

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

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

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

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Year Ended March 31, 2023

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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, 2023, 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, 2023, 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.

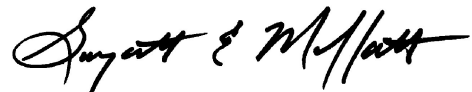
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Independent Auditor's Report to the Members of Centre for Equitable Library Access (CELA) / Centre D'Accès Équitable Aux Bibliothèques (*continued*)

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
June 9, 2023

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

Statement of Revenues and Expenditures

Year Ended March 31, 2023

	2023	2022
REVENUE		
Government grants	\$ 3,454,118	\$ 3,388,595
Subscription fees	623,545	544,159
Sponsorships and other services	94,206	36,337
Interest income	550	1,522
	<u>4,172,419</u>	<u>3,970,613</u>
DIRECT COSTS		
Remittance to CNIB	2,108,745	2,058,752
Bookshare library access	157,744	150,050
Materials	101,115	100,845
	<u>2,367,604</u>	<u>2,309,647</u>
	<u>1,804,815</u>	<u>1,660,966</u>
EXPENSES		
Accessible Technology Grant expenses	-	285,949
Advertising and promotion	11,698	1,692
Affiliation fees	215	500
Amortization	761,203	584,231
Bank charges and interest	552	444
Computer and internet	32,405	37,921
Consulting fees	2,802	6,000
Contracted staffing	109,502	77,074
Employee salaries and benefits	621,238	493,949
Insurance	4,921	4,717
Office expense	7,490	5,351
Professional fees	38,568	37,309
Translating & interpretation	10,068	10,428
Travel	11,557	2,235
	<u>1,612,219</u>	<u>1,547,800</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 192,596</u>	<u>\$ 113,166</u>

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

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 641,887	\$ 1,013,694
Accounts receivable (Note 3)	514,909	321,694
Harmonized sales tax recoverable	37,882	290,230
Prepaid expense	8,015	4,013
	<u>1,202,693</u>	<u>1,629,631</u>
LIBRARY AND EQUIPMENT (Note 4)	<u>5,677,101</u>	<u>4,652,431</u>
	<u>\$ 6,879,794</u>	<u>\$ 6,282,062</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 51,872	\$ 480,858
Deferred revenue (Note 5)	6,333,343	5,499,221
	<u>6,385,215</u>	<u>5,980,079</u>
CEBA LOAN (Note 6)	<u>40,000</u>	<u>40,000</u>
	<u>6,425,215</u>	<u>6,020,079</u>
NET ASSETS		
General fund	<u>454,579</u>	<u>261,983</u>
	<u>\$ 6,879,794</u>	<u>\$ 6,282,062</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, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 261,983	\$ 148,817
EXCESS OF REVENUE OVER EXPENSES	192,596	113,166
NET ASSETS - END OF YEAR	\$ 454,579	\$ 261,983

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

**Statement of Cash Flows
Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 192,596	\$ 113,166
Item not affecting cash:		
Amortization	<u>761,203</u>	<u>584,231</u>
	<u>953,799</u>	<u>697,397</u>
Changes in non-cash working capital:		
Accounts receivable	(193,215)	(104,694)
Accounts payable and accrued liabilities	(428,987)	32,810
Deferred revenue	834,122	1,103,356
Prepaid expense	(4,002)	(1,030)
Harmonized sales tax payable	252,348	(13,178)
Employee deductions payable	<u>-</u>	<u>(11,690)</u>
	<u>460,266</u>	<u>1,005,574</u>
Cash flow from operating activities	<u>1,414,065</u>	<u>1,702,971</u>
INVESTING ACTIVITY		
Purchase of library and equipment	<u>(1,785,872)</u>	<u>(2,056,374)</u>
DECREASE IN CASH FLOW	<u>(371,807)</u>	<u>(353,403)</u>
CASH - BEGINNING OF YEAR	<u>1,013,694</u>	<u>1,367,097</u>
CASH - END OF YEAR	<u>\$ 641,887</u>	<u>\$ 1,013,694</u>

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

Notes to Financial Statements

Year Ended March 31, 2023

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 (ASNFPPO).

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, 2023

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

	2023	2022
Accounts Receivable	\$ 422,458	\$ 225,427
Government assistance receivable	92,451	96,267
	<u>\$ 514,909</u>	<u>\$ 321,694</u>

4. LIBRARY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Library materials	\$ 7,612,035	\$ 1,934,934	\$ 5,677,101	\$ 4,652,431
Computer equipment	4,843	4,843	-	-
	<u>\$ 7,616,878</u>	<u>\$ 1,939,777</u>	<u>\$ 5,677,101</u>	<u>\$ 4,652,431</u>

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

Notes to Financial Statements

Year Ended March 31, 2023

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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 5,499,221	\$ 4,395,865
Subscription amounts received during the year	729,201	522,507
Subscription amounts recognized as revenue during the year	(541,052)	(544,159)
Federal funding received utilized to acquire capital assets	1,767,140	1,564,526
Recognition of federal funding during the year	(1,158,941)	(839,320)
Federal funding received - project extension to June 2023	37,775	399,802
	<u>\$ 6,333,344</u>	<u>\$ 5,499,221</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 \$5,658,712 (2022 - \$4,650,712).

The organization was granted an extension for the federal funding project completion date from March 31, 2023 to June 30, 2023. The portion of the funding used for project disbursements related to the extended period was \$37,775 (2022 - \$399,802).

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.

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, 2023.

(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**

MHSTC Project Revenue and Expenditures

(Schedule 1)

Year Ended March 31, 2023

	2023	2022
REVENUE		
MHSTC transfer payment	\$ 924,511	\$ 924,511
COLLECTIONS		
Content subscriptions (including Source Materials)	146,211	150,519
Collections Personnel	50,870	45,860
	197,081	196,379
MEMBER SERVICES		
Marketing support	6,890	710
Training and Conferences	5,492	2,481
Member Services Personnel	202,638	185,111
	215,020	188,302
PATRON SUPPORT		
Patron support - CNIB	186,133	195,885
WEB AND DIGITAL SERVICES		
IT Support	205,749	228,997
ADMINISTRATIVE COSTS		
Administrative personnel	91,322	89,345
Professional fees	5,617	3,726
Office and support	23,589	21,877
	120,528	114,948
TOTAL EXPENDITURES	924,511	924,511
SURPLUS/(DEFICIT)	\$ -	\$ -

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