

Financial Statements

Canadian Council on Rehabilitation and Work

Toronto, Ontario

March 31, 2014

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Review Engagement Report

To the Members of Canadian Council on Rehabilitation and Work:

We have reviewed the statement of financial position of **Canadian Council on Rehabilitation and Work** as at March 31, 2014 and the statements of revenues, expenses and accumulated surplus and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Council.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting standards for not-for-profit organizations.

Toronto, Ontario
June 9, 2014



Chartered Accountants, Licensed Public Accountants

Without Audit

Canadian Council on Rehabilitation and Work

March 31, 2014

Statement of Financial Position - Assets	2014	2013
Current Assets		
Cash and temporary investments, Note 3	\$ 924,112	\$ 496,891
Accounts receivable	530,275	191,260
Sales tax rebate, net	8,995	6,640
Prepaid expenses	9,804	13,690
Total Current	1,473,186	708,481
Long-Term Investments , Note 3	29,056	274,181
Capital Assets , Note 4	4,078	7,801
	1,506,320	990,463

Statement of Financial Position - Liabilities and Accumulated Surplus		
Current Liabilities		
Accounts payable and accrued liabilities	262,227	205,674
Deferred revenue, Note 5	593,299	140,672
Total Liabilities	855,526	346,346
Accumulated Surplus , per statement	650,794	644,117
	1,506,320	990,463

Approved by The Board

Jennifer Dinn

Allan Tinney

The notes on pages 8 through 11 form an integral part of these financial statements.

Without Audit

Canadian Council on Rehabilitation and Work

Year ended March 31, 2014

**Statement of Revenues, Expenses
and Accumulated Surplus**

	2014	2013
Revenues		
Membership dues and newsletter subscriptions	\$ 1,650	\$ 4,140
Social Development Partnership Program	359,233	405,816
Opportunities Fund	880,276	867,125
Workplace Inclusion Program	345,529	341,110
Service Canada - Youth and WESP	1,603,378	949,802
Other - government	1,222,321	417,508
Other non - government	8,750	11,240
Training and Consulting	557,364	487,517
Interest and investment income	6,471	6,212
	<hr/> 4,984,972	<hr/> 3,490,470
Expenses		
Meetings and operating, per schedule	<hr/> 4,978,295	<hr/> 3,594,400
Surplus (Loss)	6,677	(103,930)
Accumulated surplus, beginning of year	644,117	748,047
Accumulated Surplus, End of Year	<hr/> 650,794	<hr/> 644,117

Year ended March 31, 2014

Schedule of Meetings and Operating Expenses	2014	2013
Meeting		
Executive and meeting expenses	\$ 11,846	\$ 21,689
Operating		
Salaries and employee benefits	2,568,067	2,132,854
Consulting	272,251	243,102
Accounting, legal and professional	64,576	54,176
Training, course fees and supplies	687,767	316,985
Travel	52,693	49,674
Advertising and promotion	45,541	28,425
Communication and telephone	9,851	13,012
Other project costs	291,164	102,334
Mailing and freight	3,961	5,626
Office supplies	27,975	27,870
HST expense	33,838	19,560
Rent	378,397	261,153
Amortization	4,100	3,666
Bank charges	2,404	1,114
Equipment maintenance and software	23,685	25,250
Disability accommodation	222,641	105,689
Insurance	12,929	11,006
Administration and support	246,386	151,734
Scholarships	18,223	19,481
	4,978,295	3,594,400

Without Audit

Canadian Council on Rehabilitation and Work

Year ended March 31, 2014

Statement of Cash Flows	2014	2013
Operating Activities		
Surplus (loss)	\$ 6,677	\$ (103,930)
Items not affecting cash		
Amortization	4,100	3,666
	<u>10,777</u>	<u>(100,264)</u>
Changes in Non-Cash Working Capital		
Accounts receivable	(339,015)	(19,247)
Prepaid expenses	3,886	(7,132)
Sales tax rebate, net	(2,355)	(4,352)
Accounts payable and accrued liabilities	56,551	(18,501)
Deferred revenue	452,629	42,536
	<u>182,473</u>	<u>(106,960)</u>
Cash Flows From (Used In) Operating Activities		
Investing Activities		
Purchase of capital assets	(377)	(6,434)
Decrease (increase) in long-term investments	245,125	(220,444)
	<u>244,748</u>	<u>(226,878)</u>
Cash Flows Provided by (Used In) Investing Activities		
Net increase (decrease) in cash and temporary investments during the year	427,221	(333,838)
Cash and temporary investments at beginning of year	496,891	830,729
Cash And Temporary Investments at End Of Year	<u>924,112</u>	<u>496,891</u>

