

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

INDEX

1. Independent Auditors' Report
2. Statement of Financial Position
3. Statement of Changes in Net Assets
4. Statement of Combined Operations
5. Statement of Combined Expenses
- 6-7. Statement of Operations - Toronto Central
Local Health Integration Network
- 8-9. Statement of Operations - Community Projects
10. Statement of Operations - Language Services
11. Statement of Cash Flows
- 12-16. Notes to Financial Statements

BERMAN, LOFCHICK & LUM, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

JERRY BERMAN, B.Sc., CPA, CA
MARSHALL LOFCHICK, B.A. (HONS.), CPA, CA
WINSTON LUM, B.Comm., CPA, CA

230 SHEPPARD AVENUE WEST
SUITE 300
TORONTO, ONTARIO M2N 1N1
TELEPHONE: (416) 229-9360
FAX: (416) 229-9375
email: berman@col.ca
marsh31@rogers.com
wilum@rogers.com

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Access Alliance Multicultural Health and Community Services, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

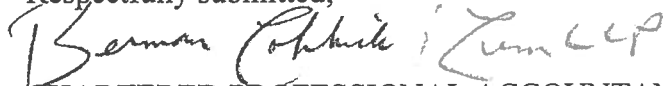
Basis for Qualified Opinion

As is the case of most organizations in receipt of funds by donations and fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2018, 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.

Respectfully submitted,



CHARTERED PROFESSIONAL ACCOUNTANTS.
Licensed Public Accountants

Toronto, Ontario.
June 25, 2018

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

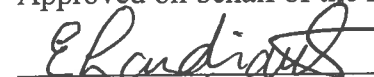
(a charitable organization)

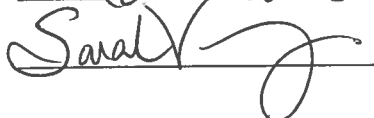
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

	2018	2017
ASSETS		
Current		
Cash	\$ 989,388	\$ 603,905
Temporary investments	845,117	802,225
Accounts and grants receivable	854,182	848,320
Prepaid expenses and deposits	<u>107,744</u>	<u>84,835</u>
	2,796,431	2,339,285
Capital - at cost less accumulated amortization (note 2)	<u>255,889</u>	<u>288,501</u>
	<u>\$ 3,052,320</u>	<u>\$ 2,627,786</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 232,301	\$ 191,085
Deferred revenue (note 4)	1,262,886	930,082
Payable to LHIN/MOH	<u>-</u>	<u>24,486</u>
	1,495,187	1,145,653
Long-term		
Capital contributions from funders (note 9)	263,247	295,859
NAHOM Berhane Scholarship Trust Fund	<u>41,922</u>	<u>46,947</u>
	<u>305,169</u>	<u>342,806</u>
	<u>1,800,356</u>	<u>1,488,459</u>
NET ASSETS		
Net assets internally restricted for plant and equipment (note 5)	65,842	65,842
Net assets internally restricted for capital (note 6)	545,269	490,269
Net assets internally restricted for contingencies (note 7)	409,652	348,625
Net assets internally restricted for Health with Dignity Fund (note 8)	<u>231,201</u>	<u>234,591</u>
	1,251,964	1,139,327
	<u>\$ 3,052,320</u>	<u>\$ 2,627,786</u>

Approved on behalf of the Board:

 Director

 Director

Lease Commitment (note 3)

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2018

	----- Net assets internally restricted for -----				2018	2017
	Plant and Equipment	Capital	Contingencies	Health With Dignity	Total	Total
BALANCE						
- Beginning of year	\$ 65,842	\$ 490,269	\$ 348,625	\$ 234,591	\$ 1,139,327	\$ 1,047,823
- Purchase of capital assets	126,347	-	(126,347)	-	-	-
- Capital contributions from funders	(126,347)	-	126,347	-	-	-
- Interpretation Funds	-	55,000	55,000	4,595	114,595	104,661
- Transfer from other funds	-	-	6,027	(7,985)	(1,958)	(40,887)
- Transfer of assets from Neighbourhood Information Centre	-	-	-	-	-	27,730
BALANCE						
- End of year	\$ <u>65,842</u>	\$ <u>545,269</u>	\$ <u>409,652</u>	\$ <u>231,201</u>	\$ <u>1,251,964</u>	\$ <u>1,139,327</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF COMBINED OPERATIONS

