

**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2019**

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**BERMAN, LOFCHICK & LUM, LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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

MARSHALL LOFCHICK, B.A. (HONS.), CPA, CA  
WINSTON LUM, B.Comm., CPA, CA  
ISAAC ALTBERG, B.Sc., CPA, CA

**INDEPENDENT AUDITORS' REPORT**

To the members of **Access Alliance Multicultural Health and Community Services**

***Opinion***

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, 2019, and the statements of operations, 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, 2019, 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***

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 the 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 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.

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*

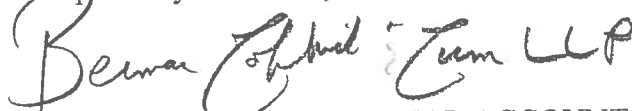
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.

Respectfully submitted,



CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

Toronto, Ontario  
June 17, 2019

**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)**

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2019**

	2019	2018
<b>ASSETS</b>		
Current		
Cash	\$ 879,888	\$ 989,388
Temporary investments	864,118	845,117
Accounts and grants receivable	943,319	854,182
Prepaid expenses and deposits	<u>81,800</u>	<u>107,744</u>
	2,769,125	2,796,431
Capital - at cost less accumulated amortization (note 2)	<u>216,576</u>	<u>255,889</u>
	<u>\$ 2,985,701</u>	<u>\$ 3,052,320</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 223,583	\$ 232,301
Deferred revenue (note 4)	<u>960,999</u>	<u>1,262,886</u>
	<u>1,184,582</u>	<u>1,495,187</u>
Long-term		
Capital contributions from funders (note 9)	201,398	263,247
NAHOM Berhane Scholarship Trust Fund	<u>39,250</u>	<u>41,922</u>
	<u>240,648</u>	<u>305,169</u>
	<u>1,425,230</u>	<u>1,800,356</u>
<b>NET ASSETS</b>		
Net assets internally restricted for property and equipment (note 5)	88,378	65,842
Net assets internally restricted for capital (note 6)	632,120	545,269
Net assets internally restricted for contingencies (note 7)	521,921	409,652
Net assets internally restricted for Health with Dignity Fund (note 8)	<u>318,052</u>	<u>231,201</u>
	<u>1,560,471</u>	<u>1,251,964</u>
	<u>\$ 2,985,701</u>	<u>\$ 3,052,320</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, 2019**

	----- Net assets internally restricted for -----				2019	2018
	Property and Equipment	Capital	Contingencies	Health With Dignity	Total	Total
<b>BALANCE</b>						
- Beginning of year	\$ 65,842	\$ 545,269	\$ 409,652	\$ 231,201	\$ 1,251,964	\$ 1,139,327
- Purchase of capital assets	89,454	-	(89,454)	-	-	-
- Capital contributions from founders	(60,478)	-	60,478	-	-	-
- Interpretation Funds		86,851	86,850	86,851	260,552	114,595
- Transfer from other funds	-	-	47,955	-	47,955	(1,958)
- Amortization	<u>(6,440)</u>	<u>-</u>	<u>6,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE</b>						
- End of year	\$ <u>88,378</u>	\$ <u>632,120</u>	\$ <u>521,921</u>	\$ <u>318,052</u>	\$ <u>1,560,471</u>	\$ <u>1,251,964</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, 2019**

