

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

Financial Statements

For the Year Ended March 31, 2018



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, 2018 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, 2018, 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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 26, 2018
Toronto, Ontario

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(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Financial Position
As at March 31, 2018

	2018	2017
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 1,709,848	\$ 2,656,740
Contributions receivable	1,798,382	1,076,707
HST Receivable	616,255	127,101
Prepaid expenses	305,393	355,591
	4,429,878	4,216,139
Capital assets (Note 3)	1,276,880	791,076
	\$ 5,706,758	\$ 5,007,215
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 2,571,666	\$ 1,557,809
Deferred contributions (Note 4)	808,243	1,419,119
Deferred contributions - capital assets (Note 5)	379,484	175,293
	3,759,393	3,152,221
Net assets	1,947,365	1,854,994
	\$ 5,706,758	\$ 5,007,215

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, 2018

	2018	2017
Revenue (Schedule 1)	\$ 21,437,761	\$ 19,570,922
Expenses		
Amortization of capital assets	463,897	363,956
Bank charges and interest	57,935	26,740
Building occupancy	1,560,291	1,378,354
Consulting and other purchased services	125,980	48,533
Insurance	45,522	45,474
Licenses and dues	11,513	3,997
Office equipment rental and repair	148,536	99,027
Office supplies and resource material	464,723	366,279
Professional fees	126,236	115,033
Program delivery services	3,027,427	2,454,595
Promotion and publicity	135,355	96,945
Salaries and benefits	12,490,405	11,488,285
Staff development	127,916	85,646
Telephone	113,896	98,957
Training supports and subsidies	2,320,211	2,736,939
Transportation	125,547	82,552
	21,345,390	19,491,312
Excess of revenue over expenses	92,371	79,610
Net assets, beginning of year	1,854,994	1,775,384
Net assets, end of year	\$ 1,947,365	\$ 1,854,994

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Cash Flows
For the Ended March 31, 2018

	2018	2017
Cash provided by (used for)		
Operations		
Cash received from funding sources	\$ 20,105,410	\$ 19,627,263
Cash paid for salaries and benefits	(12,490,405)	(11,488,285)
Cash paid for building occupancy	(1,560,291)	(1,378,354)
Cash paid for direct programs and administration	(6,055,396)	(6,230,036)
Investment income received - operating	3,491	4,449
	2,809	535,037
Investing		
Purchase of capital assets	(949,701)	(367,115)
Net change in cash	(946,892)	167,922
Cash, beginning of year	2,656,740	2,488,818
Cash, end of year	\$ 1,709,848	\$ 2,656,740

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.

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

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 2018 and August 2019, and bear interest at 0.45% and 0.65% per annum. Cash and cash equivalents are comprised of:

	2018	2017
Cash on hand and bank balances	\$ 1,383,383	\$ 2,332,254
Guaranteed investment certificates	326,465	324,486
	\$ 1,709,848	\$ 2,656,740

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2018

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Computer hardware	\$ 1,238,537	\$ 1,002,875	\$ 235,662	\$ 85,440
Computer software	364,174	356,204	7,970	4,108
Furniture and fixtures	1,043,244	776,045	267,199	183,663
Office equipment	562,455	493,433	69,022	39,805
Leasehold improvements	2,719,956	2,022,929	697,027	478,060
	\$ 5,928,366	\$ 4,651,486	\$ 1,276,880	\$ 791,076

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.

	2018	2017
Balance, beginning of year	\$ 1,419,119	\$ 1,886,346
Contributions received	19,898,891	18,587,965
Contributions recognized as revenue	(20,509,767)	(19,055,192)
Balance, end of year	\$ 808,243	\$ 1,419,119

Balance at year end consists of:

	2018	2017
Government of Ontario	\$ 672,710	\$ 1,002,398
Corporate donors and partners	135,533	416,721
Balance, end of year	\$ 808,243	\$ 1,419,119

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:

	2018	2017
Balance, beginning of year	\$ 175,293	\$ 61,030
Contributions received	273,713	190,765
Less: amounts amortized to revenue	(69,522)	(76,502)
Balance, end of year	\$ 379,484	\$ 175,293

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 :

2019	\$ 1,195,013
2020	1,242,279
2021	1,193,771
2022	192,902
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	\$ 3,823,965
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7. FINANCIAL RISK MANAGEMENT

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 cash equivalents and contributions receivable. Credit risk with respect to cash and cash equivalents is limited due to the types of instruments held by the Organization, and cash is held at a high credit quality financial institution in Canada. The Organization manages risk related to contributions receivable through proactive collection policies.

8. 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, 2018

	2018	2017
Contributions		
Ministry of Advanced Education and Skills Development	\$ 9,352,998	\$ 9,746,495
Ministry of Citizenship and Immigration	4,726,241	3,834,291
Immigration, Refugees and Citizenship Canada	5,285,999	3,590,813
Ministry of Economic Development, Employment and Infrastructure	72,001	-
City of Toronto	464,813	508,347
United Way of Greater Toronto	232,092	356,092
Amortization of deferred contributions - capital assets (Note 5)	69,522	76,502
Corporate grant	517,676	781,229
	20,721,342	18,893,769
Other Revenue		
Nevada Lottery (net)	2,726	1,803
Interest	3,491	4,449
Sponsorships and donations	312,171	156,076
Other	398,031	514,825
	\$ 21,437,761	\$ 19,570,922