowance 2016 \$-; 2015 \$15,171)	3,308	753
- government	1,349	-
Prepaid expense	5,172	21,570
	536,741	606,646
CAPITAL ASSETS (note 4)	-	9,208
	\$ 536,741	\$ 615,854
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities - trade	\$ 16,945	\$ 56,699
- government	-	5,338
Deferred revenue	248,378	124,014
Fees due to provincial associations	85,598	57,899
	350,921	243,950
NET ASSETS, per statement	185,820	371,904
	\$ 536,741	\$ 615,854

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

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

THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
Net assets, beginning of year	\$ 371,904	\$ 402,992
Deficiency of expenditures over revenue	(186,084)	(31,088)
Net assets end of year	\$ 185,820	\$ 371,904

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

THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
REVENUE		
Membership fees - associate	\$ 56,599	\$ 80,845
Membership fees - professional	212,165	244,032
Registration fees (RRP)	6,588	5,172
Late fee income	-	1,250
Web link advertising	2,007	39,793
Insurance administration fees	6,900	14,200
National conference	39,345	98,069
Other	15,453	2,766
	339,057	486,127
EXPENDITURES		
Advertising	4,607	3,806
Amortization	9,208	28,244
Bad debts	-	15,171
Bank charges	1,937	367
Contract labour	27,360	111,251
Credit card commissions	16,543	18,028
Education	3,840	4,320
Insurance	58,420	52,889
Meetings	14,357	12,038
Management fees	78,000	75,892
National conference	124,766	88,985
News magazine	28,579	58,784
Office supplies	3,398	1,429
Postage and courier	1,757	4,392
Printing and stationery	4,021	3,189
Professional fees	116,773	14,311
Special projects	17,888	-
Telephone	4,300	4,270
Website	3,912	4,049
Office relocation	5,475	15,800
	525,141	517,215
DEFICIENCY OF EXPENDITURES OVER REVENUE	\$(186,084)	\$ (31,088)

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

THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Deficiency of expenditures over revenue	\$(186,084)	\$ (31,088)
Charges to income not involving cash		
Amortization	9,208	28,244
	(176,876)	(2,844)
Net changes to non-cash operating assets and liabilities		
Decrease (increase) in investments	313,386	(2,025)
Accounts receivable	(3,904)	9,000
Prepaid expenses	16,398	(5,404)
Accounts payable and accrued liabilities	(45,092)	(3,237)
Deferred revenue	124,364	(69,792)
Fees due to provincial associations	27,699	9,738
Cash used in operations	255,975	(64,564)
INVESTING ACTIVITIES		
Purchase of capital assets	-	(8,800)
INCREASE (DECREASE) IN CASH DURING THE YEAR	255,975	(73,364)
CASH, BEGINNING OF YEAR	270,937	344,301
CASH, END OF YEAR	\$ 526,912	\$ 270,937

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

THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. PURPOSE OF THE ORGANIZATION

The Organization is a not-for-profit organization incorporated under the Canada Corporations Act on May 7, 1970 without share capital. It is a national association of rehabilitation professionals who assess and counsel persons with disabilities or disadvantages and who facilitate, manage and implement individual rehabilitation plans to ensure effective vocational and a vocational outcome for these individuals.

The Organization is committed to protecting the best interest of their clients by ensuring that high quality services are delivered through qualified professionals who possess specifically defined skills and competencies and who are bound by a code of ethics.

The Organization claims an exemption from income tax under section 149(1)(l) of the Income Tax Act.

2. GENERAL

Basis of Presentation:

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

Revenue and expenditures are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions 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.

Revenue received from membership fees, insurance fees and registration fees is recognized in the period in which the related fees apply.

Advertising fees include fees collected related to the Rehab Review publications, job postings and webinars. These fees are recognized in the period in which the related advertising streams are provided.

Conference revenues include conference registration fees, sponsorship income and social event tickets sold. These revenues are recognized in the period where the related conference occurs.

THE VOCATIONAL REHABILITATION ASSOCIATION OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

6. CONTRACTUAL OBLIGATIONS

During the year, the Organization signed a contract with Megram Consulting Services Ltd. to provide quarterly issues of Rehab Matters to January 2018. The fees for January 1, 2017 to December 31, 2017 will be \$39,200 plus HST, payable in equal monthly instalments.

During the year, the Organization signed a contract with Megram Consulting Services Ltd. to provide financial, conference and membership management services. The annual fee is \$80,000 plus HST payable monthly as invoices are provided.

The agreement can be terminated at any time upon 120 days written notice.