	Local Health Integration Network Page 7	Community Projects Page 9	Language Services Page 11	2019 Total	2018 Total
<b>REVENUES</b>					
Federal					
Immigration, Refugees and Citizenship Canada (IRCC)				\$ 981,245	\$ 971,502
Status of Women Canada				102,999	90,976
Human Resources and Skills Development Canada				41,681	20,485
HSDC- New Horizon				25,004	-
Provincial					
Toronto Centre LHIN				6,884,527	6,005,727
Ministry of Citizenship and Immigration				45,000	230,505
Ministry of Seniors Affairs				100,562	57,700
Ministry of Environment and Climate Change				67,986	15,444
Municipal					
City of Toronto				462,884	338,540
Other Income					
Fee for services - interpretation				3,334,860	2,972,525
Trusteeship				92,989	83,993
Miscellaneous income				83,673	63,742
Property and tax rebates				60,597	54,314
Interest				23,992	19,340
Fundraising				24,131	14,492
Evaluation				-	13,857
Nahom Berhane Scholarship donations				174	2,211
Memberships				108	94
United Way Toronto				510,998	576,597
Other organizations				381,838	273,745
Rental				108,387	95,319
Foundation					
Green Shield Canada Foundation				228,641	249,110
The Ontario Trillium Foundation				51,113	94,304
Metcalf Foundation				-	29,227
CHUM Charitable Foundation				3,373	3,500
Toronto Foundation				-	1,987
	6,941,155	3,278,867	3,396,741	13,616,763	12,279,236
<b>EXPENSES</b> (page 6, 8, 10 and 11)	<u>6,941,155</u>	<u>3,230,470</u>	<u>3,136,189</u>	<u>13,307,814</u>	<u>12,164,388</u>
<b>PAYABLE TO LHIN/MOH</b>	-	-	-	-	-
<b>TRANSFER TO NAHOM BERHANE SCHOLARSHIP FUND</b>	-	(442)	-	(442)	(2,211)
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER EXPENSES</b> \$	<u>-</u>	<u>\$ 47,955</u>	<u>\$ 260,552</u>	<u>\$ 308,507</u>	<u>\$ 112,637</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, 2019**

	Local Health Integration Network Page 8	Community Projects Page 10	Language Services Page 11	2019 Total	2018 Total
<b>EXPENSES</b>					
Salaries, benefits and relief				\$ 6,771,608	\$ 6,396,093
Interpretation services				3,346,545	2,566,638
Rent and accommodation				957,934	947,206
Purchased services				269,037	322,285
Consultants' fees				251,676	218,829
Non-insured - diagnostics				239,291	250,783
Administration				228,896	195,077
Non-insured - specialists				166,094	183,555
Telecommunications				149,088	144,652
Repairs and maintenance				138,194	132,419
Computer expenses				117,672	107,475
Meeting expenses				92,842	68,118
Staff development				84,644	42,836
Trusteeship				82,005	73,879
Memberships				65,870	48,974
Travel and transportation				64,520	58,561
Leasehold improvements, furniture, equipment and computer				60,478	126,347
Medical supplies				57,933	56,520
Resources/materials				52,484	28,992
Printing and photocopying				46,940	38,826
Event expense				42,504	42,304
Office supplies				40,834	33,698
Professional fees				37,907	54,957
Promotion and publicity				27,791	21,224
Postage and courier				14,499	17,938
Program expense				13,021	395
Evaluation				12,521	15,478
Insurance				11,361	15,005
Recruitment				8,515	8,698
Honorarium				7,714	14,843
ISAP GST				7,067	6,553
Non-recurring				6,340	3,823
Bank charges				6,276	1,080
Board expenses				3,136	4,736
Bookkeeping				1,433	1,382
Recovery from Ministry of Health				-	101,084
Wellness project - Dragon Den				-	7,985
Training				-	168
Amortization				6,440	-
				<u>13,491,110</u>	<u>12,359,416</u>
Deduct - Allocation of expenses				<u>(183,296)</u>	<u>(195,028)</u>
				<u>\$ 13,307,814</u>	<u>\$ 12,164,388</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, 2019**

	2019 Total	2018 Total
<b>REVENUES</b>		
Grants		
- LHIN	\$ 6,884,527	\$ 6,005,727
Rental, property and tax rebates	<u>56,628</u>	<u>42,938</u>
	6,941,155	6,048,665
<b>EXPENSES</b> (see page 8)	<u>6,941,155</u>	<u>6,048,665</u>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE UNDER NOTED</b>		
	-	-
Add - Amortization	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>		
	-	-
<b>PAYABLE TO LHIN</b>	<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, 2019**

