

Financial Statements

Canadian Council on Rehabilitation and Work

Toronto, Ontario

March 31, 2021

Contents

Independent Auditors' Report.....	3 - 5
Statement of Financial Position.....	6
Statement of Revenues, Expenses and Accumulated Surplus.....	7
Schedule of Meetings and Operating Expenses.....	8
Statement of Cash Flows.....	9
Notes to Financial Statements.....	10 - 13

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, 2021 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, 2021, 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 CCRW 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 CCRW 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
July 5, 2021

A handwritten signature in black ink that reads "Preston Yates & Clark". The signature is written in a cursive style with a large initial 'P' and a distinct ampersand.

Chartered Professional Accountants, Licensed Public Accountants

Canadian Council on Rehabilitation and Work

March 31, 2021

Statement of Financial Position - Assets	2021	2020
Current Assets		
Cash	\$ 5,906,257	\$ 2,912,668
Accounts receivable	148,073	314,212
Sales tax rebate, net	42,071	16,021
Inventory	10,416	0
Prepaid expenses	74,661	30,729
Total Current	6,181,478	3,273,630
Capital Assets , Note 3	15,488	57,266
	6,196,966	3,330,896

Statement of Financial Position - Liabilities and Accumulated Surplus		
Current Liabilities		
Accounts payable and accrued liabilities	659,451	182,154
Deferred revenue, Note 4	2,819,938	1,385,630
Total Liabilities	3,479,389	1,567,784
Long Term		
Deferred Lease Inducement	10,790	0
Accumulated Surplus , per statement	2,706,787	1,763,112
	6,196,966	3,330,896

Approved by The Board

Chair: Kathy Malley

Treasurer: Jon Wollaston

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, 2021

Statement of Revenues, Expenses and Accumulated Surplus

	2021	2020
		Note 6
Revenues		
Social Development Partnership Program	\$ 306,154	\$ 345,969
Office for Disability Issues Projects	0	23,979
Workplace Inclusion Programs	2,930,056	2,214,720
Service Canada - Youth and WESP	3,410,422	2,783,842
Training and consulting	1,812,953	694,459
Conference registration	28,500	45,593
Conference grants	0	(2,028)
Conference sponsorship	0	5,000
Website advertising	109,324	121,398
Interest and investment income	5,630	28,086
Canada Emergency Wage Subsidy (CEWS)	295,844	0
Other - government	208,733	633,043
Other - non-government	15,718	142,430
	9,123,334	7,036,491
Expenses		
Meetings and operating, per schedule	8,179,659	7,024,561
Surplus	943,675	11,930
Accumulated surplus, beginning of year	1,763,112	1,751,182
Accumulated Surplus, End of Year	2,706,787	1,763,112

Canadian Council on Rehabilitation and Work

Year ended March 31, 2021

Schedule of Meetings and Operating Expenses	2021	2020
		Note 6
Meeting		
Executive and meetings	\$ 54,986	\$ 29,369
Operating		
Salaries and employee benefits	4,798,568	3,104,904
Consulting	171,222	372,706
Accounting, legal and professional	28,177	49,105
Training, course fees and supplies	716,466	1,193,868
Travel	16,571	174,366
Advertising and promotion	35,825	72,190
Communication and telephone	26,960	18,337
Translation	2,330	0
Other project costs	583,461	412,515
Mailing and freight	2,120	2,265
Office supplies	13,112	19,941
HST	25,576	40,155
Rent	503,344	455,550
Amortization	42,204	37,675
Bank charges	13,702	6,565
Equipment maintenance and software	124,435	48,117
Disability accommodation	868,727	482,436
Insurance	2,104	9,495
Administration and support	105,725	420,021
Conference	35,380	74,981
Bad debt	5,493	0
Professional development	3,171	0
	8,179,659	7,024,561

Canadian Council on Rehabilitation and Work

Year ended March 31, 2021

Statement of Cash Flows	2021	2020
Operating Activities		
Surplus	\$ 943,675	\$ 11,930
Items not affecting cash		
Amortization	42,204	37,675
	985,879	49,605
Changes in Non-Cash Working Capital		
Accounts receivable	166,138	(146,366)
Inventory	(10,416)	0
Prepaid expenses	(43,932)	(17,971)
Sales tax rebate, net	(26,050)	(1,444)
Accounts payable and accrued liabilities	477,297	(14,456)
Deferred revenue	1,434,308	(15,578)
Deferred lease inducement	10,790	0
	2,994,014	(146,210)
Cash Flows From (Used In) Operating Activities		
	2,994,014	(146,210)
Investing Activities		
Purchase of capital assets	(425)	(23,384)
	(425)	(23,384)
Cash Flows Used In Investing Activities		
	(425)	(23,384)
Net increase (decrease) in cash during the year	2,993,589	(169,594)
Cash at beginning of year	2,912,668	3,082,262
Cash at End of Year	5,906,257	2,912,668

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. CCRW is mainly dependent on this funding for its continued operations.

CCRW 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

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

CCRW subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash 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

CCRW is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2021:

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.

CCRW is subject to concentrations of credit risk through cash and its accounts receivable. CCRW maintains substantially all of its cash at a single major Canadian financial institution. The majority of CCRW'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 CCRW 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

CCRW 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.

CCRW manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs. CCRW 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 CCRW is not exposed to significant liquidity risk.

Note 3 Capital Assets

	Cost	Accumulated Amortization	Net 2021	Net 2020
Computer equipment	\$ 28,315	\$ 15,930	\$ 12,385	\$ 21,977
Furniture and fixtures	97,908	94,805	3,103	35,289
	<u>126,223</u>	<u>110,735</u>	<u>15,488</u>	<u>57,266</u>

Canadian Council on Rehabilitation and Work

March 31, 2021

Note 4 Deferred Revenue

	2021	2020
Partners	\$ 900,276	\$ 610,820
Accommodation & Inclusive Management	835,233	0
Social Development Partnership Program	296,000	0
Youth the Future	261,401	523,466
Ontario Workplace Inclusion Program	245,623	228,783
Disability Confidence	207,050	0
Sodexo	31,579	0
Workplace Inclusion Program	17,205	5,790
Job accommodation service – Bell Canada	11,409	11,409
Autisms Angels	9,955	5,362
Canada Summer Jobs	4,207	0
	<u>2,819,938</u>	<u>1,385,630</u>

Note 5 Commitment

CCRW leases premises under non-cancelable operating lease agreements.

Future minimum annual payment requirements are as follows:

2022	\$ 521,143
2023	432,880
2024	301,072
2025	99,905
2026	99,905

Note 6 Classification

During the year, CCRW revised the classification of certain expenses. As a result, a direct comparison cannot be made to the previous year's expenses which were not reclassified to conform to the current year's presentation.

Note 7 Future Uncertainty Resulting from the Pandemic

There is significant uncertainty around the long-term economic and business consequences of COVID-19. During the year, CCRW applied for and received the Canada Emergency Wage Subsidy to assist with the effects of COVID-19. Neither the duration of these restrictions or government financial assistance is known at this time and the eventual financial impact cannot be determined.