

**Accessible Community Counselling
and Employment Services
(A.C.C.E.S.)
Report and Financial Statements**

March 31, 2011



AUDITORS' REPORT

1195 Stellar Drive, Unit 10, Newmarket, Ontario L3Y 7B8
Phone: 905.898.1641 Fax: 905.898.0485

To the Board of Directors
A.C.C.E.S.

We have audited the accompanying financial statements of Accessible Community Counselling and Employment Services (A.C.C.E.S.), which comprise the statement of financial position as at March 31, 2011, and the statements of revenues, expenses and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines 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 auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the organization'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 organization'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2011, and its financial performance and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Newmarket, Ontario
July 12, 2011

Chartered Accountants
Licensed Public Accountants

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Statement of Financial Position

As at March 31

2011

2010

Assets

Current

Cash and short-term deposits
Accounts receivable
Prepaid expenses

\$ 3,721,153
1,016,624
145,167

\$ 2,921,798
862,874
130,184

4,882,944

3,914,856

Capital assets (Note 4)

922,549

723,868

\$ 5,805,493

\$ 4,638,724

Liabilities

Current

Accounts payable and accrued liabilities
Deferred contributions (Note 6)

\$ 1,412,200
2,407,134

\$ 967,190
2,029,380

3,819,334

2,996,570

Non-current

Deferred income (Note 5)
Deferred contributions - capital assets (Note 7)

-
561,458

7,572
283,058

4,380,790

3,287,200

Net assets

1,424,703

1,351,524

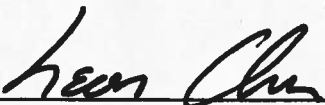
\$ 5,805,493

\$ 4,638,724

Approved on behalf of the Board:



Chairperson



Treasurer

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended March 31

2011

2010

Revenue (Schedule 1)	\$ 12,420,675	\$ 11,173,582
Expenses		
Amortization of capital assets	370,258	321,326
Bank charges and interest	10,141	9,538
Building occupancy	1,070,538	964,659
Consulting and other purchased services	111,288	163,165
Insurance	48,246	53,477
Licenses and dues	6,272	7,150
Office supplies and resource material	272,008	286,698
Office equipment rental and repair	101,726	77,912
Other direct program costs	1,915,334	1,832,129
Professional fees	90,224	45,725
Promotion and publicity	92,118	87,809
Salaries and benefits	8,048,008	7,012,497
Staff development	84,920	69,632
Telephone	78,814	73,320
Transportation	47,601	43,473
	<u>12,347,498</u>	<u>11,048,510</u>
Excess of revenues over expenses	73,179	125,072
Net assets, beginning of year	<u>1,351,524</u>	<u>1,228,452</u>
Net assets, end of year	<u>\$ 1,424,703</u>	<u>\$ 1,351,524</u>

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Statement of Cash Flows

For the Year Ended March 31

2011

2010

Cash provided by(used for):

Operations

Cash received from funding sources	\$ 12,460,396	\$ 12,067,806
Cash paid for salaries and benefits	(8,033,517)	(7,075,839)
Cash paid for building occupancy	(1,070,538)	(964,659)
Cash paid for direct programs and administration	(2,450,728)	(2,368,173)
Investment income received - operating	<u>8,994</u>	<u>11,676</u>
	<u>914,607</u>	<u>1,670,811</u>

Financing

Contributions for purchase of capital assets	<u>453,687</u>	<u>25,126</u>
--	----------------	---------------

Investing

Purchase of capital assets	<u>(568,939)</u>	<u>(244,367)</u>
Increase (decrease) in cash	799,355	1,451,570
Cash and short term-deposits, beginning of year	<u>2,921,798</u>	<u>1,470,228</u>
Cash and short-term deposits, end of year	<u>\$ 3,721,153</u>	<u>\$ 2,921,798</u>

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Notes to Financial Statements

March 31, 2011

1. Purpose of the organization

A.C.C.E.S. (Accessible Community Counselling and Employment Services), formerly Accessible Community Counselling and Employment Services for New Canadians, operates centres in the greater Toronto area that provide career counselling and employment services to individuals from diverse backgrounds who are facing barriers to employment. The organization is incorporated under the Corporations Act (Ontario) as a non-profit organization without share capital. A.C.C.E.S. is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. Accounting changes

Changes in Accounting Standards

Not-For-Profit Organizations New Financial Reporting Framework

The Accounting Standards Board ("AcSB") and the Public Sector Accounting Board ("PSAB") assessed the strategic direction of financial reporting standards for Not-for-Profit organizations (NPOs) in Canada.

Following extensive consultations with stakeholders, the Boards have decided that NPOs in the public and private sectors both continue to use the current 4400 series from the CICA Handbook - Accounting, but use different financial reporting frameworks.

PSAB determined that government Not-for-Profit organizations (i.e. Organizations controlled by the government) be directed to standards for Not-for-Profit organizations in the CICA Public Sector Accounting ("PSA") Handbook.

AcSB determined that private sector NPOs be given a choice to follow new accounting standards for Not-for-Profit organizations in the private sector or international Financial Reporting Standards (IFRSs).

