

Office of the Fairness Commissioner

Financial Statements

August 31, 2017

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 **August 31, 2017**, and the statements of operations, changes in net assets and cash flows for the period 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 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.

Office of the Fairness Commissioner

Independent Auditors' Report

Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Office of the Fairness Commissioner** as at **August 31, 2017**, and the results of its operations and the changes in net assets and cash flows for the period ended **August 31, 2017** in accordance with Canadian accounting standards for not-for-profit organizations.

**Mississauga, Ontario
December 7, 2017**

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

Office of the Fairness Commissioner

Statement of Financial Position As at August 31

	August 31, 2017	March 31, 2017
Assets		
Current		
Cash	\$ 460,191	\$ 98,219
Short term investments	-	301,642
Accounts receivable	267	2,415
Sales tax rebate receivable	18,338	13,156
Prepaid expenses	-	1,127
	<u>478,796</u>	<u>416,559</u>
Capital assets (Note 3)	-	65,501
	<u>\$ 478,796</u>	<u>\$ 482,060</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 76,253	\$ 36,635
Due to Ministry of Citizenship and Immigration (Note 5)	402,543	-
	<u>478,796</u>	<u>36,635</u>
Net Assets		
Capital assets fund	-	65,501
Unrestricted fund	-	379,924
	<u>-</u>	<u>445,425</u>
	<u>\$ 478,796</u>	<u>\$ 482,060</u>

See accompanying notes to financial statements

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Period Ended August 31

	August 31, 2017	Year Ended March 31, 2017
Revenues		
Ministry of Citizenship and Immigration	\$ 904,073	\$ 1,372,500
Interest income	2,103	3,637
	<u>906,176</u>	<u>1,376,137</u>
Expenses		
Salaries, wages and benefits (Note 5)	648,060	854,178
Services	118,111	273,698
Office administration	87,250	131,688
Transportation and communications	30,136	17,532
	<u>883,557</u>	<u>1,277,096</u>
Excess of revenues over expenses before amortization	22,619	99,041
Amortization of capital assets	65,501	16,621
(Deficiency) excess of revenues over expenses from operations	(42,882)	82,420
Repayment of accumulated surplus to Ministry of Citizenship and Immigration (Note 5)	(402,543)	-
(Deficiency) excess of revenues over expenses for the year	\$ (445,425)	\$ 82,420

See accompanying notes to financial statements

Office of the Fairness Commissioner

Statement of Changes in Net Assets Period Ended August 31

	Capital Assets Fund	Unrestricted Fund	August 31, 2017	March 31, 2017
Balance, beginning of year	\$ 65,501	\$ 379,924	\$ 445,425	\$ 363,005
(Deficiency) excess of revenues over expenses	(65,501)	(379,924)	(445,425)	82,420
Balance, end of year	\$ -	\$ -	\$ -	\$ 445,425

See accompanying notes to financial statements

Office of the Fairness Commissioner

Cash Flow Statement Period Ended August 31

	August 31, 2017	Year Ended March 31, 2017
Operating activities		
(Deficiency) excess of revenues over expenses for the year	\$ (42,882)	\$ 82,420
Items not requiring an outlay of cash		
Amortization	65,501	16,621
	22,619	99,041
Net change in working capital items		
Operating working capital		
Accounts receivable	2,148	(2,415)
Sales tax rebate receivable	(5,182)	28,689
Prepaid expenses	1,127	5,588
Accounts payable and accrued liabilities	39,618	(2,219)
Short term investments	301,642	(301,642)
Increase (decrease) in cash	361,972	(172,958)
Cash, beginning of year	98,219	271,177
Cash, end of year	\$ 460,191	\$ 98,219

See accompanying notes to financial statements

Office of the Fairness Commissioner

Notes to Financial Statements

August 31, 2017

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.

Office of the Fairness Commissioner

Notes to Financial Statements

August 31, 2017

2. Significant accounting policies (cont'd)

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.

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. 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

			August 31, 2017	March 31, 2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 132,844	\$ 132,844	-	\$ -
Computer equipment	16,812	16,812	-	-
Leasehold improvements	176,140	176,140	-	65,501
	\$ 325,796	\$ 325,796	-	\$ 65,501

As a result of the Transition of the Office of the Fairness Commissioner as described in Note 5, the Office of the Fairness Commissioner fully amortized the remaining capital assets in the current period.

Office of the Fairness Commissioner

Notes to Financial Statements

August 31, 2017

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.

5. Transition of the Office of the Fairness Commissioner

On March 22, 2017, Bill 27, the Burden Reduction Act, 2016 received Royal Assent. This legislation changed the Office's governance and reporting structure from one of a Public Body to that of a Commission Public Body. The mandate of the Fairness Commissioner will remain unchanged. The Office of the Fairness Commissioner became a Commission Public Body on September 1, 2017.

As a result of the Transition, included in salaries, wages and benefits are termination benefits amounting to \$223,804.

The Ministry of Citizenship and Immigration required a repayment of the balance of the Unrestricted Fund of the Net Assets which amounted to \$402,543.