

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

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2022**

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

**Index to Financial Statements**

**Year Ended March 31, 2022**

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# 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

### *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, 2022, 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, 2022, 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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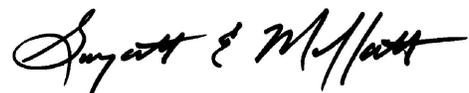
Independent Auditor's Report to the Members of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques (*continued*)

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.

Ancaster, Ontario  
June 10, 2022



**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, 2022**

	2022	2021
<b>REVENUE</b>		
Government grants	\$ 3,388,595	\$ 2,307,886
Subscription fees	544,159	582,338
Sponsorships and other services	36,337	34,256
Interest income	1,522	1,740
	<u>3,970,613</u>	<u>2,926,220</u>
<b>DIRECT COSTS</b>		
Remittance to CNIB	2,058,752	1,496,177
Bookshare library access	150,050	225,000
Materials	100,845	100,375
	<u>2,309,647</u>	<u>1,821,552</u>
	<u>1,660,966</u>	<u>1,104,668</u>
<b>EXPENSES</b>		
Accessible Technology Grant expenses	285,949	-
Advertising and promotion	1,692	690
Affiliation fees	500	715
Amortization	584,231	378,593
Bank charges and interest	446	663
Computer and internet	37,921	13,121
Consulting fees	6,000	3,000
Contracted staffing	77,074	114,451
Employee salaries and benefits	493,949	493,000
Insurance	4,309	3,230
Office expense	5,757	1,790
Professional fees	37,309	38,446
Translating & interpretation	10,428	14,095
Travel	2,235	1,177
	<u>1,547,800</u>	<u>1,062,971</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>113,166</b>	<b>41,697</b>
<b>TEMPORARY WAGE SUBSIDY (Note 8)</b>	<b>-</b>	<b>6,875</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 113,166</b>	<b>\$ 48,572</b>

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

**Statement of Financial Position**

**March 31, 2022**

	<b>2022</b>	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,013,694	\$ 1,367,097
Accounts receivable (Note 3)	321,694	217,000
Harmonized sales tax recoverable	290,230	277,052
Prepaid expense	4,013	2,983
	<u>1,629,631</u>	1,864,132
<b>LIBRARY AND EQUIPMENT (Note 4)</b>	<u>4,652,431</u>	3,180,289
	<u><b>\$ 6,282,062</b></u>	<u>\$ 5,044,421</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 480,858	\$ 448,049
Employee deductions payable	-	11,690
Deferred revenue (Note 5)	5,499,221	4,395,865
	<u>5,980,079</u>	4,855,604
<b>CEBA LOAN (Note 6)</b>	<u>40,000</u>	40,000
	<u>6,020,079</u>	4,895,604
<b>NET ASSETS</b>		
General fund	<u>261,983</u>	148,817
	<u><b>\$ 6,282,062</b></u>	<u>\$ 5,044,421</u>

**APPROVED 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, 2022**

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 148,817</b>	\$ 100,245
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>113,166</b>	48,572
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 261,983</b>	\$ 148,817

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

**Statement of Cash Flows  
Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 113,166	\$ 48,572
Item not affecting cash:		
Amortization	<u>584,231</u>	378,593
	<u>697,397</u>	<u>427,165</u>
Changes in non-cash working capital:		
Accounts receivable	(104,694)	73,286
Accounts payable and accrued liabilities	32,810	(689,149)
Deferred revenue	1,103,356	1,748,532
Prepaid expense	(1,030)	3,112
Harmonized sales tax payable	(13,178)	77,085
Employee deductions payable	<u>(11,690)</u>	3,726
	<u>1,005,574</u>	1,216,592
Cash flow from operating activities	<u>1,702,971</u>	<u>1,643,757</u>
<b>INVESTING ACTIVITY</b>		
Purchase of library and equipment	<u>(2,056,374)</u>	(1,628,428)
<b>FINANCING ACTIVITY</b>		
CEBA loan	<u>-</u>	40,000
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(353,403)</b>	55,329
<b>CASH - BEGINNING OF YEAR</b>	<u>1,367,097</u>	1,311,768
<b>CASH - END OF YEAR</b>	<u>\$ 1,013,694</u>	\$ 1,367,097

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

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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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 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.

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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 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, 2022**

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

	2022	2021
Accounts Receivable	\$ 225,427	\$ 212,000
Government assistance receivable	96,267	5,000
	\$ 321,694	\$ 217,000

4. LIBRARY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Library materials	\$ 5,826,162	\$ 1,173,731	\$ 4,652,431	\$ 3,178,674
Computer equipment	4,843	4,843	-	1,615
	\$ 5,831,005	\$ 1,178,574	\$ 4,652,431	\$ 3,180,289

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

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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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>2022</u>	<u>2021</u>
Balance, beginning of year	<b>\$ 4,395,865</b>	\$ 2,647,333
Subscription amounts received during the year	<b>522,507</b>	537,757
Subscription amounts recognized as revenue during the year	<b>(544,159)</b>	(582,338)
Federal funding received utilized to acquire capital assets	<b>1,564,526</b>	1,931,193
Recognition of federal funding during the year	<b>(839,320)</b>	(394,975)
Federal funding received - project extension to June 2023	<b>399,802</b>	256,895
	<b><u>\$ 5,499,221</u></b>	<b><u>\$ 4,395,865</u></b>

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 \$4,650,712 (2021 - \$3,668,610).

The organization was granted an extension for the federal funding project completion date from March 31, 2022 to June 30, 2022. The portion of the funding used for project disbursements related to the extended period was \$399,802 (2021 - \$256,895).

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6. CEBA LOAN

The organization received a \$40,000 loan from TD Canada Trust as part of the Canada Emergency Business Account program. The loan is interest free until December 31, 2023 with no repayment terms, however if repaid by December 31, 2023, there will be \$10,000 in loan forgiveness.

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7. 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, 2022.

*(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.

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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, 2022**

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8. TEMPORARY WAGE SUBSIDY

In the prior year, the organization was allowed to reduce employee income tax remittances equal to 10% of the remuneration paid from March 18 to June 19, 2020 to a maximum of \$1,375 per eligible employee. The subsidy is a program under the Canadian Federal Government's response to the Covid-19 pandemic.

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

**MHSTC Project Revenue and Expenditures**

**(Schedule 1)**

**Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>REVENUE</b>		
MHSTC transfer payment	\$ 924,511	\$ 924,511
<b>COLLECTIONS</b>		
Content subscriptions (including Source Materials)	150,519	172,791
Collections Personnel	45,860	40,282
	<u>196,379</u>	<u>213,073</u>
<b>MEMBER SERVICES</b>		
Marketing support	710	468
Training and Conferences	2,481	1,721
Member Services Personnel	185,111	155,420
	<u>188,302</u>	<u>157,609</u>
<b>PATRON SUPPORT</b>		
Patron support - CNIB	195,885	188,693
<b>WEB AND DIGITAL SERVICES</b>		
IT Support	228,997	218,451
<b>ADMINISTRATIVE COSTS</b>		
Administrative personnel	89,345	124,475
Professional fees	3,726	3,467
Office and support	21,877	18,743
	<u>114,948</u>	<u>553,829</u>
<b>TOTAL EXPENDITURES</b>	<u>924,511</u>	<u>924,511</u>
<b>SURPLUS/(DEFICIT)</b>	\$ -	\$ -

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