
**CENTRE FOR EQUITABLE LIBRARY ACCESS
(CELA) / CENTRE D'ACCÈS ÉQUITABLE AUX BIBLIOTHÈQUES
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017**

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

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Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques

We have audited the accompanying financial statements of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

(continues)

Independent Auditor's Report to the Members of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Ancaster, Ontario
August 1, 2017



GUYATT + MOFFATT
Chartered Professional Accountants
Licensed Public Accountants

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

Statement of Revenues and Expenditures

Year Ended March 31, 2017

	2017	2016
REVENUE		
Subscription fees	\$ 429,179	\$ 397,553
Government grants	117,053	122,782
	546,232	520,335
Less:		
Remittance to CNIB (Note 4)	194,227	385,840
	352,005	134,495
EXPENSES		
Advertising and promotion	-	3,546
Affiliation fees	-	395
Bank charges and interest	1,106	18
Bookshare Library Access	150,000	-
Computer and internet	-	239
Conferences and seminars	-	249
Consulting fees	1,000	-
Contracted staffing	190,923	140,807
Insurance	927	920
Meals & Entertainment	1,022	1,341
Office expense	581	924
Professional fees	10,900	9,555
Repairs & Maintenance	-	662
Telephone	958	1,524
Translating & interpretation	1,558	1,791
Travel	4,325	9,575
	363,300	171,546
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (11,295)	\$ (37,051)

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 161,662	\$ 301,662
Accounts receivable	292,646	162,772
Harmonized sales tax recoverable	2,273	-
Prepaid expense	1,954	883
	\$ 458,535	\$ 465,317
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 476	\$ 2,234
Harmonized sales tax payable	-	20,590
Deferred revenue (<i>Note 3</i>)	418,682	391,821
	419,158	414,645
NET ASSETS	39,377	50,672
	\$ 458,535	\$ 465,317

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

Statement of Changes in Net Assets

Year Ended March 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 50,672	\$ 87,723
Deficiency of revenue over expenses	<u>(11,295)</u>	<u>(37,051)</u>
NET ASSETS - END OF YEAR	<u>\$ 39,377</u>	<u>\$ 50,672</u>

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

**Statement of Cash Flow
Year Ended March 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (11,295)	\$ (37,051)
Changes in non-cash working capital:		
Accounts receivable	(129,874)	(162,772)
Accounts payable and accrued liabilities	(1,758)	(47,832)
Deferred revenue	26,861	387,484
Prepaid expense	(1,071)	2
Harmonized sales tax payable	(22,863)	24,528
	(128,705)	201,410
INCREASE (DECREASE) IN CASH FLOW	(140,000)	164,359
CASH - BEGINNING OF YEAR	301,662	137,303
CASH - END OF YEAR	\$ 161,662	\$ 301,662

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
AUX BIBLIOTHÈQUES**

Notes to Financial Statements

Year Ended March 31, 2017

1. DESCRIPTION OF OPERATIONS

Centre for Equitable Library Access (CELA) was incorporated on September 1, 2013 pursuant to the Canada Not-for-Profit Corporation Act. Its purpose is to operate and maintain a national service to provide equitable library services through Canada's public libraries for Canadian with print disabilities.

The corporation qualifies as a non-profit organization, which is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques follows the deferral method of accounting for contributions.

The General Fund accounts for the organization's current operations and programs as well as other administrative activities. This fund reports unrestricted resources and restricted operating grants.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Revenue Recognition

CELA 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 receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Government grants, subscription fees and program fees are recognized on an accrual basis and are deferred until earned.

Contributed services

Board members volunteer their time to assist in the organization's activities. These services materially benefit the organization; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

**CENTRE FOR EQUITABLE LIBRARY ACCESS (CELA) / CENTRE D'ACCÈS ÉQUITABLE
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Notes to Financial Statements

Year Ended March 31, 2017

3. DEFERRED REVENUE

Subscription fees are typically paid in advance for one year of service. Amounts paid for services to be provided in future have been recognized as deferred revenue. The changes in the deferred revenue balance are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 391,821	\$ 4,337
Amounts received during the year	456,040	785,037
Amounts recognized as revenue during the year	<u>(429,179)</u>	<u>(397,553)</u>
	<u>\$ 418,682</u>	<u>\$ 391,821</u>

4. REMITTANCE FOR SERVICE AND COMMITMENT

A memorandum of understanding (MOU) was made between CELA and Canadian National Institute for the Blind (CNIB) on April 1, 2014 and renewed January 22, 2016. CELA has contracted CNIB to produce, house and distribute alternate format materials.

CNIB is also a critical partner in a national solution for accessible format materials, supporting advocacy and funding efforts for CELA services. CELA's business model seeks support from provincial and territorial governments, and large urban public libraries. In the short term, financial support will also be provided by CNIB to facilitate the transition of accessible library service from CNIB to CELA, but this reliance will diminish over future years.

5. SUBSEQUENT EVENTS

CELA entered into an agreement with the Ministry of Tourism, Culture and Sport (Province of Ontario) dated March 23, 2017. CELA received \$936,185 from the Ministry in May 2017 to assist with the acquisition of content, member and patron support, website and library catalogue development and certain administrative costs. The funds are expected to be utilized by March 31, 2018.

6. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is the Board's opinion that the corporation is not exposed to material interest or credit risks arising from its financial instruments, and that the fair values of its financial instruments approximate their carrying value.