	2019 Total	2018 Total
<b>EXPENSES</b>		
Salaries, benefits and relief	\$ 4,137,272	\$ 3,976,878
Interpreter's fees	723,725	180,140
Rent and accommodation	718,247	733,085
Non-insured - diagnostics	237,553	220,415
Non-insured - specialists	165,995	167,602
Consultant's fees	128,411	57,341
Administration allocation	97,814	53,814
Purchased services	96,476	83,834
Maintenance and repairs	89,848	104,310
Computer expense	87,370	80,022
Staff development	73,660	33,922
Telecommunications	73,406	69,890
Memberships	61,315	42,067
Medical supplies	52,904	55,741
Printing and photocopy	31,004	30,588
Office supplies	28,308	24,434
Professional fees	23,464	22,046
Meeting expenses	22,888	10,820
Leasehold improvements, furniture and equipment	21,311	25,935
Travel and transportation	20,694	17,442
Postage and courier	13,658	16,739
Resources/materials	9,556	5,427
Non-recurring expense	6,340	3,823
Event expenses	6,268	5,981
General insurance	5,443	11,188
Recruitment	4,286	3,618
Board expenses	3,136	4,528
Program expense	357	1,369
Bookkeeping	146	350
Evaluation	-	5,048
Honorarium	300	268
	<u>\$ 6,941,155</u>	<u>\$ 6,048,665</u>

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The accompanying notes form an integral  
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**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)**

**STATEMENT OF OPERATIONS - COMMUNITY PROJECTS**

**YEAR ENDED MARCH 31, 2019**

	Children Services	Settlement	Other	2019 Total	2018 Total
<b>REVENUES</b>					
IRCC		\$ 981,245	\$ -	\$ 981,245	\$ 971,502
United Way Toronto			510,998	510,998	576,596
City of Toronto	\$ 84,543		378,341	462,884	338,540
Other organizations			381,838	381,838	273,745
Greenshield Canada Foundation			228,641	228,641	249,110
Ministry of Citizenship and Immigration			45,000	45,000	230,505
Rental			108,387	108,387	95,319
Trillium Foundation			51,113	51,113	94,304
Status of Women Canada			102,999	102,999	90,976
Trusteeship			92,989	92,989	83,993
Miscellaneous income		50	25,712	25,762	63,211
Ministry of Seniors Affairs-Ontario Senior's Secretarial 57,700				100,562	100,562
Metcalf Foundation			-	-	29,227
Human Resources and Skills Development Canada			41,681	41,681	20,485
Interest			23,992	23,992	19,340
Ministry of ECC			67,986	67,986	15,444
Fundraising/Donations			24,131	24,131	14,492
Evaluation			-	-	13,857
Property tax rebate			-	-	11,376
CHUM Charitable Foundation			3,373	3,373	3,500
Nahom Berhane Scholarship Fund			174	174	2,211
Toronto Foundation			-	-	1,987
Memberships			108	108	94
HSDC-New Horizons	-	-	25,004	25,004	-
	\$ <u>84,543</u>	\$ <u>981,295</u>	\$ <u>2,213,029</u>	3,278,867	3,257,514
<b>EXPENSES</b> (see page 10)				<u>3,230,470</u>	<u>3,257,261</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>				48,397	253
<b>TRANSFER TO NAHOM BERHANE SCHOLARSHIP TRUST FUND</b>				<u>(442)</u>	<u>(2,211)</u>
				\$ <u>47,955</u>	\$ <u>(1,958)</u>

Continued...

