

Office of the Fairness Commissioner

Financial Statements

March 31, 2014

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, 2014**, 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 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 as at **March 31, 2014**, and the results of its operations and the changes in net assets and cash flows for the year ended **March 31, 2014** are in accordance with Canadian accounting standards for not-for-profit organizations.

**Mississauga, Ontario
April 23, 2014**

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

Office of the Fairness Commissioner

Statement of Financial Position As at March 31

	2014	2013
Assets		
Current		
Cash	\$ 199,562	\$ 163,982
Short term investments	120,000	-
Accounts receivable	-	72,500
Sales tax rebate receivable	40,747	40,720
Prepaid expenses	2,295	3,414
	<u>362,604</u>	<u>280,616</u>
Capital assets (Note 3)	138,711	170,666
	<u>\$ 501,315</u>	<u>\$ 451,282</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 42,194	\$ 44,981
Deferred revenue		
- Ministry of Citizenship and Immigration	170,000	120,000
	<u>212,194</u>	<u>164,981</u>
Net Assets		
Capital assets fund	138,711	170,666
Unrestricted fund	150,410	115,635
	<u>289,121</u>	<u>286,301</u>
	<u>\$ 501,315</u>	<u>\$ 451,282</u>

On behalf of the Office:

Commissioner

Office of the Fairness Commissioner

Statement of Operations Year Ended March 31

	2014	2013
Revenues		
Ministry of Citizenship and Immigration	\$ 1,749,962	\$ 1,762,400
Interest income	6,502	4,731
	<hr/> 1,756,464	<hr/> 1,767,131
Expenses		
Salaries, wages and benefits	1,225,262	1,269,870
Services	295,387	283,515
Office administration	147,828	128,571
Transportation and communications	50,961	46,995
	<hr/> 1,719,438	<hr/> 1,728,951
Excess of revenues over expenses before amortization	37,026	38,180
Amortization of capital assets	34,206	36,055
Excess of revenues over expenses for the year	\$ 2,820	\$ 2,125

Office of the Fairness Commissioner

Statement of Changes in Net Assets Year Ended March 31

	Capital Assets Fund	Unrestricted Fund	2014	2013
Balance, beginning of year	\$ 170,666	\$ 115,635	\$ 286,301	\$ 284,176
Excess of revenues over expenses	(34,206)	37,026	2,820	2,125
Transfer to capital assets fund	2,251	(2,251)	-	-
Balance, end of year	\$ 138,711	\$ 150,410	\$ 289,121	\$ 286,301

Office of the Fairness Commissioner

Statement of Cash Flows Year Ended March 31

	2014	2013
Operating activities		
Excess of revenues over expenses for the year	\$ 2,820	\$ 2,125
Items not requiring an outlay of cash		
Amortization	34,206	36,055
	37,026	38,180
Net change in working capital items		
Operating working capital		
Accounts receivable	72,500	(72,500)
Sales tax rebate receivable	(27)	16,661
Prepaid expenses	1,119	(1,950)
Accounts payable and accrued liabilities	(2,787)	836
Short term investments	(120,000)	-
Deferred revenue	50,000	(223,000)
Increase (decrease) from operating activities	37,831	(241,773)
Investing activity		
Purchase of capital assets	(2,251)	(625)
Increase (decrease) in cash	35,580	(242,398)
Cash, beginning of year	163,982	406,380
Cash, end of year	\$ 199,562	\$ 163,982

Office of the Fairness Commissioner

Notes to Financial Statements March 31, 2014

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) 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.

Office of the Fairness Commissioner

Notes to Financial Statements March 31, 2014

2. Significant accounting policies (cont'd)

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 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:

			2014		2013
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Furniture and fixtures	\$ 133,028	\$ 98,650	\$ 34,378	\$	51,039
Computer equipment	16,812	16,319	493		952
Leasehold improvements	166,888	63,048	103,840		118,675
	\$ 316,728	\$ 178,017	\$ 138,711	\$	170,666

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.