YEAR ENDED MARCH 31, 2018

	Local Health Integration Network Page 6	Community Projects Page 8	Language Services Page 10	2018 Total	2017 Total
REVENUES					
Federal					
Citizenship and Immigration Canada				\$ 971,502	\$ 1,006,819
Status of Women Canada				90,976	-
Human Resources and Skills Development Canada				20,485	40,452
Employment and Social Development Canada				-	8,202
Provincial					
Toronto Centre LHIN				6,005,727	5,797,986
Ministry of Citizenship and Immigration				230,505	92,130
Ministry of seniors affairs				57,700	15,155
Ministry of environment and climate change				15,444	-
Municipal					
City of Toronto				338,540	155,203
Other Income					
Fee for services - interpretation				2,972,525	2,780,715
Trusteeship				83,993	296,509
Miscellaneous income				63,742	116,669
Property and tax rebates				54,314	49,905
Interest				19,340	16,708
Fundraising				14,492	9,320
Evaluation				13,857	-
Nahom Berhane Scholarship donations				2,211	13,692
Memberships				94	66
United Way Toronto				576,597	407,917
Other organizations				273,745	183,232
Rental				95,319	100,970
Foundation					
Green Shield Canada Foundation				249,110	252,071
The Ontario Trillium Foundation				94,304	182,927
Metcalf Foundation				29,227	24,975
CHUM Charitable Foundation				3,500	3,154
Toronto Foundation				1,987	-
	<u>6,048,665</u>	<u>3,257,514</u>	<u>2,973,057</u>	<u>12,279,236</u>	<u>11,554,777</u>
EXPENSES (page 5, 7, 9 and 10)	<u>6,048,665</u>	<u>3,257,261</u>	<u>2,858,462</u>	<u>12,164,388</u>	<u>11,477,311</u>
PAYABLE TO LHIN/MOH	-	-	-	-	-
TRANSFER TO NAHOM BERHANE SCHOLARSHIP FUND	<u>-</u>	<u>(2,211)</u>	<u>-</u>	<u>(2,211)</u>	<u>(13,692)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES \$	<u>-</u>	<u>\$ (1,958)</u>	<u>\$ 114,595</u>	<u>\$ 112,637</u>	<u>\$ 63,774</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF COMBINED EXPENSES

YEAR ENDED MARCH 31, 2018

EXPENSES	Local Health Integration Network Page 6	Community Projects Page 8	Language Services Page 10	2018 Total	2017 Total
Salaries, benefits and relief				\$ 6,396,093	\$ 6,026,765
Interpretation services				2,566,638	2,404,379
Rent and accommodation				947,206	918,420
Purchased services				322,285	133,087
Non-insured - diagnostics				250,783	234,779
Consultants' fees				218,829	147,959
Administration				195,077	94,364
Non-insured - specialists				183,555	182,001
Telecommunications				144,652	130,045
Repairs and maintenance				132,419	131,319
Leasehold improvements, furniture, equipment and computer				126,347	150,881
Computer expenses				107,475	154,638
Recovery from Ministry of Health				101,084	-
Trusteeship				73,879	288,347
Meeting expenses				68,118	46,796
Travel and transportation				58,561	46,731
Medical supplies				56,520	53,944
Professional fees				54,957	59,165
Memberships				48,974	65,976
Staff development				42,836	45,682
Event expense				42,304	43,967
Printing and photocopying				38,826	44,030
Office supplies				33,698	24,078
Resources/materials				28,992	21,717
Promotion and publicity				21,224	18,239
Postage and courier				17,938	14,449
Honorarium				14,843	17,454
Evaluation				15,478	6,000
Insurance				15,005	18,298
Recruitment				8,698	6,452
Wellness project - Dragon Den				7,985	-
ISAP GST				6,553	6,418
Board expenses				4,736	6,372
Non-recurring				3,823	6,304
Bookkeeping				1,382	1,291
Bank charges				1,080	2,026
Program expense				395	13,952
Training				<u>168</u>	<u>2,518</u>
				12,359,416	11,568,843
Deduct - Allocation of expenses				<u>(195,028)</u>	<u>(91,532)</u>
				<u>\$ 12,164,388</u>	<u>\$ 11,477,311</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF OPERATIONS - LOCAL HEALTH INTEGRATION NETWORK