The accompanying notes form an integral  
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**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

(a charitable organization)

**STATEMENT OF OPERATIONS - COMMUNITY PROJECTS**

**YEAR ENDED MARCH 31, 2019**

	Children Services	Settlement	Other	2019 Total	2018 Total
<b>EXPENSES</b>					
Salaries, benefits and relief	\$ 59,585	\$ 736,674	\$ 1,440,761	\$ 2,237,020	\$ 2,108,653
Purchased services	7,802	270	156,606	164,678	210,247
Rent and accommodation	1,455	118,358	85,713	205,526	187,808
Consultants		-	117,675	117,675	155,723
Administration		-	116,082	116,082	126,263
Ministry of Health Recovery		-	-	-	101,084
Leasehold improvements, office and furniture	5,175	8,201	23,857	37,233	99,600
Trusteeship		-	82,005	82,005	73,879
Meeting expenses		13,715	54,775	68,490	63,461
Interpreters fees		36,650	8,801	45,451	46,307
Non-insured - diagnostics		-	1,738	1,738	30,368
Travel and transportation		5,322	37,481	42,803	39,854
Telecommunications		19,356	11,742	31,098	28,546
Repairs and maintenance		25,268	31,893	57,161	27,558
Resource/materials	1,955	382	38,272	40,609	23,537
Event expenses	420	-	35,608	36,028	16,502
Non-insured - specialist		-	99	99	15,953
Honorarium	200	-	7,214	7,414	14,325
Promotion and publicity		-	13,459	13,459	10,675
Evaluation		-	12,521	12,521	10,430
Computer expenses		2,608	10,170	12,778	8,605
Staff development		450	10,446	10,896	7,380
Printing and photocopying		4,183	10,723	14,906	6,937
Wellness project - Dragon Den		-	-	-	7,985
Office supplies		656	7,554	8,210	7,032
ISAP GST		7,044	23	7,067	6,194
Professional fees	1,000	-	9,676	10,676	6,018
Recruitment	291	145	3,857	4,293	4,001
Insurance	1,585	-	4,333	5,918	3,817
Memberships		2,000	1,890	3,890	1,200
Medical supplies		-	5,029	5,029	779
Program expenses	5,075	-	7,589	12,664	628
Postage and courier		13	131	144	386
Bank charges		-	205	205	347
Board/volunteer expense	-	-	-	-	207
	<u>84,543</u>	<u>981,295</u>	<u>2,347,928</u>	<u>3,413,766</u>	<u>3,452,289</u>
Deduct - Allocation of expenses	<u>-</u>	<u>-</u>	<u>(183,296)</u>	<u>(183,296)</u>	<u>(195,028)</u>
	<u>\$ 84,543</u>	<u>\$ 981,295</u>	<u>\$ 2,164,632</u>	<u>\$ 3,230,470</u>	<u>\$ 3,257,261</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 - LANGUAGE SERVICES**

**YEAR ENDED MARCH 31, 2019**

	2019	2018
<b>REVENUES</b>		
Interpretation fees	\$ 3,334,860	\$ 2,973,057
Miscellaneous income	<u>61,881</u>	<u>-</u>
	3,396,741	2,973,057
<b>EXPENSES</b>		
Interpreter's fees	2,577,369	2,340,191
Salaries, benefits and relief	397,316	310,562
Telecommunication	44,584	48,555
Rent and accommodation	25,347	26,864
Computer	17,524	16,509
Administration	15,000	15,000
Promotion and publicity	14,332	9,181
Purchased services	7,883	28,253
Bank charges	6,071	732
Consultants	5,590	5,766
Office supplies	4,316	3,152
Professional fees	3,767	26,893
Resources/materials	2,319	30
Leaseholds improvements, furniture and equipment	1,934	812
Meeting expenses	1,561	13,284
Bookkeeping	1,287	1,031
Printing and photocopying	1,030	1,301
Travel and transportation	1,023	1,266
Postage and courier	697	813
Memberships	665	5,707
Event expense	111	149
Staff development	88	1,176
Recruitment	(65)	1,079
Training	-	156
Amortization	<u>6,440</u>	<u>-</u>
	<u>3,136,189</u>	<u>2,858,462</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	260,552	114,595
Transfer to Restricted Funds - Contingency (note 7)	<u>(260,552)</u>	<u>(114,595)</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 CASH FLOWS**

