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

Financial Statements

Year Ended March 31, 2024

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

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Year Ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Directors 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, 2024, 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, 2024, 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.

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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.

Hamilton, Ontario
July 24, 2024

CBM Chartered Professional Accountants LLP
Licensed Public Accountants

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

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	**$ 780,320**	$ 641,887
Accounts receivable *(Note 3)*	**374,453**	514,909
Harmonized sales tax recoverable	**95,135**	37,882
Prepaid expense	**6,866**	8,015
	1,256,774	1,202,693
EQUIPMENT AND LIBRARY MATERIALS *(Note 4)*	**6,052,966**	5,677,101
	$ 7,309,740	$ 6,879,794
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	**$ 52,019**	$ 51,871
Deferred revenue *(Note 5)*	**6,606,171**	6,333,343
	6,658,190	6,385,214
CEBA LOAN *(Note 6)*	**-**	40,000
	6,658,190	6,425,214
NET ASSETS	**651,550**	454,580
	$ 7,309,740	$ 6,879,794

ON BEHALF OF THE BOARD

Carolyn Minor ______ *Director*

______ *Director*

The accompanying notes are an integral part of these financial statements

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

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	2024	2023
REVENUE		
Government grants	**$ 3,661,925**	$ 3,454,118
Subscription fees	**639,932**	623,545
Sponsorships and other services	**183,314**	94,206
Interest income	**1,197**	550
	4,486,368	4,172,419
DIRECT COSTS		
Remittance to CNIB	**2,147,663**	2,117,811
Bookshare library access	**170,611**	157,744
Materials	**110,629**	101,115
	2,428,903	2,376,670
	2,057,465	1,795,749
EXPENSES		
Advertising and promotion	**3,314**	11,698
Affiliation fees	**630**	215
Amortization	**887,544**	761,203
Bank charges and interest	**296**	554
Computer and Internet	**18,444**	23,339
Consulting fees	**9,610**	2,802
Contracted staffing	**58,626**	109,502
Employee salaries and benefits	**794,950**	621,238
Insurance	**5,038**	4,921
Office expense	**4,052**	7,488
Professional fees	**43,405**	38,568
Translating & interpretation	**14,803**	10,068
Travel	**19,783**	11,557
	1,860,495	1,603,153
EXCESS OF REVENUE OVER EXPENSES	**$ 196,970**	$ 192,596

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

Year Ended March 31, 2024

	2023 Balance	Excess of revenue over expenses	**2024 Balance**
NET ASSETS	$ 454,580	$ 196,970	**$ 651,550**

The accompanying notes are an integral part of these financial statements

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

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses	**$ 196,970**	$ 192,596
Item not affecting cash:		
Amortization of equipment and library materials	**887,544**	761,203
	1,084,514	953,799
Changes in non-cash working capital:		
Accounts receivable	**140,456**	(193,215)
Accounts payable and accrued liabilities	**148**	(428,987)
Deferred revenue	**272,828**	834,122
Prepaid expense	**1,149**	(4,002)
Harmonized sales tax payable	**(57,253)**	252,348
	357,328	460,266
Cash flow from operating activities	**1,441,842**	1,414,065
INVESTING ACTIVITY		
Purchase of equipment and library materials	**(1,263,409)**	(1,785,872)
FINANCING ACTIVITY		
CEBA loan	**(40,000)**	-
INCREASE (DECREASE) IN CASH FLOW	**138,433**	(371,807)
CASH - BEGINNING OF YEAR	**641,887**	1,013,694
CASH - END OF YEAR	**$ 780,320**	$ 641,887

The accompanying notes are an integral part of these financial statements

1. DESCRIPTION OF BUSINESS

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.

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.

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.

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include trade accounts payable and accrued liabilities.

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.

Equipment and library materials

Equipment and library materials are stated at cost less accumulated amortization. Equipment and library materials are amortized over their estimated useful lives 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.

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

	2024	2023
Accounts Receivable	**$ 374,453**	$ 422,458
Government assistance receivable	**-**	92,451
	$ 374,453	$ 514,909

4. EQUIPMENT AND LIBRARY MATERIALS

	Cost	Accumulated amortization	**2024 Net book value**	2023 Net book value
Library materials	$ 8,875,444	$ 2,822,478	**$ 6,052,966**	$ 5,677,101

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:

	2024	2023
Balance, beginning of year	**$ 6,333,344**	$ 5,499,221
Subscription and other amounts received during the year	**524,843**	729,200
Subscription and other amounts recognized as revenue during the year	**(693,101)**	(541,052)
Federal funding received utilized to acquire capital assets	**1,179,141**	1,767,140
Recognition of federal funding during the year	**(914,828)**	(1,158,941)
Federal funding received - project extension to June 2024	**176,772**	37,775
	$ 6,606,171	$ 6,333,343

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 $5,960,801 (2023 - $5,658,712).

The organization was granted an extension for the federal funding project completion date from March 31, 2024 to June 30, 2024. The portion of the funding used for project disbursements related to the extended period was $176,772 (2023 - $37,775).

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 was repaid during the year and received $10,000 in loan forgiveness.

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, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

MHSTC Project Revenue and Expenditures (Schedule 1)

Year Ended March 31, 2024

	2024	2023
REVENUE		
MHSTC transfer payment	**$ 924,511**	$ 924,511
COLLECTIONS		
Content subscriptions (including Source Materials)	**149,585**	146,211
Collections Personnel	**49,209**	50,870
	198,794	197,081
MEMBER SERVICES		
Marketing support	**1,773**	6,890
Training and Conferences	**8,553**	5,492
Member Services Personnel	**202,472**	202,638
	212,798	215,020
PATRON SUPPORT		
Patron support - CNIB	**176,500**	186,133
WEB AND DIGITAL SERVICES		
IT Support	**219,790**	205,749
ADMINISTRATIVE COSTS		
Administrative personnel	**86,569**	91,322
Professional fees	**7,374**	5,617
Office and support	**22,686**	23,589
	512,919	512,410
	924,511	924,511
SURPLUS/(DEFICIT)	**$ -**	$ -

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