

Canadian Council on Rehabilitation and Work

Non-consolidated Financial Statements

For the Year Ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canadian Council on Rehabilitation and Work

Opinion

We have audited the non-consolidated financial statements of Canadian Council on Rehabilitation and Work (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2024, and the non-consolidated statements of revenues, expenses and accumulated surplus and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2024, and its results of non-consolidated operations and its non-consolidated 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 *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

Other Matter

The non-consolidated financial statements of Organization for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on August 28, 2023.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 non-consolidated 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 non-consolidated 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 the Organization'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 the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated 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 auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
September 23, 2024
Toronto, Ontario

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Assets		
Current assets		
Cash	\$ 6,735,135	\$ 6,130,509
Investments (Note 5)	2,778,963	2,497,065
Accounts receivable (Note 8)	561,716	1,784,852
HST receivable	86,962	197,303
Prepaid expenses	124,742	124,049
	10,287,518	10,733,778
Investment in Innova Corp. (Note 8)	387,556	1,078,848
Capital assets	-	12
	\$ 10,675,074	\$ 11,812,638

Liabilities and Accumulated Surplus

Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 9)	\$ 419,986	\$ 1,687,282
Deferred contributions (Note 6)	7,202,009	6,774,525
	7,621,995	8,461,807
Accumulated surplus	3,053,079	3,350,831
	\$ 10,675,074	\$ 11,812,638

Commitments and guarantee (Note 7)

Approved by the Board



 Chair



 Treasurer

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Revenues, Expenses and Accumulated surplus
Year Ended March 31, 2024

	2024	2023
Revenue		
Government disability employment programs (Schedule 1)	\$ 11,607,693	\$ 14,775,216
Miscellaneous	391,338	233,960
Interest and investment income (loss)	282,264	(82,671)
Conference revenue	138,903	51,536
Training and consulting	102,466	757,986
	12,522,664	15,736,027
Expenses		
Meetings and operating (Schedule 2)	12,129,124	16,094,004
Excess (deficiency) of revenue over expenses before the undernoted	393,540	(357,977)
Income (loss) from Innova Corp. (Note 8)	(691,292)	458,848
Excess (deficiency) of revenue over expenses	(297,752)	100,871
Accumulated surplus, beginning of year	3,350,831	3,249,960
Accumulated surplus, end of year	\$ 3,053,079	\$ 3,350,831

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
Cash provided by (used in)		
Operations		
Excess (deficiency) of revenue over expenses	\$ (297,752)	\$ 100,871
Items not affecting cash		
Amortization of capital assets	12	5,026
(Income) loss from Innova Corp.	691,292	(458,848)
Realized and unrealized losses (gains) on investments	(278,764)	77,609
	114,788	(275,342)
Net changes in non-cash operating assets and liabilities		
Accounts receivable	1,223,136	(1,585,044)
Sales tax receivable	110,341	(98,387)
Prepaid expenses	(693)	(52,045)
Accounts payable and accrued liabilities	(1,267,296)	287,387
Deferred contributions	427,484	1,057,938
	607,760	(665,493)
Investing		
Purchase of investments	(357,450)	(240,000)
Proceeds on sale of investments	354,316	320,465
Investment in Innova Corp.	-	(620,000)
	(3,134)	(539,535)
Net change in cash	604,626	(1,205,028)
Cash, beginning of year	6,130,509	7,335,537
Cash, end of year	\$ 6,735,135	\$ 6,130,509

1. NATURE OF ACTIVITIES

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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment in Innova Corp.

CCRW owns 100% of the issued common and preferred shares of Innova Corp. The investment is accounted for using the equity method.

Revenue Recognition

CCRW follows the deferral method of accounting for contributions, which include government and other funding. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Training and consulting, conference registration, conference sponsorship, and website advertising are recorded as deferred revenue and recognized in operations as the related services are provided. Miscellaneous revenue is recognized as earned.

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 as earned.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

CCRW initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, which are measured at the exchange amount. CCRW subsequently measures its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenue over expenses.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Innova Corp.

