

Financial Statements

ACCESS Community Capital Fund
Toronto, Ontario

March 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of ACCESS Community Capital Fund:

Opinion

I have audited the financial statements of ACCESS Community Capital Fund (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines are 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit.

INDEPENDENT AUDITORS' REPORT (continued)

I 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 my 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 the Directors.
- 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I 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 I identify during my audit.

Jeffrey Martin CPA Professional Corporation

Chartered Professional Accountant, Licensed Public Accountant
September 6, 2024
Toronto, Canada

ACCESS Community Capital Fund
Year ended March 31, 2024

Statement of Financial Position	2024	2023
ASSETS		
Current		
Cash, Note 8	\$ 294,546	\$ 363,736
Short-term investments, Note 8	122,079	112,490
Accounts receivable	7,763	48,732
HST rebate	7,159	11,917
Prepaid expenses	3,431	4,520
	434,978	541,395
Investments	-	42,504
	\$ 434,978	\$ 583,899
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 38,319	\$ 40,181
Current portion of investors' loans payable, Note 9	-	178,177
	38,319	218,358
Long-Term		
Loan payable, Note 3	305,978	428,114
Investors' loans payable, Note 9	40,817	27,000
CEBA loan payable, Note 4	40,000	40,000
	386,795	495,114
	425,114	713,472
Net Assets (Deficit)		
Unrestricted	9,864	(129,573)
	\$ 434,978	\$ 583,899

Approved by the Board

Katherine Pressnail
Co-Chair

Jay Oduwole
Co-Chair

ACCESS Community Capital Fund
Year ended March 31, 2024

Statement of Operations and Changes in Net Assets	2024	2023
Revenue		
Grants, Note 5	\$ 529,280	\$ 365,351
Interest and other	8,851	18,491
Donations	171,643	14,707
Guarantee and loan administration fees	1,310	2,100
	711,084	400,649
Expenses		
Program costs	467,124	529,927
Professional fees	33,702	43,750
Office and general	24,809	25,930
Rental	23,786	23,045
Advertising and promotion	16,180	14,717
Interest	424	5,392
Insurance	5,622	1,829
Donations	-	250
Defaulted loans (recovery)	-	(4,818)
	571,647	640,022
Excess (Deficit) of revenues over expenses	139,437	(239,373)
Net Assets, beginning of year	(129,573)	109,800
Net Assets (Deficit), end of year	\$ 9,864	\$ (129,573)

ACCESS Community Capital Fund
Year ended March 31, 2024

Statement of Cash Flows

2024

2023

Operating Activities

Excess revenue over expense	\$ 139,437	\$ (239,373)
Items not affecting cash:		
Interest income reinvested	-	(1,010)
Impact on cash of changes in non-cash working capital items:		
Accounts receivable	40,969	(48,732)
HST rebate	4,758	(7,484)
Prepaid expenses	1,089	(1,151)
Accounts payable and accrued liabilities	(1,862)	9,489
Investor loans expired	(159,937)	-
Deferred revenue	-	(101,630)
	24,454	(389,891)

Financing Activities

Change in investments	32,915	-
Investor loans received (repaid), net	(4,423)	(19,212)
Proceeds from (repayment of) loan payable	(122,136)	(184,552)
	(93,644)	(203,764)

Net cash increase (decrease) during the year	(69,190)	(593,655)
Cash position beginning of year	363,736	957,391

Cash Position End of Year	\$ 294,546	\$ 363,736
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ACCESS Community Capital Fund
Notes to Financial Statements
March 31, 2024

Status and Nature of Activities

ACCESS Community Capital Fund (“the Organization”) is a not-for-profit organization incorporated without share capital under the laws of Canada on September 28, 2001, and was continued under the Canada Not-for-Profit Corporations Act on October 16, 2014. The Organization is a registered charitable organization under the Income Tax Act (Canada) and is exempt from income tax.

The Organization’s main objective is to improve access to small business loans for viable emerging small enterprises in Ontario by guaranteeing loans.

1. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the Canadian accounting standards for Not-for-Profit Organizations in Part III of the CPA Handbook. The Organization follows the accrual method of accounting for revenues and expenses.

Basis of presentation – going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions, are recognized as revenue in the year in which the related activity occurs and the expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Revenue from donations is recorded on a cash basis, with no accrual being made for amounts pledged but not received.

Deferred Revenue

Deferred revenue represents restricted funding for which the proceeds have been received but not yet spent.

Cash

Cash consists of amounts on deposit with a Canadian financial institution. Cash balances are sufficient to provide for accounts payable as they become due.

Measurement of financial assets

The Organization’s financial instruments are comprised of cash, investments, receivables, accounts payable and accrued liabilities. Financial instruments are initially recorded at their fair value and subsequently measured at amortized cost.

When there is an indication of impairment or such an impairment is determined to have occurred, the carrying amount of financial assets is reduced by the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of that asset. If the circumstances that led to the Organization recording an impairment improve and management determines that all or a portion of the impairment can be recovered, the impairment is reversed up to the amount that the financial asset would have otherwise been recorded at on the reversal date.

