

# **Financial Statements**

**Canadian Council on Rehabilitation and Work**

Toronto, Ontario

*March 31, 2019*

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## **Independent Auditors' Report**

**To the Members of Canadian Council on Rehabilitation and Work:**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Canadian Council on Rehabilitation and Work, which comprise the statement of financial position as at March 31, 2019 and the statements of revenues, expenses and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Canadian Council on Rehabilitation and Work in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing Canadian Council on Rehabilitation and Work's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Canadian Council on Rehabilitation and Work's financial reporting process.



## Independent Auditors' Report - continued

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Canadian Council on Rehabilitation and Work's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Canadian Council on Rehabilitation and Work's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditors' Report - continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario  
September 4, 2019

A handwritten signature in cursive script that reads "Prentice Yatch & Clark".

Chartered Professional Accountants, Licensed Public Accountants

## Canadian Council on Rehabilitation and Work

March 31, 2019

<b>Statement of Financial Position - Assets</b>	2019	2018
<b>Current Assets</b>		
Cash, Note 3	\$ 3,082,262	\$ 2,135,530
Temporary investments, Note 3	0	329,348
Accounts receivable	167,846	264,337
Sales tax rebate, net	14,577	24,259
Prepaid expenses	12,758	7,495
<b>Total Current</b>	<b>3,277,443</b>	<b>2,760,969</b>
<b>Capital Assets</b> , Note 4	71,558	87,751
	<b>3,349,001</b>	<b>2,848,720</b>

## Statement of Financial Position - Liabilities and Accumulated Surplus

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	196,612	236,078
Deferred revenue, Note 5	1,401,208	1,143,322
<b>Total Liabilities</b>	<b>1,597,820</b>	<b>1,379,400</b>
<b>Accumulated Surplus</b> , per statement	1,751,181	1,469,320
	<b>3,349,001</b>	<b>2,848,720</b>

### Approved by The Board

Ashley Caldwell

Chair

Jon Wollaston

Treasurer

The notes on pages 10 through 13 form an integral part of these financial statements.

## Canadian Council on Rehabilitation and Work

*Year ended March 31, 2019*

### Statement of Revenues, Expenses and Accumulated Surplus

	2019	2018
<b>Revenues</b>		
Social Development Partnership Program	\$ 573,512	\$ 504,802
Office for Disability Issues Projects	80,244	69,291
Workplace Inclusion Program	342,023	364,064
Service Canada - Youth and WESP	2,273,945	1,906,373
Training and consulting	894,460	796,188
Conference registration	39,740	24,233
Conference grants	2,028	30,000
Conference sponsorship	7,500	0
Interest and investment income	4,664	3,060
Other	64,061	41,550
Other - government	3,061,608	3,410,754
Other - non-government	5,317	8,892
	7,349,102	7,159,207
<b>Expenses</b>		
Meetings and operating, per schedule	7,067,241	6,875,369
<b>Surplus</b>		
	281,861	283,838
Accumulated surplus, beginning of year	1,469,320	1,185,482
<b>Accumulated Surplus, End of Year</b>	1,751,181	1,469,320

## Canadian Council on Rehabilitation and Work

*Year ended March 31, 2019*

<b>Schedule of Meetings and Operating Expenses</b>	2019	2018
<b>Meeting</b>		
Executive and meetings	\$ 14,468	\$ 9,819
<b>Operating</b>		
Salaries and employee benefits	3,079,648	3,084,219
Consulting	341,963	353,183
Accounting, legal and professional	143,752	86,844
Training, course fees and supplies	1,265,302	1,238,289
Travel	183,731	195,090
Advertising and promotion	110,391	102,618
Communication and telephone	13,016	24,617
Translation	0	4,292
Other project costs	305,835	297,391
Mailing and freight	63,985	39,645
Office supplies	24,596	49,985
HST	42,221	35,077
Rent	454,916	455,886
Amortization	34,289	2,635
Bank charges	8,774	5,855
Equipment maintenance and software	43,720	49,874
Disability accommodation	437,268	425,528
Insurance	5,390	6,259
Administration and support	418,474	384,814
Conference	75,502	23,449
	<b>7,067,241</b>	<b>6,875,369</b>



## Canadian Council on Rehabilitation and Work

*Year ended March 31, 2019*

<b>Statement of Cash Flows</b>	2019	2018
<b>Operating Activities</b>		
Surplus	\$ 281,861	\$ 283,838
Items not affecting cash		
Amortization	34,289	2,635
	316,150	286,473
<b>Changes in Non-Cash Working Capital</b>		
Accounts receivable	96,491	(122,511)
Prepaid expenses	(5,263)	0
HST rebate, net	9,682	(15,309)
Accounts payable and accrued liabilities	(39,465)	(43,820)
Deferred revenue	257,886	716,060
	635,481	820,893
<b>Cash Flows From Operating Activities</b>		
	635,481	820,893
<b>Investing Activities</b>		
Purchase of capital assets	(18,097)	(84,782)
Decrease (increase) in temporary investments	329,348	(63,144)
Decrease in long-term investments	0	60,084
	311,251	(87,842)
<b>Cash Flows From (Used In) Investing Activities</b>		
	311,251	(87,842)
Net increase in cash during the year	946,732	733,051
Cash at beginning of year	2,135,530	1,402,479
	3,082,262	2,135,530
<b>Cash at End of Year</b>		

**Notes to Financial Statements**

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**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.

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**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, 2019:

**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.

**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**

	2019	2018
<b>Cash</b>		
Operating bank accounts	\$ 3,082,262	\$ 2,135,530
<b>Temporary Investments</b>		
Mutual funds	0	329,348
	<u>3,082,262</u>	<u>2,464,878</u>

**Note 4 Capital Assets**

	Cost	Accumulated Amortization	Net 2019	Net 2018
Computer equipment	\$ 15,985	\$ 8,042	\$ 7,943	\$ 1,880
Furniture and fixtures	94,759	31,144	63,615	85,871
	<u>110,744</u>	<u>39,186</u>	<u>71,558</u>	<u>87,751</u>

## Canadian Council on Rehabilitation and Work

March 31, 2019

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### Note 5 Deferred Revenue

	2019	2018
Youth the Future	\$ 761,330	\$ 588,077
Partners	415,534	356,467
Social Development Partnership Program	89,969	61,708
Enabling Change accessibility upgrades	32,128	0
Wendy Blair Project	30,472	117,193
Workplace Inclusion Program	28,270	0
SOAR	23,000	0
Job accommodation service – Bell Canada	11,409	11,409
Building Employment Partnership Program	9,096	0
Insurance proceeds	0	8,468
	<u>1,401,208</u>	<u>1,143,322</u>

### Note 6 Classification

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Surplus for the previous year is not affected by the reclassification.

### Note 7 Commitment

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

Future minimum annual payment requirements are as follows:

2020	\$ 275,372
2021	142,131
2022	130,266
2023	130,266
2024	119,410