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of a writedown, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the revenue and expenses reported for the year then ended. Actual results could differ from those estimates. Significant estimates include the allocation of expenses. Such estimates are reviewed periodically and any adjustments are reported in the year in which they become known.

3. ECONOMIC DEPENDENCE

The Organization relies on funding from the federal government.

The Organization is contingently liable for all or a portion of grants received should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such repayments are not currently anticipated or determinable. In the event of repayment of a grant, the repayment will be recorded in the statement of revenue, expenses and changes in net assets.

During the year ended March 31, 2024, the Organization received majority of its revenue, 84% (2023 - 87%), from Employment and Social Development Canada ("ESDC"). The amount of revenue from this source is significant enough that the ongoing viability of the Organization is economically dependent on the continued funding from ESDC.

4. FINANCIAL RISK MANAGEMENT

Risk Management Policy

CCRW is exposed to various financial risks through its financial instruments. There were no changes in the risks from the previous year end.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is subject to credit risk related to its cash and accounts receivable. Credit risk with respect to cash is limited as cash is held at a high credit quality financial institution in Canada. The Organization manages risk related to accounts receivable through proactive collection policies.

Market Risk

Market risk is the risk that the fair value of investments will fluctuate due to changes in market prices. Market risk is managed by having a diversified portfolio of mutual funds that meet certain quality requirements as per CCRW's investment policy.

Liquidity Risk

In managing capital, CCRW focuses on liquid resources available for operations. CCRW's objective is to have sufficient liquid resources to continue operating and to provide it with the flexibility to take advantage of opportunities that will advance its purpose. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

5. INVESTMENTS

Investments are comprised of equity and bond mutual funds.

6. DEFERRED CONTRIBUTIONS

Deferred contributions consist of funding received in the current fiscal year for which the related expenditures have not been made. It is anticipated that these funds will be utilized in the subsequent period.

	2024	2023
Balance, beginning of year	\$ 6,774,525	\$ 5,716,587
Contributions received	12,035,175	15,833,154
Contributions recognized in revenue	(11,607,691)	(14,775,216)
Balance, end of year	\$ 7,202,009	\$ 6,774,525

Canadian Council on Rehabilitation and Work
Notes to Non-consolidated Financial Statements
March 31, 2024

6. DEFERRED CONTRIBUTIONS (Cont'd)

At year end deferred contributions consist of the following:

	2024	2023
Accessibility First West Coast	\$ 3,030,684	\$ 1,620,400
Training, Recruitment, Accessibility, Needs Assessment & Skills Formation	1,501,601	-
Contributions recognized in revenue	1,251,267	121,660
Skilled Talent Elevation Program	570,681	-
Skilled Talent Employment Advantage Method	180,890	1,752,166
Employment Services for Women	171,829	748,504
Ontario Employment Assistance Services	159,619	-
Sourcing Understanding Through Research for Future Talent	112,032	-
Youth the Future	99,476	2,309,098
Other	84,005	-
Workplace Inclusion Program	29,970	13,340
Autism's Angels	9,955	9,955
Partners	-	199,402
	\$ 7,202,009	\$ 6,774,525

7. COMMITMENTS AND GUARANTEE

CCRW provided an unlimited guarantee for a credit facility agreement held by Innova Corp. consisting of a line of credit of \$50,000 and a credit card with a maximum amount of \$50,000. At March 31, 2024, the balance owing on the line and the credit card was \$Nil.