YEAR ENDED MARCH 31, 2018

	2018 Total	2017 Total
REVENUES		
Grants		
- LHIN	\$ 6,005,727	\$ 5,797,986
Rental, property and tax rebates	<u>42,938</u>	<u>43,169</u>
	6,048,665	5,841,155
EXPENSES (see page 7)	<u>6,048,665</u>	<u>5,841,155</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE UNDERNOTED	-	-
Add - Amortization	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	-	-
PAYABLE TO LHIN	<u>-</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>-</u>

Continued...

The accompanying notes form an integral
part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF OPERATIONS - LOCAL HEALTH INTEGRATION NETWORK

YEAR ENDED MARCH 31, 2018

...Continued

	2018 Total	2017 Total
EXPENSES		
Salaries, benefits and relief	\$ 3,976,878	\$ 3,874,745
Rent and accommodation	733,085	670,119
Non-insured - diagnostics	220,415	174,285
Interpreter's fees	180,140	163,336
Non-insured - specialists	167,602	156,241
Maintenance and repairs	104,310	104,672
Purchased services	83,834	43,239
Computer expense	80,022	130,797
Telecommunications	69,890	66,068
Consultant's fees	57,341	68,547
Medical supplies	55,741	49,523
Administration allocation	53,814	41,814
Memberships	42,067	53,567
Staff development	33,922	38,005
Printing and photocopy	30,588	32,122
Leasehold improvements, furniture and equipment	25,935	39,601
Office supplies	24,434	11,612
Professional fees	22,046	36,674
Travel and transportation	17,442	17,601
Postage and courier	16,739	13,589
General insurance	11,188	10,356
Meeting expenses	10,820	13,741
Event expenses	5,981	4,286
Resources/materials	5,427	5,691
Evaluation	5,048	-
Board expenses	4,528	5,373
Non-recurring expense	3,823	6,305
Recruitment	3,618	4,765
Program expense	1,369	832
Bookkeeping	350	314
Honorarium	268	3,335
Amortization	-	-
	<u>\$ 6,048,665</u>	<u>\$ 5,841,155</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF OPERATIONS - COMMUNITY PROJECTS

YEAR ENDED MARCH 31, 2018

	Children Services	ISAP	Other	2018 Total	2017 Total
REVENUES					
CIC ISAP		\$ 971,502	\$ -	\$ 971,502	\$ 1,006,819
United Way Toronto			576,596	576,596	407,917
City of Toronto	\$ 76,440		262,100	338,540	155,204
Other organizations			273,745	273,745	183,232
Greenshield Canada Foundation			249,110	249,110	252,071
Ministry of Citizenship and Immigration			230,505	230,505	92,130
Rental			95,319	95,319	100,970
Trillium Foundation			94,304	94,304	182,927
Status of Women Canada			90,976	90,976	-
Trusteeship			83,993	83,993	296,508
Miscellaneous income			63,211	63,211	122,987
Ministry of Health			57,700	57,700	-
Metcalf Foundation			29,227	29,227	24,975
Human Resources and Skills Development Canada			20,485	20,485	40,452
Interest			19,340	19,340	16,707
Ministry of ECC			15,444	15,444	-
Fundraising/Donations			14,492	14,492	9,739
Evaluation			13,857	13,857	-
Property tax rebate			11,376	11,376	-
CHUM Charitable Foundation			3,500	3,500	3,154
Nahom Berhane Scholarship Fund			2,211	2,211	13,692
Toronto Foundation			1,987	1,987	-
Memberships			94	94	66
Employment and Social Development			-	-	8,202
Ministry of Seniors Affairs			-	-	15,155
	<u>\$ 76,440</u>	<u>\$ 971,502</u>	<u>\$ 2,209,572</u>	3,257,514	2,932,907
EXPENSES (see page 9)				<u>3,257,261</u>	<u>2,960,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				253	(27,195)
TRANSFER TO NAHOM BERHANE SCHOLARSHIP TRUST FUND				<u>(2,211)</u>	<u>(13,692)</u>
				<u>\$ (1,958)</u>	<u>\$ (40,887)</u>

Continued...

