

Office of the Fairness Commissioner

Financial Statements

March 31, 2012

Independent Auditors' Report

To the Fairness Commissioner

We have audited the accompanying financial statements of the **Office of the Fairness Commissioner**, which comprise the balance sheet as at **March 31, 2012** and the statements of operations, changes in net assets and cash flows for the year 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 generally accepted accounting principles, 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, 2012** and the results of its operations and the changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Mississauga, Ontario
April 23, 2012**

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

Office of the Fairness Commissioner

Balance Sheet As at March 31

	2012	2011
Assets		
Current		
Cash	\$ 406,380	\$ 46,282
Short term investments	-	203,661
Accounts receivable	-	2,120
Sales tax rebate receivable	57,381	30,866
Prepaid expenses	1,464	23,946
	<u>465,225</u>	<u>306,875</u>
Capital assets (Note 3)	206,096	25,640
	<u>\$ 671,321</u>	<u>\$ 332,515</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 44,145	\$ 51,314
Deferred revenue - Ministry of Citizenship and Immigration	343,000	-
	<u>387,145</u>	<u>51,314</u>
Net Assets		
Capital assets fund	206,096	25,640
Unrestricted fund	78,080	255,561
	<u>284,176</u>	<u>281,201</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

	2012	2011
Revenues		
Ministry of Citizenship and Immigration	\$ 1,689,900	\$ 1,689,900
Interest income	7,467	5,907
Sundry income	-	26,404
	<u>1,697,367</u>	<u>1,722,211</u>
Expenses		
Salaries, wages and benefits	1,174,417	1,053,473
Services	282,786	313,759
Office administration	134,503	125,546
Transportation and communications	44,777	53,009
	<u>1,636,483</u>	<u>1,545,787</u>
Excess of revenues over expenses before amortization	60,884	176,424
Amortization of capital assets	<u>57,909</u>	<u>12,011</u>
Excess of revenues over expenses for the year	\$ 2,975	\$ 164,413

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2012	2011
Balance, beginning of year	\$ 25,640	\$ 255,561	\$ 281,201	\$ 116,788
Excess of revenues over expenses	(57,909)	60,884	2,975	164,413
Transfer to capital assets fund	238,365	(238,365)	-	-
Balance, end of year	\$ 206,096	\$ 78,080	\$ 284,176	\$ 281,201

Office of the Fairness Commissioner

Statement of Cash Flows Year Ended March 31

	2012	2011
Operating activities		
Excess of revenues over expenses for the year	\$ 2,975	\$ 164,413
Items not requiring an outlay of cash		
Amortization	57,909	12,011
	60,884	176,424
Net change in working capital items		
Operating working capital		
Accounts receivable	2,120	5,658
Sales tax rebate receivable	(26,515)	(30,866)
Prepaid expenses	22,482	9,992
Accounts payable and accrued liabilities	(7,169)	22,343
Deferred revenue	343,000	-
Increase from operating activities	394,802	183,551
Investing activity		
Purchase of capital assets	(238,365)	(16,994)
Increase in cash	156,437	166,557
Cash, beginning of year	249,943	83,386
Cash, end of year	\$ 406,380	\$ 249,943
Represented by:		
Cash	\$ 406,380	\$ 46,282
Short-term investments	-	203,661
	\$ 406,380	\$ 249,943

Office of the Fairness Commissioner

Notes to Financial Statements

March 31, 2012

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 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	5 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, 2012

3. Capital assets

Capital assets consists of the following:

			2012	2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 130,777	\$ 58,794	\$ 71,983	\$ 25,640
Computer equipment	16,187	15,584	603	-
Leasehold improvements	166,888	33,378	133,510	-
	\$ 313,852	\$ 107,756	\$ 206,096	\$ 25,640

4. Financial instruments

The Office has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

5. Comparative figures

Certain comparative figures for 2011 have been reclassified to conform with the presentation adopted for 2012.