

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

**Financial Statements**

**For the Year Ended March 31, 2017**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Board of Directors of (A.C.C.E.S.) Accessible Community Counselling and Employment Services**

We have audited the accompanying financial statements of (A.C.C.E.S.) Accessible Community Counselling and Employment Services which comprise the statement of financial position as at March 31, 2017 and the statements of revenue, 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 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.

#### *Auditor's 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 entity'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 entity'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 (A.C.C.E.S.) Accessible Community Counselling and Employment Services as at March 31, 2017, 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.

*Collins Barrow Toronto LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 9, 2017  
Toronto, Ontario

**(A.C.C.E.S.) Accessible Community Counselling and Employment Services**  
**Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 2,656,740	\$ 2,488,818
Contributions receivable	1,076,707	1,270,127
HST Receivable	127,101	449,066
Prepaid expenses	355,591	100,080
	<b>4,216,139</b>	4,308,091
<b>Capital assets</b> (Note 3)	<b>791,076</b>	787,917
	<b>\$ 5,007,215</b>	<b>\$ 5,096,008</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,557,809	\$ 1,373,248
<b>Deferred contributions</b> (Note 4)	<b>1,419,119</b>	1,886,346
<b>Deferred contributions - capital assets</b> (Note 5)	<b>175,293</b>	61,030
	<b>3,152,221</b>	3,320,624

<b>Net assets</b>	<b>1,854,994</b>	1,775,384
	<b>\$ 5,007,215</b>	<b>\$ 5,096,008</b>

*Commitments* (Note 6)

Approved by the Board \_\_\_\_\_ Director \_\_\_\_\_ Director

**(A.C.C.E.S.) Accessible Community Counselling and Employment Services**  
**Statement of Revenue, Expenses and Changes in Net Assets**  
**For the Ended March 31, 2017**

	2017	2016
<b>Revenue</b> (Schedule 1)	<b>\$ 19,570,922</b>	<b>\$ 16,527,918</b>
<b>Expenses</b>		
Amortization of capital assets	363,956	388,054
Bank charges and interest	26,740	29,075
Building occupancy	1,378,354	1,320,927
Consulting and other purchased services	48,533	80,744
Insurance	45,474	39,786
Licenses and dues	3,997	7,230
Office equipment rental and repair	99,027	116,182
Office supplies and resource material	366,279	336,306
Professional fees	115,033	75,305
Program delivery services	2,454,595	1,850,229
Promotion and publicity	96,945	134,330
Salaries and benefits	11,488,285	10,004,886
Staff development	85,646	102,580
Telephone	98,957	83,918
Training supports and subsidies	2,736,939	1,837,893
Transportation	82,552	74,847
	<b>19,491,312</b>	<b>16,482,292</b>
<b>Excess of revenue over expenses</b>	<b>79,610</b>	<b>45,626</b>
<b>Net assets, beginning of year</b>	<b>1,775,384</b>	<b>1,729,758</b>
<b>Net assets, end of year</b>	<b>\$ 1,854,994</b>	<b>\$ 1,775,384</b>

**(A.C.C.E.S.) Accessible Community Counselling and Employment Services**  
**Statement of Cash Flows**  
**For the Ended March 31, 2017**

	2017	2016
<b>Cash provided by (used for)</b>		
<b>Operations</b>		
Cash received from funding sources	\$ 19,627,263	\$ 18,213,451
Cash paid for salaries and benefits	(11,488,285)	(10,074,718)
Cash paid for building occupancy	(1,378,354)	(1,320,927)
Cash paid for direct programs and administration	(6,230,036)	(4,939,183)
Investment income received - operating	4,449	1,198
	<b>535,037</b>	<b>1,879,821</b>
<b>Investing</b>		
Purchase of capital assets	(367,115)	(299,393)
<b>Net change in cash</b>	<b>167,922</b>	<b>1,580,428</b>
<b>Cash, beginning of year</b>	<b>2,488,818</b>	<b>908,390</b>
<b>Cash, end of year</b>	<b>\$ 2,656,740</b>	<b>\$ 2,488,818</b>

## **PURPOSE OF THE ORGANIZATION**

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

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Organization.

### **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 and collectibility is reasonably assured.

### **Capital Assets**

Capital assets are recorded at cost less accumulated amortization. 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

The Organization reviews the carrying amount and estimated useful lives of its capital assets regularly. When a capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue, expenses and changes in net assets.