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF OPERATIONS - COMMUNITY PROJECTS

YEAR ENDED MARCH 31, 2018

...Continued

	Children Services	ISAP	Other	2018 Total	2017 Total
EXPENSES					
Salaries, benefits and relief	\$ 64,563	\$ 750,193	\$ 1,293,897	\$ 2,108,653	\$ 1,845,611
Purchased services	4,343	375	205,529	210,247	61,267
Rent and accommodation	580	113,727	73,501	187,808	222,979
Consultants		-	155,723	155,723	72,032
Administration		-	126,263	126,263	52,550
Ministry of Health Recovery		-	101,084	101,084	-
Leasehold improvements, office and furniture		-	99,600	99,600	111,280
Trusteeship		-	73,879	73,879	288,346
Meeting expenses		24,085	39,376	63,461	30,776
Interpreters fees		25,582	20,725	46,307	43,252
Non-insured - diagnostics		-	30,368	30,368	60,494
Travel and transportation	147	5,558	34,149	39,854	27,909
Telecommunications		19,224	9,322	28,546	24,368
Repairs and maintenance	450	15,803	11,305	27,558	26,243
Resource/materials	2,983	323	20,231	23,537	15,959
Event expenses	1,322	-	15,180	16,502	32,156
Non-insured - specialist		-	15,953	15,953	25,759
Honorarium	380	-	13,495	14,325	13,969
Promotion and publicity		295	10,380	10,675	5,734
Evaluation		-	10,430	10,430	6,000
Computer expenses		3,535	5,070	8,605	8,974
Staff development	517	321	6,542	7,380	5,731
Printing and photocopying		3,014	3,923	6,937	8,100
Wellness project - Dragon Den			7,985	7,985	
Office supplies		-	7,032	7,032	4,444
ISAP GST		6,194	-	6,194	6,418
Professional fees		2,000	4,018	6,018	14,259
Recruitment		30	3,971	4,001	1,598
Insurance	1,133	-	2,684	3,817	7,942
Memberships		1,000	200	1,200	1,361
Medical supplies		-	779	779	4,421
Program expenses		233	395	628	19,473
Postage and courier	22	10	354	386	406
Bank charges		-	347	347	824
Board/volunteer expense		-	207	207	999
	<u>76,440</u>	<u>971,502</u>	<u>2,404,347</u>	<u>3,452,289</u>	<u>3,051,634</u>
Deduct - Allocation of expenses	<u>-</u>	<u>-</u>	<u>(195,028)</u>	<u>(195,028)</u>	<u>(91,532)</u>
	<u>\$ 76,440</u>	<u>\$ 971,502</u>	<u>\$ 2,209,319</u>	<u>\$ 3,257,261</u>	<u>\$ 2,906,102</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF OPERATIONS - LANGUAGE SERVICES

YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUES		
Interpretation fees	\$ <u>2,973,057</u>	\$ <u>2,780,715</u>
EXPENSES		
Interpreter's fees	2,340,191	2,197,791
Salaries, benefits and relief	310,562	306,410
Telecommunication	48,555	39,609
Rent and accommodation	26,864	25,322
Purchased services	28,253	28,581
Professional fees	26,893	8,232
Computer	16,509	14,868
Administration	15,000	-
Meeting expenses	13,284	2,280
Promotion and publicity	9,181	12,505
Consultants	5,766	7,380
Memberships	5,707	11,048
Office supplies	3,152	8,023
Printing and photocopying	1,301	3,808
Travel and transportation	1,266	1,221
Staff development	1,176	1,946
Recruitment	1,079	90
Bookkeeping	1,031	977
Postage and courier	813	453
Leaseholds improvements, furniture and equipment	812	-
Bank charges	732	1,202
Training	156	2,517
Event expense	149	1,170
Resources/materials	30	67
Repair and maintenance	-	404
Bad debts (recovery)	-	-
Honorarium	-	150
Amortization	-	-
	<u>2,858,462</u>	<u>2,676,054</u>
EXCESS OF REVENUES OVER EXPENSES	114,595	104,661
Transfer to Restricted Funds - Contingency (note 8)	<u>(114,595)</u>	<u>(104,661)</u>
	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2018