ACCESS Community Capital Fund
Notes to Financial Statements
March 31, 2024

Use of Estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management and the Board of Directors to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Contributed services

Volunteers contribute significant amounts of time to assist the organization in carrying out its services. Since these services are not normally purchased by the Organization, contributed services are not recognized in the financial statements.

Measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the period. Such estimates include allowances for doubtful accounts receivable and accrued liabilities. These estimates are reviewed periodically, and adjustments are made to revenue and expenses as appropriate in the period they become known.

2. Risk Management

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization places its excess cash with a Canadian financial institution and believes its exposure is not significant.

Liquidity risk

Liquidity risk relates to the Organization's ability to meet its obligations as they come due. The Organization management's opinion is that the Organization is exposed to liquidity risk due to having liabilities that exceed its assets.

3. Loan Payable

In fiscal 2018, ACCESS entered into an eight-year agreement with the Ministry of Employment and Social Development Canada (ESDC) to fund a Foreign Credential Recognition program. In addition to project grants, ESDC will provide a loan to establish a loan guarantee fund. The loan is non-interest bearing and was advanced over the first four years of the agreement. In accordance with the agreement, any unused portion of the loan guarantee fund will be repayable to ESDC, commencing in the fifth year of the agreement.

Although the program was not extended, there are loans payable related to the program. ACCESS is able to withdraw 10% of the balance per year to use as operational funding in order to administer the loan repayment portion of the program.

4. Canada Emergency Business Account

In fiscal 2021, ACCESS obtained a CEBA loan of \$40,000. The loan was not repaid prior to the deadline and has been converted into a three-year term loan subject to interest at a rate of 5% per year, due December 31, 2026

ACCESS Community Capital Fund
Notes to Financial Statements
March 31, 2024

5. Grant Revenue

	2024	2023
Immigration, Refugees and Citizenship Canada	\$ 205,164	\$ 194,047
City of Toronto	87,500	20,000
Employment and Social Development Canada	81,616	34,627
Green Garage Fund	50,000	-
Peter Gilgan Foundation	40,000	16,667
TD Bank Group	30,000	30,000
KPMG ^{LLP}	20,000	-
The Counselling Foundation of Canada	10,000	30,000
Catherine Donnelly Foundation	5,000	-
The Catherine and Maxwell Meighen Foundation	-	25,000
Canada Gives – Stait Family Fund	-	10,000
Jackman Foundation	-	5,000
Other	-	10
	\$ 529,280	\$ 365,351

6. Capital Management

In managing capital, ACCESS focuses on liquid resources available for operations. ACCESS’s objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its mission. ACCESS relies primarily on grants and donations, as well as investors’ loans payable to fund its operations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

The ability of ACCESS to operate as a going concern and to have sufficient liquid resources to meet its current obligations is dependent on securing sufficient sources of funds and credit facilities and arrangements, and to generate future operating surpluses. At March 31, 2024, ACCESS has met its objective of having sufficient liquid resources to meet its current obligations.

7. Lease Commitment

ACCESS had a lease for its premises that was to expire on October 31, 2024. On May 24, 2024 ACCESS and the landlord signed a Surrender and Amending Agreement whereby ACCESS would surrender a portion of the leased space in return for a lease on a new premises beginning July 1, 2024 and ending on June 30, 2027.

Future minimum lease payments are as follows;

Year 1	\$12,530.04 plus HST
Year 2	\$13,156.56 plus HST
Year 3	\$13,814.28 plus HST

ACCESS Community Capital Fund
Notes to Financial Statements
March 31, 2024

8. Cash and Investments

	2024	2023
Cash		
Operating current account	\$ 294,452	\$ 363,649
Credit union shares	94	87
	294,546	363,736
Term deposits and accrued interest	122,079	112,490
	416,625	476,226
18 month term deposit, 4.8%, due July 23, 2024	\$ 44,544	
17 month term deposit, 4.0%, due November 9, 2024	\$ 69,557	
12 month redeemable term deposit, 2.25%, due March 10, 2025	\$ 7,674	

9. Investor Loans Payable

The Organization manages a loan guarantee fund (LGF) that it uses to secure loans for its clients. This fund is made up of investor dollars, dating back to 2001. Investors are given an option to renew for multi-year terms, withdraw at the end of their term or convert to donations. The Organization maintains contact with all investors in an effort to keep all fund entries current. In 2022, The Organization updated all terms to the LGF and worked to convert all stale investments (over 4 years post expiry) to current agreements. All remaining stale investments have been converted to donations. These funds still remain in The Organization’s LGF but do not have an agreement for repayment and are no longer a liability.

The remaining balance represents new agreements, current agreements or renewed agreements.

10. Comparative Balances

The comparative figures were audited by another auditor and in some cases have been reclassified or grouped differently. No adjustments or changes were made to any prior period balances on the general ledger.