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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. Estimates are used when accounting for amortization, expense allocations and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Contributed Services**

The Organization does not record the amounts for voluntary contributed services in these financial statements.

**Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost using the straight-line method.

Financial assets measured at amortized cost include cash and cash equivalents and contributions receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in the excess (deficiency) 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 excess (deficiency) of revenue over expenses.

**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include guaranteed investment certificates ("GIC") which are cashable at any time or have an original term to maturity of less than 90 days. The GICs mature in June 2017 and August 2017, and bear interest at 0.5% and 0.6% per annum. Cash and cash equivalents are comprised of:

	<b>2017</b>	<b>2016</b>
Cash on hand and bank balances	<b>\$ 2,332,254</b>	\$ 2,166,207
Guaranteed investment certificates	<b>324,486</b>	322,611
	<b>\$ 2,656,740</b>	\$ 2,488,818

**(A.C.C.E.S.) Accessible Community Counselling and Employment Services**  
**Notes to Financial Statements**  
**March 31, 2017**

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**3. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2017</b>	<b>Net 2016</b>
Computer hardware	\$ 1,001,960	\$ 916,520	\$ 85,440	\$ 86,731
Computer software	329,793	325,685	4,108	8,081
Furniture and fixtures	890,405	706,742	183,663	114,341
Office equipment	511,335	471,530	39,805	39,390
Leasehold improvements	2,245,172	1,767,112	478,060	539,374
	<b>\$ 4,978,665</b>	<b>\$ 4,187,589</b>	<b>\$ 791,076</b>	<b>\$ 787,917</b>

**4. 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.

	<b>2017</b>	<b>2016</b>
Balance, beginning of year	\$ 1,886,346	\$ 480,343
Contributions received	18,587,965	17,394,094
Contributions recognized as revenue	(19,055,192)	(15,988,091)
<b>Balance, end of year</b>	<b>\$ 1,419,119</b>	<b>\$ 1,886,346</b>

**Balance at year end consists of:**

	<b>2017</b>	<b>2016</b>
Government of Ontario	\$ 1,002,398	\$ 943,715
Corporate donors and partners	416,721	899,490
Foundations	-	43,141
<b>Balance, end of year</b>	<b>\$ 1,419,119</b>	<b>\$ 1,886,346</b>

**5. 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:

	<b>2017</b>	<b>2016</b>
Balance, beginning of year	\$ 61,030	\$ 185,198
Contributions received	190,765	-
Less: amounts amortized to revenue	(76,502)	(124,168)
<b>Balance, end of year</b>	<b>\$ 175,293</b>	<b>\$ 61,030</b>



**(A.C.C.E.S.) Accessible Community Counselling and Employment Services**  
**Notes to Financial Statements**  
**March 31, 2017**

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**6. COMMITMENTS**

Based on the operating leases in force for premises, the estimated aggregate future minimum payments, including common areas charges and HST, are as follows :

2017	\$ 1,664,576
2018	1,419,913
2019	1,195,013
2020	1,242,279
2021	1,193,771
Thereafter	192,902
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	<b>\$ 6,908,454</b>
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**7. ECONOMIC DEPENDENCE**

The Organization relies on funding from the federal and provincial governments.

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 loss will be recorded if and when it becomes anticipated and determinable.

**(A.C.C.E.S.) Accessible Community Counselling and Employment Services****Schedule 1 - Revenue****For the Ended March 31, 2017**

	2017	2016
<b>Contributions</b>		
Ministry of Advanced Education and Skills Development	\$ 9,746,495	\$ 8,391,339
Ministry of Citizenship and Immigration	3,834,291	3,340,566
Immigration, Refugees and Citizenship Canada	3,590,813	2,627,755
Ministry of Economic Development and Growth	-	498,916
City of Toronto	508,347	419,188
United Way of Greater Toronto	356,092	337,092
Amortization of deferred contributions - capital assets (Note 5)	76,502	124,168
Corporate grant	781,229	29,587
	<b>18,893,769</b>	<b>15,768,611</b>
<b>Other Revenue</b>		
Nevada Lottery (net)	1,803	1,257
Interest	4,449	1,198
Sponsorships and donations	156,076	304,976
Other	514,825	451,876
	<b>\$ 19,570,922</b>	<b>\$ 16,527,918</b>