

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

**Financial Statements**

**Year Ended March 31, 2018**

*Draft for discussion purposes only*

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

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**Year Ended March 31, 2018**

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*Draft for discussion purposes only*

# Guyatt + Moffatt

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## INDEPENDENT AUDITOR'S REPORT

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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, 2018 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.

### 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, 2018 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 23, 2018

**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, 2018**

	2018	2017
<b>REVENUE</b>		
Government grants	\$ 1,026,195	\$ 117,053
Subscription fees	474,359	429,179
Interest and other	1,501	-
	<u>1,502,055</u>	<u>546,232</u>
<b>DIRECT COSTS</b>		
Remittance to CNIB	1,075,000	194,227
Bookshare library access	75,000	150,000
Materials	68,087	-
	<u>1,218,087</u>	<u>344,227</u>
<b>GROSS MARGIN</b>	<u>283,968</u>	<u>202,005</u>
<b>EXPENSES</b>		
Advertising and promotion	98	-
Affiliation fees	1,684	-
Bank charges and interest	89	1,106
Consulting fees	1,000	1,000
Contracted staffing	195,540	190,923
Insurance	1,963	927
Meals & entertainment	940	1,022
Office expense	478	581
Professional fees	16,384	10,900
Telephone	1,009	958
Translating & interpretation	-	1,558
Travel	2,441	4,325
	<u>221,626</u>	<u>213,300</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 62,342</u>	<u>\$ (11,295)</u>

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

**Statement of Financial Position**

**March 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 333,010	\$ 161,662
Accounts receivable	199,252	292,646
Harmonized sales tax recoverable	-	2,273
Prepaid expense	1,071	1,954
	<b>\$ 533,333</b>	<b>\$ 458,535</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 3,569	\$ 476
Harmonized sales tax payable	15,105	-
Deferred revenue (Note 3)	412,940	418,682
	<b>431,614</b>	<b>419,158</b>
<b>CONTINGENT LIABILITY (Note 6)</b>		
<b>NET ASSETS</b>		
General fund	101,719	39,377
	<b>\$ 533,333</b>	<b>\$ 458,535</b>

Draft for discussion purposes only

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

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

**Statement of Changes in Net Assets**

**Year Ended March 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 39,377</b>	<b>\$ 50,672</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>62,342</b>	<b>(11,295)</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 101,719</b>	<b>\$ 39,377</b>

*Draft for discussion purposes only*

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

**Statement of Cash Flow  
Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 62,342	\$ (11,295)
Changes in non-cash working capital:		
Accounts receivable	93,394	(129,874)
Accounts payable and accrued liabilities	3,093	(1,758)
Deferred revenue	(5,742)	26,861
Prepaid expense	883	(1,071)
Harmonized sales tax payable	17,378	(22,863)
	<u>109,006</u>	<u>(128,705)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>171,348</b>	<b>(140,000)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>161,662</b>	<b>301,662</b>
<b>CASH - END OF YEAR</b>	<b>\$ 333,010</b>	<b>\$ 161,662</b>

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

**Notes to Financial Statements**

**Year Ended March 31, 2018**

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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 Canadians with print disabilities.

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

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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 company 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.

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

**Year Ended March 31, 2018**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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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:

	<b>2018</b>	2017
Balance, beginning of year	\$ 418,682	\$ 391,821
Amounts received during the year	<b>469,161</b>	456,040
Amounts recognized as revenue during the year	<b>(474,903)</b>	(429,179)
	<b>\$ 412,940</b>	\$ 418,682

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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.

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5. 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.

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6. CONTINGENT LIABILITY

CELA may have a liability relating to HST/GST regarding the treatment of provincial transfer payments and grants and regarding input tax credit deductibility. The organization has hired a consultant to obtain a ruling from the Canada Revenue Agency and is awaiting the outcome of this ruling prior to amending prior year returns.

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

**MTCS Project Revenue and Expenditures**

**(Schedule 1)**

**Year Ended March 31, 2018**

	2018	2017
<b>REVENUE</b>		
MTCS transfer payment	\$ 936,185	\$ -
<b>DIRECT COSTS</b>		
Collections	280,656	-
Member services	187,237	-
Patron support	140,427	-
Web & digital services	187,237	-
	<u>795,557</u>	<u>-</u>
<b>ADMINISTRATIVE COSTS</b>		
Advertising and promotion	62	-
Affiliation fees	1,069	-
Bank charges and interest	57	-
Consulting fees	635	-
Contracted staffing	124,075	-
Insurance	1,246	-
Meals & entertainment	596	-
Office expense	303	-
Professional fees	10,396	-
Telephone	640	-
Travel	1,549	-
	<u>140,628</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>936,185</u>	<u>-</u>
<b>SURPLUS/(DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>

Transfer payment revenue is included in Government Grants on the Statement of Revenue and Expenditures.

All direct costs are included in Direct Costs on the Statement of Revenue and Expenditures, but reclassifications have been made in accordance with the Ontario Transfer Payment Agreement dated March 23, 2017.