

Office of the Fairness Commissioner

Financial Statements

March 31, 2013

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, 2013**, **March 31, 2012** and **April 1, 2011** and the statements of operations, changes in net assets and cash flows for the years ended **March 31, 2013** and **March 31, 2012**, 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 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, 2013, March 31, 2012** and **April 1, 2011** and the results of its operations and the changes in net assets and cash flows for the years ended **March 31, 2013** and **March 31, 2012** in accordance with Canadian accounting standards for not-for-profit organizations.

**Mississauga, Ontario
April 23, 2013**

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

Office of the Fairness Commissioner

Statement of Financial Position As at March 31

	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current			
Cash	\$ 163,982	\$ 406,380	\$ 46,282
Short term investments	-	-	203,661
Accounts receivable	72,500	-	2,120
Sales tax rebate receivable	40,720	57,381	30,866
Prepaid expenses	3,414	1,464	23,946
	<u>280,616</u>	<u>465,225</u>	<u>306,875</u>
Capital assets (Note 3)	170,666	206,096	25,640
	<u>\$ 451,282</u>	<u>\$ 671,321</u>	<u>\$ 332,515</u>
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 44,981	\$ 44,145	\$ 51,314
Deferred revenue			
- Ministry of Citizenship and Immigration	120,000	343,000	-
	<u>164,981</u>	<u>387,145</u>	<u>51,314</u>
Net Assets			
Capital assets fund	170,666	206,096	25,640
Unrestricted fund	115,635	78,080	255,561
	<u>286,301</u>	<u>284,176</u>	<u>281,201</u>
	<u>\$ 451,282</u>	<u>\$ 671,321</u>	<u>\$ 332,515</u>

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Year Ended March 31

	2013	2012
Revenues		
Ministry of Citizenship and Immigration	\$ 1,762,400	\$ 1,689,900
Interest income	4,731	7,467
	<u>1,767,131</u>	<u>1,697,367</u>
Expenses		
Salaries, wages and benefits	1,269,870	1,174,417
Services	283,515	282,786
Office administration	128,571	134,503
Transportation and communications	46,995	44,777
	<u>1,728,951</u>	<u>1,636,483</u>
Excess of revenues over expenses before amortization	38,180	60,884
Amortization of capital assets	<u>36,055</u>	<u>57,909</u>
Excess of revenues over expenses for the year	\$ 2,125	\$ 2,975

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2013	2012
Balance, beginning of year	\$ 206,096	\$ 78,080	\$ 284,176	\$ 281,201
Excess of revenues over expenses	(36,055)	38,180	2,125	2,975
Transfer to capital assets fund	625	(625)	-	-
Balance, end of year	\$ 170,666	\$ 115,635	\$ 286,301	\$ 284,176

Office of the Fairness Commissioner

Statement of Cash Flows Year Ended March 31

	2013	2012
Operating activities		
Excess of revenues over expenses for the year	\$ 2,125	\$ 2,975
Items not requiring an outlay of cash		
Amortization	36,055	57,909
	38,180	60,884
Net change in working capital items		
Operating working capital		
Accounts receivable	(72,500)	2,120
Sales tax rebate receivable	16,661	(26,515)
Prepaid expenses	(1,950)	22,482
Accounts payable and accrued liabilities	836	(7,169)
Deferred revenue	(223,000)	343,000
(Decrease) increase from operating activities	(241,773)	394,802
Investing activity		
Purchase of capital assets	(625)	(238,365)
(Decrease) increase in cash	(242,398)	156,437
Cash, beginning of year	406,380	249,943
Cash, end of year	\$ 163,982	\$ 406,380

Office of the Fairness Commissioner

Notes to Financial Statements

March 31, 2013

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) Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as 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

Notes to Financial Statements March 31, 2013

2. Significant accounting policies (cont'd)

e) Change in an estimate

Effective April 1, 2012, the Office revised the estimate of the useful life of its leasehold improvements from five to ten years. The effect of this change has been applied prospectively.

3. Capital assets

Capital assets consists of the following:

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 130,777	\$ 79,738	\$ 51,039	\$ 71,983
Computer equipment	16,812	15,860	952	603
Leasehold improvements	166,888	48,213	118,675	133,510
	\$ 314,477	\$ 143,811	\$ 170,666	\$ 206,096

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.

Office of the Fairness Commissioner

Notes to Financial Statements March 31, 2013

5. Adoption of Accounting Standards for Not-For-Profit Organizations

Effective April 1, 2012, the Office adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations (ASFNPO). These are the Office's first financial statements prepared in accordance with ASFNPO and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and the opening ASFNPO balance sheet at April 1, 2011 (the Office's date of transition).

The Office issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles for not-for-profit organizations. The adoption of ASFNPO had no impact on the previously reported assets, liabilities and equity of the corporation, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations, statement of changes in net assets, and the cash flow statement. Certain of the corporation's disclosures included in these financial statements reflect the new disclosure requirements of ASFNPO.