

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

Financial Statements

For the Year Ended March 31, 2019

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, 2019 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with ASNPO.

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 ASNPO, 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.

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 20, 2019
Toronto, Ontario

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Financial Position
As at March 31, 2019

	2019	2018
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 1,548,616	\$ 1,709,848
Contributions receivable	1,378,294	1,798,382
HST recoverable	221,644	616,255
Prepaid expenses	277,972	305,393
	3,426,526	4,429,878
Capital assets (Note 3)	1,414,706	1,276,880
	\$ 4,841,232	\$ 5,706,758
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 2,132,421	\$ 2,571,666
Deferred contributions (Note 4)	421,493	808,243
Deferred contributions - capital assets (Note 5)	295,593	379,484
	2,849,507	3,759,393
Net assets	1,991,725	1,947,365
	\$ 4,841,232	\$ 5,706,758

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, 2019

	2019	2018
Revenue (Schedule 1)	\$ 23,495,647	\$ 21,437,761
Expenses		
Salaries and benefits	14,088,368	12,490,405
Program delivery services	3,132,857	3,027,427
Training supports and subsidies	2,356,969	2,320,211
Building occupancy	1,658,494	1,560,291
Office supplies and resource material	551,052	464,723
Amortization of capital assets	523,506	463,897
Consulting and other purchased services	261,902	125,980
Office equipment rental and repair	166,085	148,536
Transportation	165,336	125,547
Telephone	131,600	113,896
Staff development	114,584	127,916
Professional fees	113,312	126,236
Bank charges and interest	69,310	57,935
Promotion and publicity	60,617	135,355
Insurance	47,461	45,522
Licenses and dues	9,834	11,513
	23,451,287	21,345,390
Excess of revenue over expenses	44,360	92,371
Net assets, beginning of year	1,947,365	1,854,994
Net assets, end of year	\$ 1,991,725	\$ 1,947,365

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Statement of Cash Flows
For the Ended March 31, 2019

	2019	2018
Cash provided by (used for)		
Operations		
Cash received from funding sources	\$ 23,528,985	\$ 20,105,410
Cash paid for salaries and benefits	(14,088,368)	(12,490,405)
Cash paid for building occupancy	(1,658,494)	(1,560,291)
Cash paid for direct programs and administration	(7,289,908)	(6,055,396)
Investment income received - operating	7,885	3,491
	500,100	2,809
Investing		
Purchase of capital assets	(661,332)	(949,701)
Net change in cash	(161,232)	(946,892)
Cash, beginning of year	1,709,848	2,656,740
Cash, end of year	\$ 1,548,616	\$ 1,709,848

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 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

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)

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 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 2019 and August 2019, and bear interest at 0.60% and 0.65% per annum. Cash and cash equivalents are comprised of:

	2019	2018
Cash on hand and bank balances	\$ 1,220,121	\$ 1,383,383
Guaranteed investment certificates	328,495	326,465
	\$ 1,548,616	\$ 1,709,848

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Notes to Financial Statements
March 31, 2019

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Computer hardware	\$ 1,288,486	\$ 1,118,950	\$ 169,536	\$ 235,662
Computer software	489,655	411,472	78,182	7,970
Furniture and fixtures	1,138,395	842,480	295,915	267,199
Office equipment	610,516	515,379	95,137	69,022
Leasehold improvements	3,062,646	2,286,710	775,936	697,027
	\$ 6,589,698	\$ 5,174,991	\$ 1,414,706	\$ 1,276,880

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.

	2019	2018
Balance, beginning of year	\$ 808,243	\$ 1,419,119
Contributions received	22,047,916	19,898,891
Contributions recognized as revenue	(22,434,666)	(20,509,767)
Balance, end of year	\$ 421,493	\$ 808,243

Balance at year end consists of:

	2019	2018
Government of Ontario	\$ 80,967	\$ 738,459
Corporate donors and partners	340,526	69,784
Balance, end of year	\$ 421,493	\$ 808,243

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:

	2019	2018
Balance, beginning of year	\$ 379,484	\$ 175,293
Contributions received	33,050	273,713
Less: amounts amortized to revenue	(116,941)	(69,522)
Balance, end of year	\$ 295,593	\$ 379,484

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 :

2020	\$ 2,040,827
2021	2,116,340
2022	2,067,847
2023	375,976
2024	142,459
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	\$ 6,743,449
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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 repayment will be recorded in the statement of revenue, expenses and changes in net assets.

(A.C.C.E.S.) Accessible Community Counselling and Employment Services
Schedule 1 - Revenue
For the Ended March 31, 2019

	2019	2018
Contributions		
Ministry of Training, Colleges and Universities - Employment Ontario	\$ 9,671,129	\$ 9,352,998
Ministry of Training, Colleges and Universities - Bridging	5,314,394	-
Ministry of Citizenship and Immigration - Bridging	-	4,726,241
Immigration, Refugees and Citizenship Canada	6,531,231	5,285,999
Ministry of Economic Development, Employment and Infrastructure	-	72,001
City of Toronto	431,880	464,813
United Way of Greater Toronto	292,092	232,092
Amortization of deferred contributions - capital assets (Note 5)	116,941	69,522
Corporate grant	183,719	517,676
	22,541,386	20,721,342
Other Revenue		
Nevada Lottery (net)	2,899	2,726
Interest	7,885	3,491
Sponsorships and donations	517,027	312,171
Other	426,450	398,031
	\$ 23,495,647	\$ 21,437,761