

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

March 31, 2015



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of A.C.C.E.S., which comprise the statement of financial position as at March 31, 2015, 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 accounting standards for not-for-profit organizations, 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, 2015, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Conner & Conner Professional Corporation

Newmarket, Ontario
June 10, 2015

Chartered Professional Accountants
Licensed Public Accountants

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

Statement of Financial Position

As at March 31

2015

2014

Assets

Current

Cash and cash equivalents (Note 2)	\$ 908,390	\$ 1,170,145
Accounts receivable	1,730,068	1,625,002
Prepaid expenses	<u>228,861</u>	<u>172,004</u>
	2,867,319	2,967,151

Capital assets (Note 3)

876,579 1,183,856

\$ 3,743,898 \$ 4,151,007

Liabilities

Current

Accounts payable and accrued liabilities	\$ 1,331,704	\$ 1,532,628
Deferred contributions (Note 4)	<u>480,343</u>	<u>552,692</u>
	1,812,047	2,085,320

Non-current

Deferred income (Note 5)	16,895	38,610
Deferred contributions - capital assets (Note 6)	<u>185,198</u>	<u>350,119</u>
	2,014,140	2,474,049

Net assets

1,729,758 1,676,958

\$ 3,743,898 \$ 4,151,007

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

	2015	2014
Revenue (Schedule 1)	<u>\$ 16,555,938</u>	<u>\$ 14,834,477</u>
Expenses		
Amortization of capital assets	419,334	306,369
Bank charges and interest	20,687	11,999
Building occupancy	1,286,210	1,182,926
Consulting and other purchased services	51,213	154,267
Insurance	40,042	48,574
Licenses and dues	8,461	9,640
Office supplies and resource material	329,442	345,753
Office equipment rental and repair	89,480	197,107
Program delivery services	1,479,402	1,714,275
Professional fees	105,698	107,259
Promotion and publicity	97,696	99,305
Salaries and benefits	9,197,816	8,628,169
Staff development	88,549	91,753
Telephone	83,741	72,781
Training supports and subsidies	3,148,045	1,669,200
Transportation	<u>57,322</u>	<u>51,103</u>
	<u>16,503,138</u>	<u>14,690,480</u>
Excess of revenues over expenses	52,800	143,997
Net assets, beginning of year	<u>1,676,958</u>	<u>1,532,961</u>
Net assets, end of year	<u>\$ 1,729,758</u>	<u>\$ 1,676,958</u>

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

Statement of Cash Flows

For the Year Ended March 31

2015

2014

Cash provided by(used for):

Operations

Cash received from funding sources	\$ 16,206,770	\$ 13,495,517
Cash paid for salaries and benefits	(9,197,816)	(8,628,169)
Cash paid for building occupancy	(1,286,210)	(1,182,926)
Cash paid for direct programs and administration	(5,879,274)	(3,724,454)
Investment income received - operating	<u>6,832</u>	<u>8,422</u>
	<u>(149,698)</u>	<u>(31,610)</u>

Investing

Purchase of capital assets	<u>(112,057)</u>	<u>(721,357)</u>
Increase (decrease) in cash	(261,755)	(752,967)
Cash and cash equivalents, beginning of year	<u>1,170,145</u>	<u>1,923,112</u>
Cash and cash equivalents, end of year	<u><u>\$ 908,390</u></u>	<u><u>\$ 1,170,145</u></u>

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

Notes to Financial Statements

March 31, 2015

Purpose of the organization

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

These financial statements were prepared in accordance with Part III of the *CICA Handbook-Accounting* ("Part III").

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.

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

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 and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

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

Notes to Financial Statements

March 31, 2015

2. Cash and cash equivalents

Cash and cash equivalents includes guaranteed investment certificates which are cashable at any time, maturity dates range from June 2015 to August 2015 and bear interest at rates from 0.8% - 1.1% per annum. Cash and cash equivalents are comprised of:

	<u>2015</u>	<u>2014</u>
Cash on hand and bank balances	\$ 588,177	\$ 642,095
Guaranteed investment certificates	<u>320,213</u>	<u>528,050</u>
	<u>\$ 908,390</u>	<u>\$ 1,170,145</u>

3. Capital assets

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	<u>Net Carrying Amount</u>
Computer hardware	\$ 871,671	\$ 728,539	\$ 143,132	\$ 218,045
Computer software	312,178	312,178	-	-
Furniture and fixtures	723,421	633,657	89,764	110,843
Office equipment	466,708	424,006	42,702	71,194
Leasehold improvements	<u>1,938,180</u>	<u>1,337,199</u>	<u>600,981</u>	<u>783,774</u>
	<u>\$ 4,312,158</u>	<u>\$ 3,435,579</u>	<u>\$ 876,579</u>	<u>\$ 1,183,856</u>

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.

5. Deferred income

Deferred income consists of lease inducements received from the landlords. The balance is to be amortized and recognized as a reduction of occupancy costs over the life of these leases from 2014 to 2016.

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

Notes to Financial Statements

March 31, 2015

6. 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>2015</u>	<u>2014</u>
Beginning balance	\$ 350,119	\$ 519,648
Less: amounts amortized to revenue	<u>(164,921)</u>	<u>(169,529)</u>
Ending balance	<u>\$ 185,198</u>	<u>\$ 350,119</u>

7. Commitments

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

2016	\$ 1,018,438
2017	\$ 889,414
2018	336,616
2019	227,171
2020	<u>218,415</u>
	<u>\$ 2,690,054</u>
Thereafter:	<u>\$ -</u>

8. Financial Instruments

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and government remittances payable (nil).

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operation in the period in which the gain or loss occurs.

The fair value of a financial instrument is the estimated amount that the organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and government remittances payable (nil) approximate their carrying values due to their nature or capacity for prompt liquidation.

It is management's opinion that the organization is not exposed to significant interest rate, currency, liquidity, cash flow or credit risks arising from these financial instruments.

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

Schedule 1 - Revenue

For the Year Ended March 31

	2015	2014
Restricted revenue		
Ministry of Training, Colleges and Universities	\$ 9,328,369	\$ 7,632,854
City of Toronto	465,879	439,655
United Way of Greater Toronto	292,092	237,092
Citizenship and Immigration Canada	2,306,070	2,230,701
Ministry of Citizenship and Immigration	3,439,176	3,763,920
Amortization of deferred contributions - capital assets (Note 7)	<u>164,921</u>	<u>169,529</u>
	15,996,507	14,473,751
Unrestricted revenue		
Nevada Lottery (net)	1,937	1,494
Interest	6,832	8,422
Sponsorships and donations	253,093	245,451
Other	<u>297,569</u>	<u>105,359</u>
	<u>\$ 16,555,938</u>	<u>\$ 14,834,477</u>