Part III of the CICA Handbook - Accounting was issued by the AcSB in December 2010 to provide Canadian private sector not-for-profit organizations with a new financial reporting framework. Initially, Part III will comprise of the existing standards for NPOs, currently in the 4400 series of standards in the CICA Handbook; additional standards and amendments relating to development costs incurred by NPOs; and the new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NPOs.

The standards are effective for fiscal years beginning on or after January 1, 2012. Not-for-profit organizations will also have the option of choosing international Financial Reporting Standards for a January 1, 2012 changeover. As earlier application is permitted, some organizations may wish to avail themselves of this opportunity.

Until it adopts one of the new financial reporting frameworks, a Not-for-Profit organization continues to follow the pre-changeover accounting standards in Part V of the Handbook.

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Notes to Financial Statements

March 31, 2011

3. Significant Accounting Policies

Capital assets

Capital assets are stated at cost. Amortization is provided on a straight-line basis over the estimated useful life of the assets, as follows:

Computer hardware	3 years
Computer software	1 year
Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	5 years

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when it is received or becomes receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Revenues other than contributions are recognized when they are earned.

Contributed materials and services

Donated materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are normally purchased by the organization and would be paid for if not donated.

Use of estimates

The preparation of financial statements in conformity with Canadian accepted generally accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenditures from the year then ended. Actual results may differ from such estimates.

Financial Instruments

Cash and short-term deposits of the organization are designated as 'held for trading' and are valued at fair value as at the balance sheet date. The carrying amount of accounts receivable, accounts payable and accrued liabilities and other current liabilities approximates fair value, due to their short term nature.

Financial risk management

Market risk

Market risk arises as a result of fluctuations in public market valuation and liquidity of those markets. Due to the short term nature of the organization's invested funds, the organization is not subject to any material market risk.

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Notes to Financial Statements

March 31, 2011

3. Significant Accounting Policies (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities the organization may hold. Due to the short term nature of the organization's invested funds, the organization is not subject to any material interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the organization does not hold financial instruments denominated in foreign currencies, it is not subject to currency risk.

4. Capital assets

		<u>2011</u>		<u>2010</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	<u>Net Carrying Amount</u>
Computer hardware	\$ 751,295	\$ 638,402	\$ 112,893	\$ 107,083
Computer software	304,262	289,116	15,146	40,455
Furniture and fixtures	584,795	406,122	178,673	189,701
Office equipment	386,923	301,769	85,154	79,428
Leasehold improvements	<u>1,111,188</u>	<u>580,505</u>	<u>530,683</u>	<u>307,201</u>
	<u>\$ 3,138,463</u>	<u>\$ 2,215,914</u>	<u>\$ 922,549</u>	<u>\$ 723,868</u>

5. Deferred income

Deferred income consists of lease inducements received from the landlord of the Mississauga office. The balance is to be amortized and recognized as a reduction of occupancy costs over the life of the lease in the amount of \$7,572 per annum from 2006 to 2011.

6. Deferred contributions

Deferred contributions consists of funding received for 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.

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Notes to Financial Statements

March 31, 2011

7. Deferred contributions - capital assets

Deferred contributions related to capital assets represent restricted contributions with which capital assets were purchased. Changes in the deferred contributions balance are as follows:

	<u>2011</u>	<u>2010</u>
Beginning balance	\$ 283,058	\$ 407,814
Add: contributions for purchase of capital assets	453,687	25,128
Less: amounts amortized to revenue	<u>(175,289)</u>	<u>(149,882)</u>
Ending balance	<u>\$ 561,456</u>	<u>\$ 283,058</u>

8. Commitments

Based on the operating leases in force for premises and equipment, the aggregate future minimum payments will be as follows:

2012	545,531
2013	\$ 208,715
2014	195,673
2015	<u>18,390</u>
	<u>\$ 968,309</u>

Thereafter: \$ -

9. Capital Management

The organization defines capital as its net assets. In managing its capital, the organization's objective is to have sufficient resources to continue operations in accordance with its mission. This need for sufficient resources is considered in the preparation and monitoring of an annual budget and the regular ongoing and periodic monitoring of cash flows.

Accessible Community Counselling and Employment Services (A.C.C.E.S.)

Schedule 1 - Revenue

March 31, 2011

Restricted revenue

Ministry of Training, Colleges and Universities	\$ 6,262,516	\$ 6,351,692
City of Toronto	427,517	351,638
United Way of Greater Toronto	227,539	227,539
Citizenship and Immigration Canada	1,931,366	1,703,517
Industry Canada - Community Access Program	4,400	6,645
Ministry of Citizenship and Immigration	2,982,048	2,065,975
Ontario Tourism Education Corporation	159,498	136,208
Amortization of deferred contributions - capital assets (Note 7)	<u>175,289</u>	<u>149,882</u>
	12,170,173	10,993,094

Unrestricted revenue

Nevada Lottery (net)	3,764	6,463
Interest	8,994	11,676
Sponsorships and donations	143,656	90,573
Other	<u>94,089</u>	<u>71,776</u>
	\$ <u>12,420,675</u>	\$ <u>11,173,582</u>