	2018	2017
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>112,637</u>	\$ <u>63,774</u>
Adjustments for:		
Amortization	<u>-</u>	<u>-</u>
Changes in non-cash working capital:		
Decrease in payable to LHIN/MOH	(24,486)	-
Increase in accounts and grants receivable	(5,862)	(83,164)
(Increase) decrease in prepaid expenses and deposits	(22,909)	20,185
Increase in accounts payable and accrued liabilities	41,216	(120,660)
Increase in deferred grant revenue	332,804	94,364
Increase in temporary investment	<u>(12,761)</u>	<u>(22,111)</u>
	<u>308,002</u>	<u>(111,386)</u>
Cash flow from operating activities:	<u>420,639</u>	<u>(47,612)</u>
Cash flow from financing activities:		
Capital contributions from funders - net	(32,612)	27,137
Increase (decrease) in NAHOM Berhane Scholarship Trust Fund	<u>(5,025)</u>	<u>5,847</u>
	<u>(37,637)</u>	<u>32,984</u>
Cash flow from investing activities:		
(Increase) decrease in capital assets	32,612	(27,137)
Transfer of assets from Neighbourhood Information Centre	<u>-</u>	<u>27,730</u>
	<u>32,612</u>	<u>593</u>
Net increase (decrease) in cash and cash equivalents	415,614	(14,035)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>603,905</u>	<u>617,940</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>1,019,519</u>	\$ <u>603,905</u>

The accompanying notes form an integral part of these financial statements.

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CPA Handbook.

(a) PURPOSE OF THE ORGANIZATION

Access Alliance Multicultural Health and Community Services works to improve health outcomes for the most vulnerable immigrants, refugees and their communities and facilitating access to services and addressing systemic inequities. The organization is incorporated under the Ontario Corporations Act as a non-profit charitable organization and is a registered charity under the Income Tax Act, registration number 123636664 RR0001 and is exempt from income taxes under Section 149 of the Income Tax Act.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid bank accounts and marketable investments with an original maturity date of 90 days or less.

(c) REVENUE RECOGNITION

(i) The organization uses the deferral method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred.

(ii) Donated goods and services are not recorded in the accounts of the organization, except when a fair value of such goods and services can be reasonably estimated and when the goods and services are normally purchased by the organization and would be paid for if not donated. Volunteers contribute significant amounts of time to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these statements.

(iii) Donations and fundraising are recorded when the amounts are measurable and collection is assured.

(d) CAPITAL ASSETS

Capital assets are recorded at cost when purchased and are subsequently measured at cost less accumulated amortization. They are amortized over their estimated useful lives using the straight-line method over the following periods:

Furniture and equipment	- 5 year straight-line basis
Computer equipment	- 3 year straight-line basis
Leasehold improvements	- 5 year straight-line basis
Medical equipment	- 5 year straight-line basis
Computer software	- 3 year straight-line basis
Automobile	- 5 year straight-line basis

Continued...

-12-

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

...Continued

(e) CONTRIBUTED MATERIALS AND SERVICES

The organization does not account for contributed materials and services.

(f) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

(g) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, temporary investments and accounts receivable and grants receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and deferred capital contributions from funders.

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net	2017 Net
Furniture and equipment	\$ 419,823	\$ 414,435	\$ 5,388	\$ 26,053
Computer equipment	669,785	633,938	35,847	3,702
Computer software	85,606	85,606	-	-
Leasehold improvements	3,644,478	3,430,797	213,681	221,477
Telephone software	55,366	55,366	-	391
Medical equipment	218,408	217,435	973	36,878
Automobile	<u>30,115</u>	<u>30,115</u>	<u>-</u>	<u>-</u>
	\$ <u>5,123,581</u>	\$ <u>4,867,692</u>	\$ <u>255,889</u>	\$ <u>288,501</u>

Continued...

