

Office of the Fairness Commissioner

Financial Statements

March 31, 2015

Independent Auditors' Report

To the Fairness Commissioner

We have audited the accompanying financial statements of the **Office of the Fairness Commissioner**, which comprise the statements of financial position as at **March 31, 2015**, and the statements of operations, changes in net assets and cash flows for the year 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Office as at **March 31, 2015**, and the results of its operations and the changes in net assets and cash flows for the year ended **March 31, 2015** are in accordance with Canadian accounting standards for not-for-profit organizations.

**Mississauga, Ontario
May 8, 2015**

**Clarkson Rouble LLP
Chartered Accountants
Licensed Public Accountants**

Office of the Fairness Commissioner

Statement of Financial Position As at March 31

	2015	2014
Assets		
Current		
Cash	\$ 151,761	\$ 199,562
Short term investments	121,200	120,000
Sales tax rebate receivable	24,134	40,747
Prepaid expenses	13,598	2,295
	<u>310,693</u>	<u>362,604</u>
Capital assets (Note 3)	112,119	138,711
	<u>\$ 422,812</u>	<u>\$ 501,315</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 46,693	\$ 42,194
Deferred revenue		
- Ministry of Citizenship and Immigration	29,660	170,000
	<u>76,353</u>	<u>212,194</u>
Net Assets		
Capital assets fund	112,119	138,711
Unrestricted fund	234,340	150,410
	<u>346,459</u>	<u>289,121</u>
	<u>\$ 422,812</u>	<u>\$ 501,315</u>

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Year Ended March 31

	2015	2014
Revenues		
Ministry of Citizenship and Immigration	\$ 1,860,428	\$ 1,749,962
Interest income	7,895	6,502
	<u>1,868,323</u>	<u>1,756,464</u>
Expenses		
Salaries, wages and benefits	1,312,286	1,225,262
Services	274,216	295,387
Office administration	149,897	147,828
Transportation and communications	39,878	50,961
	<u>1,776,277</u>	<u>1,719,438</u>
Excess of revenues over expenses before amortization	92,046	37,026
Amortization of capital assets	<u>34,708</u>	<u>34,206</u>
Excess of revenues over expenses for the year	\$ 57,338	\$ 2,820

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2015	2014
Balance, beginning of year	\$ 138,711	\$ 150,410	\$ 289,121	\$ 286,301
Excess of revenues over expenses	(34,708)	92,046	57,338	2,820
Transfer to capital assets fund	8,116	(8,116)	-	-
Balance, end of year	\$ 112,119	\$ 234,340	\$ 346,459	\$ 289,121

Office of the Fairness Commissioner

Statement of Cash Flows Year Ended March 31

	2015	2014
Operating activities		
Excess of revenues over expenses for the year	\$ 57,338	\$ 2,820
Items not requiring an outlay of cash		
Amortization	34,708	34,206
	<u>92,046</u>	<u>37,026</u>
Net change in working capital items		
Operating working capital		
Accounts receivable	-	72,500
Sales tax rebate receivable	16,613	(27)
Prepaid expenses	(11,303)	1,119
Accounts payable and accrued liabilities	4,499	(2,787)
Short term investments	(1,200)	(120,000)
Deferred revenue	(140,340)	50,000
	<u>(39,685)</u>	<u>37,831</u>
(Decrease) increase from operating activities	(39,685)	37,831
Investing activity		
Purchase of capital assets	(8,116)	(2,251)
	<u>(8,116)</u>	<u>(2,251)</u>
(Decrease) increase in cash	(47,801)	35,580
Cash, beginning of year	199,562	163,982
	<u>199,562</u>	<u>163,982</u>
Cash, end of year	\$ 151,761	\$ 199,562

Office of the Fairness Commissioner

Notes to Financial Statements

March 31, 2015

1. Purpose of the Office

The Office of the Fairness Commissioner is responsible for assessing the registration practices of certain regulated professions. Its purpose is to make sure these practices are transparent, objective, impartial and fair for anyone applying to practice his or her profession in Ontario.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are:

a) Cash and short term investments

Cash and short term investments consist of cash on hand, current bank accounts, and short-term investments, with redemptions within one year of the year end.

b) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	10 years

c) Revenues

Funds provided by the Ministry of Citizenship and Immigration are recognized in the year in which they are earned.

d) Measurement uncertainty

The presentation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the reported period. Actual amounts could differ from these estimates.

Office of the Fairness Commissioner

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2. Significant accounting policies (cont'd)

e) Measurement of financial instruments

The Office initially measures its financial assets and liabilities at fair value. The Office subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include sales tax rebate receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue. The entity has not designated any financial assets or financial liabilities to be measured at fair value.

3. Capital assets

Capital assets consists of the following:

			2015		2014
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Furniture and fixtures	\$ 131,893	\$ 117,087	\$ 14,806	\$	34,378
Computer equipment	16,812	16,728	84	\$	493
Leasehold improvements	176,140	78,911	97,229		103,840
	\$ 324,845	\$ 212,726	\$ 112,119	\$	138,711

4. Financial instruments

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Office does not currently have a significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its obligations associated with financial liabilities. Cash flows from operations provides a substantial portion of the Office's cash requirement.