

Financial Statements

Canadian Council on Rehabilitation and Work

Toronto, Ontario

March 31, 2018

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Independent Auditors' Report

To the Members of Canadian Council on Rehabilitation and Work:

We have audited the accompanying financial statements of Canadian Council on Rehabilitation and Work, which comprise the statement of financial position as at March 31, 2018 and the statements of revenues, expenses and accumulated surplus and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by the management based on financial reporting requirements of the Canadian accounting standards for not-for-profit organizations.

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.

Auditors' 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit 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 Council'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 Council'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.

continued...

Independent Auditors' Report - continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Council on Rehabilitation and Work as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
July 31, 2018



Chartered Professional Accountants, Licensed Public Accountants

Canadian Council on Rehabilitation and Work

March 31, 2018

Statement of Financial Position - Assets	2018	2017
Current Assets		
Cash, Note 3	\$ 2,135,530	\$ 1,402,479
Temporary investments, Note 3	329,348	266,204
Accounts receivable	264,337	141,826
Sales tax rebate, net	24,259	8,950
Prepaid expenses	7,495	7,495
Total Current	2,760,969	1,826,954
Long-Term Investments , Note 3	0	60,084
Capital Assets , Note 4	87,751	5,603
	2,848,720	1,892,641

Statement of Financial Position - Liabilities and Accumulated Surplus

Current Liabilities		
Accounts payable and accrued liabilities	236,078	279,897
Deferred revenue, Note 5	1,143,322	427,262
Total Liabilities	1,379,400	707,159
Accumulated Surplus , per statement	1,469,320	1,185,482
	2,848,720	1,892,641

Approved by The Board

Ashley Caldwell

Chair

Jon Wollaston

Treasurer

The notes on pages 9 through 12 form an integral part of these financial statements.

Canadian Council on Rehabilitation and Work

Year ended March 31, 2018

Statement of Revenues, Expenses and Accumulated Surplus

	2018	2017
Revenues		
Social Development Partnership Program	\$ 504,802	\$ 217,332
Office for Disability Issues Projects	69,291	44,822
Workplace Inclusion Program	364,064	350,132
Service Canada - Youth and WESP	1,906,373	1,306,567
Training and consulting	796,188	811,877
Conference registration	54,233	0
Interest and investment income	3,060	4,677
Other	41,550	31,050
Other - government	3,410,754	2,438,396
Other - non-government	8,892	17,081
	7,159,207	5,221,934
Expenses		
Meetings and operating, per schedule	6,875,369	4,971,718
Surplus	283,838	250,216
Accumulated surplus, beginning of year	1,185,482	935,266
Accumulated Surplus, End of Year	1,469,320	1,185,482

Canadian Council on Rehabilitation and Work

Year ended March 31, 2018

Schedule of Meetings and Operating Expenses	2018	2017
Meeting		
Executive and meetings	\$ 9,819	\$ 16,679
Operating		
Salaries and employee benefits	3,084,219	2,523,640
Consulting	353,183	316,586
Accounting, legal and professional	86,844	21,813
Training, course fees and supplies	1,238,289	697,334
Travel	195,090	112,326
Advertising and promotion	102,618	76,697
Communication and telephone	24,617	14,153
Translation	4,292	8,170
Other project costs	297,391	165,003
Mailing and freight	39,645	7,210
Office supplies	49,985	20,855
HST	35,077	17,686
Rent	455,886	388,898
Amortization	2,635	2,179
Bank charges	5,855	2,600
Equipment maintenance and software	49,874	34,083
Disability accommodation	425,528	243,475
Insurance	6,259	11,962
Administration and support	384,814	290,369
Conference	23,449	0
	6,875,369	4,971,718

Canadian Council on Rehabilitation and Work

Year ended March 31, 2018

Statement of Cash Flows	2018	2017
Operating Activities		
Surplus	\$ 283,838	\$ 250,216
Items not affecting cash		
Amortization	2,635	2,179
	286,473	252,395
Changes in Non-Cash Working Capital		
Accounts receivable	(122,511)	158,691
Prepaid expenses	0	377
HST rebate, net	(15,309)	(8,336)
Accounts payable and accrued liabilities	(43,820)	122,498
Deferred revenue	716,060	7,334
	820,893	532,959
Cash Flows From Operating Activities		
	820,893	532,959
Investing Activities		
Purchase of capital assets	(84,782)	(5,133)
Increase in temporary investments	(63,144)	(3,387)
Decrease (increase) in long-term investments	60,084	(1,290)
	(87,842)	(9,810)
Cash Flows Used In Investing Activities		
	(87,842)	(9,810)
Net increase in cash during the year	733,051	523,149
Cash at beginning of year	1,402,479	879,330
	2,135,530	1,402,479
Cash at End of Year		

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 and continued under the Canada Not-for-profit Corporations Act on June 3, 2014. 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

Computer equipment and furniture and fixtures are capitalized and amortized on a straight-line basis over their estimated useful lives of 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.

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 management 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, 2018:

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 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:

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 mutual funds as the means for managing its interest rate risk.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time.

The Council manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs. The Council ensures that it has enough resources for the upcoming programme expenses by securing grants from a variety of organizations.

It is the opinion of management that the Council is not exposed to significant liquidity risk.

Note 3 Cash and Investments

	2018	2017
Cash		
Operating bank accounts	\$ 2,135,530	\$ 1,402,479
Temporary Investments		
Mutual funds	329,348	266,204
Long-Term Investments		
Guaranteed investment certificates	0	60,084
	<u>2,464,878</u>	<u>1,728,767</u>

Note 4 Capital Assets

	Cost	Accumulated Amortization	Net 2018	Net 2017
Computer equipment	\$ 8,209	\$ 6,329	\$ 1,880	\$ 3,842
Furniture and fixtures	86,803	932	85,871	1,761
	<u>95,012</u>	<u>7,261</u>	<u>87,751</u>	<u>5,603</u>

Canadian Council on Rehabilitation and Work

March 31, 2018

Note 5 **Deferred Revenue**

	2018	2017
Youth the Future	\$ 588,077	\$ 75,800
Partners	356,467	113,933
Wendy Blair Project	117,193	139,090
Social Development Partnership Program	61,708	87,030
Job accommodation service – Bell Canada	11,409	11,409
Insurance proceeds	8,468	0
	<u>1,143,322</u>	<u>427,262</u>

Note 6 **Commitment**

The Council leases premises under non-cancelable operating lease agreements.

Future minimum annual payment requirements are as follows:

2019	\$ 225,828
2020	144,101
2021	130,266
2022	130,266
2023	130,266
2024 and after	119,410