

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

Financial Statements

For the Year Ended March 31, 2020



RSM Canada LLP

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of (A.C.C.E.S.) Accessible Community Counselling and Employment Services (the "Organization"), which comprise the statement of financial position as at March 31, 2020 and the statements of revenue, expenses and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and results of its operations and its 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 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 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.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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
June 29, 2020
Toronto, Ontario

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Financial Position
As at March 31, 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 878,617	\$ 1,548,616
Contributions receivable	2,338,419	1,378,294
HST recoverable	854,305	221,644
Prepaid expenses	379,786	277,972
	4,451,127	3,426,526
Tangible capital assets (Note 3)	1,775,756	1,414,706
	\$ 6,226,883	\$ 4,841,232

Liabilities


Current		
Accounts payable and accrued liabilities	\$ 2,522,876	\$ 2,132,421
Deferred contributions (Note 4)	954,297	421,493
Deferred contributions - capital assets (Note 5)	652,061	295,593
	4,129,234	2,849,507
Net assets	2,097,649	1,991,725
	\$ 6,226,883	\$ 4,841,232

Commitments (Note 6)
COVID-19 (Note 9)

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, 2020

	2020	2019
Revenue (Schedule 1)	\$ 24,405,961	\$ 23,495,647
Expenses		
Salaries and benefits	14,738,449	14,088,368
Program delivery services	3,014,424	3,132,857
Training supports and subsidies	2,076,926	2,356,969
Building occupancy	1,799,883	1,658,494
Office supplies and resource material	680,488	551,052
Amortization of capital assets	678,711	523,506
Consulting and other purchased services	482,894	261,902
Professional fees	154,436	113,312
Transportation	143,245	165,336
Telephone	125,158	131,600
Office equipment rental and repair	105,404	166,085
Bank charges and interest	94,256	69,310
Staff development	93,690	114,584
Promotion and publicity	52,038	60,617
Insurance	51,335	47,461
Licenses and dues	8,700	9,834
	24,300,037	23,451,287
Excess of revenue over expenses	105,924	44,360
Net assets, beginning of year	1,991,725	1,947,365
Net assets, end of year	\$ 2,097,649	\$ 1,991,725

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Cash Flows
For the Ended March 31, 2020

	2020	2019
Cash provided by (used for)		
Operations		
Cash received from funding sources	\$ 24,438,675	\$ 23,528,985
Cash paid for salaries and benefits	(14,738,449)	(14,088,368)
Cash paid for building occupancy	(1,799,883)	(1,658,494)
Cash paid for direct programs and administration	(7,530,922)	(7,289,908)
Investment income received - operating	341	7,885
	369,762	500,100
Investing		
Purchase of tangible capital assets	(1,039,761)	(661,332)
Net change in cash	(669,999)	(161,232)
Cash, beginning of year	1,548,616	1,709,848
Cash, end of year	\$ 878,617	\$ 1,548,616

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 received or become 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.

Tangible Capital Assets

On April 1, 2019, the Organization prospectively adopted the new accounting standards for capital assets held by not-for-profit organizations. As a result, when conditions indicate a capital asset's value is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives 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

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2020

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 a write-down, 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 excess of revenue over expenses.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures for 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 ("GICs") which are cashable at any time or have an original term to maturity of less than 90 days. The GICs mature in June 2020 and August 2021, and bear interest at 1.60% and 0.65% per annum. Cash and cash equivalents are comprised of:

	2020	2019
Cash on hand and bank balances	\$ 547,225	\$ 1,220,121
Guaranteed investment certificates	331,392	328,495
	\$ 878,617	\$ 1,548,616

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2020

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Computer hardware	\$ 703,510	\$ 333,384	\$ 370,126	\$ 169,536
Computer software	216,595	216,595	-	78,182
Furniture and fixtures	607,063	230,030	377,033	295,915
Office equipment	195,993	78,866	117,127	95,137
Leasehold improvements	1,572,985	661,515	911,470	775,936
	\$ 3,296,146	\$ 1,520,390	\$ 1,775,756	\$ 1,414,706

During the year, fully amortized assets in the amount of of \$4,333,310 were written off.

4. 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.

	2020	2019
Balance, beginning of year	\$ 421,493	\$ 808,243
Contributions received	23,950,822	22,047,916
Contributions recognized as revenue	(23,418,018)	(22,434,666)
Balance, end of year	\$ 954,297	\$ 421,493

Balance at year end consists of:

	2020	2019
Government of Ontario	\$ 69,876	\$ 80,967
Corporate donors and partners	884,421	340,526
Balance, end of year	\$ 954,297	\$ 421,493

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2020

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:

	2020	2019
Balance, beginning of year	\$ 295,593	\$ 379,484
Contributions received	460,035	33,050
Less: amounts amortized to revenue	(103,567)	(116,941)
Balance, end of year	\$ 652,061	\$ 295,593

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 :

2021	\$ 2,196,823
2022	2,178,062
2023	745,719
2024	522,533
2025	387,937
	\$ 6,031,074

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 repayment will be recorded in the statement of revenue, expenses and changes in net assets.

9. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. In Canada, the Government of Ontario declared an emergency under s 7.0.1 (1) of the Emergency Management and Civil Protection Act on March 17, 2020 with respect to COVID-19. As of the date of these financial statements, the extent to which COVID-19 impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted, and dependent upon new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

(A.C.C.E.S.) Accessible Community Counselling and Employment Services**Schedule 1 - Revenue****For the Ended March 31, 2020**

	2020	2019
Contributions		
Ministry of Training, Colleges and Universities - Employment Ontario	\$ 9,180,800	\$ 9,671,129
Immigration, Refugees and Citizenship Canada	7,685,024	6,531,231
Ministry of Training, Colleges and Universities - Bridging	4,660,258	5,314,394
Corporate grant	852,067	183,719
City of Toronto	431,577	431,880
United Way of Greater Toronto	247,092	292,092
Amortization of deferred contributions - capital assets (Note 5)	103,567	116,941
	23,160,385	22,541,386
Other Revenue		
Sponsorships and donations	818,873	517,027
Other	422,869	426,450
Nevada Lottery (net)	3,493	2,899
Interest	341	7,885
	\$ 24,405,961	\$ 23,495,647