

**CENTRE FOR EQUITABLE LIBRARY ACCESS
(CELA) / CENTRE D'ACCÈS
ÉQUITABLE AUX BIBLIOTHÈQUES
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

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

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Year Ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, 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 the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations (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 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.

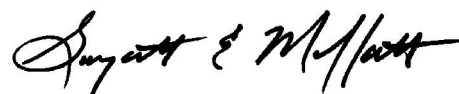
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Independent Auditor's Report to the Members of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques (continued)

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.



GUYATT + MOFFATT
Chartered Professional Accountants
Licensed Public Accountants

Ancaster, Ontario
October 9, 2020

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

Statement of Revenues and Expenditures

Year Ended March 31, 2020

	2020	2019
REVENUE		
Government grants	\$ 1,966,106	\$ 1,130,613
Subscription fees	575,606	539,463
Interest and other	2,541	2
Sponsorships	22,500	-
	<u>2,566,753</u>	<u>1,670,078</u>
DIRECT COSTS		
Remittance to CNIB	1,432,479	1,275,000
Bookshare library access	94,591	150,000
Materials	96,462	66,192
	<u>1,623,532</u>	<u>1,491,192</u>
	<u>943,221</u>	<u>178,886</u>
EXPENSES		
Advertising and promotion	4,693	1,029
Affiliation fees	6,406	1,132
Amortization	215,750	-
Bank charges and interest	2,739	545
Computer and internet	19,366	10,037
Consulting fees	800	-
Contracted staffing	193,738	195,540
Employee salaries	351,989	-
Insurance	2,258	1,826
Meals & entertainment	248	455
Non-recoverable HST	-	22,308
Office expense	5,680	1,193
Professional fees	36,830	14,141
Telephone	305	824
Translating & interpretation	10,060	-
Travel	19,566	4,123
	<u>870,428</u>	<u>253,153</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 72,793</u>	<u>\$ (74,267)</u>


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


Statement of Financial Position

March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 1,311,768	\$ 268,189
Accounts receivable (Note 3)	290,286	245,822
Harmonized sales tax recoverable	354,137	7,895
Prepaid expense	6,095	13,919
	1,962,286	535,825
LIBRARY AND EQUIPMENT (Note 4)	1,930,454	-
	\$ 3,892,740	\$ 535,825
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,137,198	\$ 89,355
Employee deductions payable	7,964	-
Deferred revenue (Note 5)	2,647,333	419,018
	3,792,495	508,373
NET ASSETS		
General fund	100,245	27,452
	\$ 3,892,740	\$ 535,825

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, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 27,452	\$ 101,719
EXCESS OF REVENUE OVER EXPENSES	72,793	(74,267)
NET ASSETS - END OF YEAR	\$ 100,245	\$ 27,452

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

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 72,793	\$ (74,267)
Item not affecting cash:		
Amortization	<u>215,750</u>	-
	<u>288,543</u>	<u>(74,267)</u>
Changes in non-cash working capital:		
Accounts receivable	(44,464)	(46,570)
Accounts payable and accrued liabilities	1,047,843	85,786
Deferred revenue	2,228,315	6,078
Prepaid expense	7,824	(12,848)
Harmonized sales tax payable	(346,242)	(23,000)
Employee deductions payable	<u>7,964</u>	-
	<u>2,901,240</u>	<u>9,446</u>
Cash flow from (used by) operating activities	<u>3,189,783</u>	<u>(64,821)</u>
INVESTING ACTIVITY		
Purchase of library and equipment	<u>(2,146,204)</u>	-
INCREASE (DECREASE) IN CASH FLOW	1,043,579	(64,821)
CASH - BEGINNING OF YEAR	<u>268,189</u>	<u>333,010</u>
CASH - END OF YEAR	<u>\$ 1,311,768</u>	<u>\$ 268,189</u>

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

Notes to Financial Statements

Year Ended March 31, 2020

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 support public libraries in the provision of accessible collections for Canadians with print disabilities and to champion the fundamental right of Canadians with print disabilities to access reading materials in the format of their choice.

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.

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

Notes to Financial Statements

Year Ended March 31, 2020

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

Equipment and Library Materials

Equipment and library materials are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Library materials	10 years	straight-line method
Computer equipment	3 years	straight-line method

The organization regularly reviews its equipment and library materials to eliminate obsolete items. Government grants for library materials are deferred and recognized as revenue over the same period as the related assets are amortized.

Equipment and library materials acquired during the year but not placed into use are not amortized until they are placed into use.

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.

3. ACCOUNTS RECEIVABLE

	2020	2019
Accounts Receivable	\$ 290,286	\$ 153,371
Government assistance receivable	-	92,451
	\$ 290,286	\$ 245,822

4. LIBRARY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Library materials	\$ 2,141,361	\$ 214,136	\$ 1,927,225	\$ -
Computer equipment	4,843	1,614	3,229	-
	\$ 2,146,204	\$ 215,750	\$ 1,930,454	\$ -

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

Notes to Financial Statements

Year Ended March 31, 2020

5. 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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 419,018	\$ 412,940
Subscription amounts received during the year	642,677	512,940
Subscription amounts recognized as revenue during the year	(546,754)	(506,862)
Federal funding received utilized to acquire capital assets	2,141,361	-
Recognition of federal funding during the year	(214,136)	-
Federal funding received - project extension to June 2020	205,167	-
	<u>\$ 2,647,333</u>	<u>\$ 419,018</u>

The federal funding received utilized to acquire capital assets is amortized to income over a ten year period. The balance of this deferred funding at the end of the year was \$1,927,225 (2019 - \$nil).

Due to the Covid-19 pandemic, the federal funding project completion date was extended from March 31, 2020 to June 30, 2020. The portion of the funding used for project disbursements related to the extended period was \$205,167.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2020.

(a) Credit risk

The organization is exposed to credit risk with respect to accounts receivable.

(b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The organization is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

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

MTCS Project Revenue and Expenditures

(Schedule 1)

Year Ended March 31, 2020

	2020	2019
REVENUE		
MTCS transfer payment	\$ 924,511	\$ 924,511
DIRECT COSTS		
Collections	86,799	193,795
Member services	232,978	207,270
Patron support	196,090	130,000
Web & digital services	243,360	172,832
Bookshare library access	58,559	82,850
	<u>817,786</u>	<u>786,747</u>
ADMINISTRATIVE COSTS		
Affiliation fees	893	-
Bank charges and interest	278	57
Contracted staffing	86,112	122,898
Insurance	1,245	1,731
Meals and entertainment	67	262
Office expense	13,503	1,302
Professional fees	1,366	7,752
Staff health benefits	-	822
Telephone	189	646
Travel	3,072	2,294
	<u>106,725</u>	<u>137,764</u>
TOTAL EXPENDITURES	<u>924,511</u>	<u>924,511</u>
SURPLUS/(DEFICIT)	\$ -	\$ -

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