CCRW leases premises under non-cancelable operating lease agreements. Future minimum annual payment requirements are as follows:

2025	\$ 489,604
2026	453,040
2027	230,002
2028	71,680
2029	71,680
Thereafter	71,680
	\$ 1,387,686

Canadian Council on Rehabilitation and Work
Notes to Non-consolidated Financial Statements
March 31, 2024

8. INNOVA CORP.

CCRW is the sole shareholder of Innova Corp. CCRW holds 100 common shares and 619,900 Class B shares of Innova Corp. Innova Corp is authorized to issue unlimited Class B to F shares. Innova Corp. uses Canadian accounting standards for private enterprises as its basis of accounting. CCRW's investment in Innova Corp. consists of:

	2024	2023
Common shares	\$ 100	\$ 100
Class B preferred shares	619,900	619,900
Equity method income (loss) - cumulative	(232,444)	458,848
	\$ 387,556	\$ 1,078,848

Innova Corp.'s audited financial statements are summarized below:

	2024	2023
Financial position		
Assets	\$ 531,433	\$ 1,803,451
Liabilities	\$ 143,877	\$ 724,603
Net assets	387,556	1,078,848
	\$ 531,433	\$ 1,803,451
Results of operations		
Revenues	\$ 1,159,532	\$ 1,519,106
Expenses	(1,850,824)	(1,060,258)
Excess (deficiency) of revenues over expenses	\$ (691,292)	\$ 458,848
Cash flows		
Cash provided by (used in) operating activities	\$ (494,501)	\$ 197,615
Cash provided by (used in) investing activities	(2,312)	(9,600)
Cash provided by (used in) financing activities	-	620,000
Increase (decrease) in cash	\$ (496,813)	\$ 808,015

Innova Corp. provides disability accommodation services to CCRW. CCRW provides Innova Corp. with assistance for finance, human resources, office space and other administrative functions, currently estimated to be \$123,000 plus HST per year.

At year end, included in accounts payable and accrued liabilities is \$89,748 (2023 - \$978,182) due to Innova Corp., and included in accounts receivable is \$Nil (2023 - \$333,015) due from Innova Corp.. Amounts are recorded at exchange value and are due on demand.

Included in miscellaneous revenue is \$138,162 (2023 - \$89,233) received from Innova Corp. Disability accommodation expense includes \$828,923 (2023 - \$1,462,883) and training and professional development expense includes \$26,392 (2023 - \$19,368) paid to Innova Corp.

9. COMPARATIVE BALANCES

The prior year revenue groupings have been revised to conform to the current year's presentation, grouping similar items together.

Canadian Council on Rehabilitation and Work
Schedule 1 - Government Disability Employment Programs
Year Ended March 31, 2024

	2024	2023
Youth Employment Skills Strategy National	\$ 2,486,389	\$ 3,443,911
Canada Employment Insurance Commission - National Essential skills Initiative, Skills for Success	2,274,471	1,076,363
Opportunities Fund National	1,943,497	5,277,195
Youth Employment Skills Strategy Regional	1,455,376	1,685,525
Audit Learning, Literacy and Essential Skills Program, Women Employment Readiness Pilot Program	1,144,490	464,622
Canada Employment Insurance Commission - Labour Market Partnerships support Measure	524,515	381,926
Ontario Ministry of Labour, Immigration, Training and Skills Development	413,524	414,643
Avenue NB	359,549	380,829
Social Development Partnership Program	323,712	778,121
Opportunities Fund Regional	295,911	547,814
Manitoba Ministry of Immigration and Career Training	162,849	324,267
Canadian Accessibility Standard's Development Organization	137,758	-
Social Development Partnership Program	85,652	-
	\$ 11,607,693	\$ 14,775,216

Canadian Council on Rehabilitation and Work
Schedule 2 - General and Administrative Expenses
Year Ended March 31, 2024

	2024	2023
Meeting		
Travel and meeting	\$ 254,479	\$ 450,259
Operating		
Salaries and employee benefits	6,113,122	7,188,829
Disability accommodation (Note 8)	3,153,894	5,794,420
Occupancy costs	898,315	791,206
Other project costs	442,568	682,569
Office expense	422,603	540,652
Professional and consulting fees	290,048	373,326
Conference	200,270	56,557
HST and GST non-recoverable portion	146,506	36,232
Bad debt	80,000	6,454
Advertising and promotion	75,294	102,943
Training and professional development (Note 8)	40,289	40,274
Interest and bank charges	11,419	18,557
Licenses, memberships, dues	305	6,700
Amortization	12	5,026
	\$ 12,129,124	\$ 16,094,004