Notes to Financial Statements

Nature of Activities

The Canadian Council on Rehabilitation and Work (CCRW) was incorporated by Letters Patent of Canada on January 26, 1976 under the Canada Corporations Act. CCRW is a network of organizations and individuals across Canada. The mission of CCRW is to promote and support meaningful and equitable employment of people with disabilities. The users of the services of CCRW are employers, job seekers, educators, governments, labour and community service providers. CCRW receives funding from various programs administered by the federal and provincial governments and fee-for-service contracts from private and public sectors. The Council is mainly dependent on this funding for its continued operations.

The Council is a charity registered under the Income Tax Act and exempt from income taxes under the Income Tax Act.

Note 1 Significant Accounting Policies**Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Capital Assets

Equipment is capitalized and amortized on a straight-line basis over its estimated useful life, as follows:

Computer equipment - 3 years

Revenue Recognition

Revenue, other than donations that are recorded when received, is recognized on an accrual basis. Training event fees and grants received are recorded as deferred revenue and recognized in operations as the related expenditures are incurred (Note 5).

Investment income includes interest from cash and fixed income investments, reinvested distributions from mutual funds and realized (and unrealized) gains and losses on investments. Revenue related to investments is recognized on an accrual basis.

Note 1 Significant Accounting Policies - continued**Financial Instruments****Measurement of Financial Instruments**

The Council initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Council subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Use of Estimates

The preparation of financial statements requires the Board of Directors to make assumptions about future events that affect the reported amounts 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 expenses during the reporting period. Actual amounts could differ from these estimates.

Note 2 Financial Instruments**Risk Management Policy**

The Council is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2014.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Council is subject to concentrations of credit risk through cash and its accounts receivable. The Council maintains substantially all of its cash at a single major Canadian financial institution. The majority of the Council's account receivables relate to funds receivable from government organizations. The maximum credit risk is equivalent to the carrying value. It is the opinion of management that the Council is not exposed to significant credit risks.

Note 2 Financial Instruments - continued**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The methods and assumptions management uses when accessing market risks have not changed substantially, with the exception of adding equity mutual funds to its investment portfolio, from the prior period and are summarized below:

(i) Interest Rate Risk

The Council manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Council has invested its excess cash in low risk interest bearing vehicles such as guaranteed investment certificates as the means for managing its interest rate risk.

(ii) Foreign Currency Risk

The Council's functional currency is the Canadian Dollar. The Council does not engage in any activities in foreign currency and as a result it is the opinion of management that the Council is not exposed to significant foreign currency risk.

(iii) Commodity Price Risk

The Council is subject to normal price risk associated with consumer products.

Note 3 Cash and Investments

	2014	2013
Cash		
Operating bank accounts	\$ 644,045	\$ 468,409
Temporary Investments		
Guaranteed investment certificates	280,067	28,482
	924,112	496,891
Long-Term Investments		
Guaranteed investment certificates	29,056	274,181
	953,168	771,072

Note 4 Capital Assets

	Cost	Accumulated Amortization	Net 2014	Net 2013
Computer equipment	\$ 52,582	\$ 48,504	\$ 4,078	\$ 7,801

Note 5 **Deferred Revenue**

	2014	2013
Opportunitiy Fund	\$ 515,417	\$ 0
Social Development Partnership Program	70,177	0
Ontario Workplace Inclusion Program	7,705	95,112
WESP Toronto Project	0	33,535
Scotiabank	0	11,207
Youth of the Future	0	469
Partners for Workplace Inclusion	0	349
	<u>593,299</u>	<u>140,672</u>

Note 6 **Contractual Obligations**

The Council has entered into an agreement for the lease of head office premises located at 1 Yonge Street, Toronto, Ontario. The terms of the lease are as follows:

Term - 7 years, from February 1, 2009 ending January 31, 2016

Rent - Annual minimum rent in Years 1 through 5 of \$45,390 and \$48,060 in Years 6 and 7 payable monthly, plus;

- Additional rent for the tenant's proportional share of allocable operating expenses plus taxes, utilities and any additional costs or services.