

Office of the Fairness Commissioner

Financial Statements

March 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 **March 31, 2017**, 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.

Office of the Fairness Commissioner

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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 **March 31, 2017**, and the results of its operations and the changes in net assets and cash flows for the year ended **March 31, 2017** are in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario
May 15, 2017

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Office of the Fairness Commissioner

Statement of Financial Position As at March 31

	2017	2016
Assets		
Current		
Cash	\$ 98,219	\$ 271,177
Short term investments	301,642	-
Accounts receivable	2,415	-
Sales tax rebate receivable	13,156	41,845
Prepaid expenses	1,127	6,715
	<u>416,559</u>	<u>319,737</u>
Capital assets (Note 3)	65,501	82,122
	<u>\$ 482,060</u>	<u>\$ 401,859</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 36,635	\$ 38,854
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Net Assets

Capital assets fund	65,501	82,122
Unrestricted fund	379,924	280,883
	<u>445,425</u>	<u>363,005</u>
	<u>\$ 482,060</u>	<u>\$ 401,859</u>

See accompanying notes to financial statements

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Year Ended March 31

	2017	2016
Revenues		
Ministry of Citizenship and Immigration	\$ 1,372,500	\$ 1,714,748
Interest income	3,637	4,641
	<u>1,376,137</u>	<u>1,719,389</u>
Expenses		
Salaries, wages and benefits	854,178	1,195,399
Services	273,698	302,587
Office administration	131,688	147,234
Transportation and communications	17,532	26,674
	<u>1,277,096</u>	<u>1,671,894</u>
Excess of revenues over expenses before amortization	99,041	47,495
Amortization of capital assets	<u>16,621</u>	<u>30,949</u>
Excess of revenues over expenses for the year	\$ 82,420	\$ 16,546

See accompanying notes to financial statements

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2017	2016
Balance, beginning of year	\$ 82,122	\$ 280,883	\$ 363,005	\$ 346,459
Excess of revenues over expenses	(16,621)	99,041	82,420	16,546
Balance, end of year	\$ 65,501	\$ 379,924	\$ 445,425	\$ 363,005

See accompanying notes to financial statements

Office of the Fairness Commissioner

Cash Flow Statement Year Ended March 31

	2017	2016
Operating activities		
Excess of revenues over expenses for the year	\$ 82,420	\$ 16,546
Items not requiring an outlay of cash		
Amortization	16,621	30,949
	99,041	47,495
Net change in working capital items		
Operating working capital		
Accounts receivable	(2,415)	-
Sales tax rebate receivable	28,689	(17,711)
Prepaid expenses	5,588	6,883
Accounts payable and accrued liabilities	(2,219)	(7,839)
Short term investments	(301,642)	121,200
Deferred revenue	-	(29,660)
	(172,958)	120,368
(Decrease) increase from operating activities	(172,958)	120,368
Investing activity		
Purchase of capital assets	-	(952)
	(172,958)	119,416
(Decrease) increase in cash	(172,958)	119,416
Cash, beginning of year	271,177	151,761
Cash, end of year	\$ 98,219	\$ 271,177

See accompanying notes to financial statements

Office of the Fairness Commissioner

Notes to Financial Statements

March 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.

d) Contributed services

The Office derived a significant benefit from the Ministry of Citizenship and Immigration. During the year, the Ministry contributed the services of the Fairness Commissioners. The historical value of these contributed services is \$110,000. As these costs are not borne by the Office, they are not reflected in these financial statements.

Office of the Fairness Commissioner

Notes to Financial Statements

March 31, 2017

2. Significant accounting policies (cont'd)

e) 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

f) 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:

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 132,844	\$ 132,844	-	\$ 757
Computer equipment	16,812	16,812	-	-
Leasehold improvements	176,140	110,639	65,501	81,365
	\$ 325,796	\$ 260,295	\$ 65,501	\$ 82,122

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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 Office of the Fairness Commissioner will remain unchanged. The Office of the Fairness Commissioner will become a Commission Public Body on September 1, 2017. There is no impact on the March 31, 2017 financial statements as a result of these changes other than as described in Note 6.

6. Subsequent event

The Office of the Fairness Commissioner is funded by the Ministry of Citizenship and Immigration. Subsequent to the year end the Ministry of Citizenship and Immigration required a repayment of the balance of the Unrestricted Fund of the Net Assets which amounted to \$379,924.