

Office of the Fairness Commissioner

Financial Statements

March 31, 2016

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, 2016**, 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 of the Fairness Commissioner** as at **March 31, 2016**, and the results of its operations and the changes in net assets and cash flows for the year ended **March 31, 2016** are in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario
April 25, 2016

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Office of the Fairness Commissioner

Statement of Financial Position As at March 31

	2016	2015
Assets		
Current		
Cash	\$ 271,177	\$ 151,761
Short term investments	-	121,200
Sales tax rebate receivable	41,845	24,134
Prepaid expenses	6,715	13,598
	<u>319,737</u>	<u>310,693</u>
Capital assets (Note 3)	82,122	112,119
	<u>\$ 401,859</u>	<u>\$ 422,812</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 38,854	\$ 46,693
Deferred revenue		
- Ministry of Citizenship, Immigration and International Trade	-	29,660
	<u>38,854</u>	<u>76,353</u>
Net Assets		
Capital assets fund	82,122	112,119
Unrestricted fund	280,883	234,340
	<u>363,005</u>	<u>346,459</u>
	<u>\$ 401,859</u>	<u>\$ 422,812</u>

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Year Ended March 31

	2016	2015
Revenues		
Ministry of Citizenship, Immigration and International Trade	\$ 1,714,748	\$ 1,860,428
Interest income	4,641	7,895
	<u>1,719,389</u>	<u>1,868,323</u>
Expenses		
Salaries, wages and benefits	1,195,399	1,312,286
Services	302,587	274,216
Office administration	147,234	149,897
Transportation and communications	26,674	39,878
	<u>1,671,894</u>	<u>1,776,277</u>
Excess of revenues over expenses before amortization	47,495	92,046
Amortization of capital assets	30,949	34,708
Excess of revenues over expenses for the year	\$ 16,546	\$ 57,338

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2016	2015
Balance, beginning of year	\$ 112,119	\$ 234,340	\$ 346,459	\$ 289,121
Excess of revenues over expenses	(30,949)	47,495	16,546	57,338
Transfer to capital assets fund	952	(952)	-	-
Balance, end of year	\$ 82,122	\$ 280,883	\$ 363,005	\$ 346,459

Office of the Fairness Commissioner

Statement of Cash Flows Year Ended March 31

	2016	2015
Operating activities		
Excess of revenues over expenses for the year	\$ 16,546	\$ 57,338
Items not requiring an outlay of cash		
Amortization	30,949	34,708
	47,495	92,046
Net change in working capital items		
Operating working capital		
Sales tax rebate receivable	(17,711)	16,613
Prepaid expenses	6,883	(11,303)
Accounts payable and accrued liabilities	(7,839)	4,499
Short term investments	121,200	(1,200)
Deferred revenue	(29,660)	(140,340)
	120,368	(39,685)
Increase (decrease) from operating activities	120,368	(39,685)
Investing activity		
Purchase of capital assets	(952)	(8,116)
	119,416	(47,801)
Increase (decrease) in cash	119,416	(47,801)
Cash, beginning of year	151,761	199,562
Cash, end of year	\$ 271,177	\$ 151,761

Office of the Fairness Commissioner

Notes to Financial Statements

March 31, 2016

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, Immigration and International Trade (MCIIT) are recognized in the year in which they are earned.

d) Contributed services

The Office derived a significant benefit from the Ministry of Citizenship, Immigration and International Trade (MCIIT). 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, 2016

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:

			2016		2015
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Furniture and fixtures	\$ 132,844	\$ 132,087	\$ 757	\$	14,806
Computer equipment	16,812	16,812	-	\$	84
Leasehold improvements	176,140	94,775	81,365	\$	97,229
	\$ 325,796	\$ 243,674	\$ 82,122	\$	112,119

Office of the Fairness Commissioner

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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.