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

...Continued

3. LEASE COMMITMENT

As at March 31, 2018 the organization is obligated under the terms of a net lease on its premises requiring annual aggregate payments exclusive of HST and "additional rent", as follows:

2019 -	\$ 830,137
2020 -	833,106
2021 -	714,073
2022 -	477,529
2023 and thereafter	<u>2,291,291</u>
	<u>\$ 5,146,136</u>

4. DEFERRED REVENUE

Certain of the fundings are unexpensed or designated for periods subsequent to March 31, and are therefore deferred to the next fiscal year. These deferred amounts consist of the following:

	2018	2017
Other Funders	\$ 976,571	\$ 621,997
LHIN'S/MOHLTC	228,386	228,386
United Way Toronto (including trusteeships)	<u>57,929</u>	<u>79,699</u>
	<u>\$ 1,262,886</u>	<u>\$ 930,082</u>

5. RESTRICTED FUNDS - PLANT AND EQUIPMENT

	2018	2017
BALANCE - Beginning of year	\$ 65,842	\$ 65,842
Acquisition of Plant and Equipment		
- Local Health Integration		
- Network and ISAP	126,347	150,881
Capital contributions from funders (note 9)	<u>(126,347)</u>	<u>(150,881)</u>
Deduct - Amortization for the year	<u>-</u>	<u>-</u>
BALANCE - End of year	<u>\$ 65,842</u>	<u>\$ 65,842</u>

Continued...

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

...Continued

6. INTERNALLY RESTRICTED FUNDS - CAPITAL/FACILITY

This fund has been set-up by the Centre for the future purchase of the Centre's own building or long-term leasehold improvements. Shown below are the changes in fund balance.

	2018	2017
BALANCE - Beginning of year	\$ 490,269	\$ 455,382
- Language services surplus	<u>55,000</u>	<u>34,887</u>
BALANCE - End of year	\$ <u>545,269</u>	\$ <u>490,269</u>

7. INTERNALLY RESTRICTED FUNDS - CONTINGENCIES (GENERAL PURPOSES)

This fund has been set-up by the Centre for any contingencies that the Centre may incur in the future such as potential staff benefits and organization windup costs, for which no alternative funding is available. Shown below are the changes in the fund balance.

	2018	2017
BALANCE - Beginning of year	\$ 348,625	\$ 326,895
Excess of revenues over expenditures - Community Projects	126,347	150,881
Capital contributions for funders (note 9)	(126,347)	(150,881)
Purchase of capital assets	55,000	34,887
Language services surplus	-	27,730
Transfer of assets from Neighbourhood Information Centre	6,027	(40,887)
Transfer to/from other funds	<u>6,027</u>	<u>(40,887)</u>
BALANCE - End of year	\$ <u>409,652</u>	\$ <u>348,625</u>

8. INTERNALLY RESTRICTED HEALTH WITH DIGNITY FUND

This fund is used for projects and programs for which no alternative fund is available.

	2018	2017
BALANCE - Beginning of year	\$ 234,591	\$ 199,704
- Language services surplus (deficit)	4,595	34,887
- Transfer to/from other funds re: Dragon Den	<u>(7,985)</u>	<u>-</u>
BALANCE - End of year	\$ <u>231,201</u>	\$ <u>234,591</u>

Continued...

ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

...Continued

9. DEFERRED CAPITAL CONTRIBUTIONS FROM FUNDERS

Deferred capital contributions from funders represent the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	2018	2017
BALANCE - Beginning of year	\$ 295,859	\$ 268,722
Contributions received	126,347	150,881
Amortization	<u>(158,959)</u>	<u>(123,744)</u>
BALANCE - End of year	\$ <u>263,247</u>	\$ <u>295,859</u>

10. FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is a risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization is exposed to liquidity risk arising primarily from the requirement to pay its payables and government remittances. The organization's ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

Other Risks

The organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.

11. DEPARTURE FROM CANADIAN ACCOUNTING STANDARDS

Vacation pay owing to employees in the amount of \$179,783 has not been reflected in these financial statement and accordingly these financial statements are not in accordance with Canadian Accounting Standards for not-for-profit organizations. The vacation pay owing has not been reflected as the Local Health Integration Network does not consider accrued vacation pay as an expense for funding purposes. If vacation pay owing had been recorded, salaries and benefits would have been \$6,575,876, accounts payable and accrued liabilities would have been \$412,084 and restricted assets would have been \$1,072,181.