**YEAR ENDED MARCH 31, 2019**

	2019	2018
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>308,507</u>	\$ <u>112,637</u>
Adjustments for:		
Amortization	<u>6,440</u>	<u>-</u>
Changes in non-cash working capital:		
Decrease in payable to LHIN/MOH	-	(24,486)
Increase in accounts and grants receivable	(89,137)	(5,862)
Decrease (increase) in prepaid expenses and deposits	25,944	(22,909)
Increase (decrease) in accounts payable and accrued liabilities	(8,718)	41,216
Increase (decrease) in deferred grant revenue	(301,887)	332,804
Increase in temporary investment	<u>(19,001)</u>	<u>(42,892)</u>
	<u>(392,799)</u>	<u>277,871</u>
Cash flow from operating activities:	<u>(77,852)</u>	<u>390,508</u>
Cash flow from financing activities:		
Decrease in capital contributions from funders - net	(61,849)	(32,612)
Increase in NAHOM Berhane Scholarship Trust Fund	<u>(2,672)</u>	<u>(5,025)</u>
	<u>(64,521)</u>	<u>(37,637)</u>
Cash flow from investing activities:		
Decrease in capital assets	<u>32,873</u>	<u>32,612</u>
Net increase (decrease) in cash and cash equivalents	(109,500)	385,483
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>989,388</u>	<u>603,905</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ 879,888</u>	<u>\$ 989,388</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, 2019

### 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

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**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**(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	2019 Net	2018 Net
Furniture and equipment	\$ 425,534	\$ 414,662	\$ 10,872	\$ 5,388
Computer equipment	715,595	670,372	45,223	35,847
Computer software	85,606	85,606	-	-
Leasehold improvements	3,680,848	3,521,616	159,232	213,681
Telephone software	55,366	55,366	-	-
Medical equipment	219,971	218,722	1,249	973
Automobile	<u>30,115</u>	<u>30,115</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,213,035</u>	<u>\$ 4,996,459</u>	<u>\$ 216,576</u>	<u>\$ 255,889</u>

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**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**3. LEASE COMMITMENT**

As at March 31, 2019 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:

2020 -	\$ 833,106
2021 -	714,073
2022 -	477,529
2023 -	477,529
2024 and thereafter	<u>1,813,762</u>
	<u>\$ 4,315,999</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:

	2019	2018
Other Funders	\$ 645,253	\$ 976,571
LHIN'S/MOHLTC	228,386	228,386
United Way Toronto	<u>87,360</u>	<u>57,929</u>
	<u>\$ 960,999</u>	<u>\$ 1,262,886</u>

**5. RESTRICTED FUNDS - PROPERTY AND EQUIPMENT**

	2019	2018
<b>BALANCE - Beginning of year</b>	\$ 65,842	\$ 65,842
Acquisition of Property and Equipment		
- Local Health Integration		
- Network and ISAP	89,454	126,347
Capital contributions from funders (note 9)	(60,478)	(126,347)
Deduct - Amortization for the year	<u>(6,440)</u>	<u>-</u>
<b>BALANCE - End of year</b>	<u>\$ 88,378</u>	<u>\$ 65,842</u>

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**ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES**

**(a charitable organization)  
NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**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.

	2019	2018
<b>BALANCE - Beginning of year</b>	\$ 545,269	\$ 490,269
- Language services surplus	<u>86,851</u>	<u>55,000</u>
<b>BALANCE - End of year</b>	\$ <u>632,120</u>	\$ <u>545,269</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.

	2019	2018
<b>BALANCE - Beginning of year</b>	\$ 409,652	\$ 348,625
Excess of revenues over expenditures - Community Projects		
Capital contributions for funders (note 9)	60,478	126,347
Purchase of capital assets	(89,454)	(126,347)
Language services surplus	86,850	55,000
Transfer to/from other funds	47,955	6,027
Amortization	<u>6,440</u>	<u>-</u>
<b>BALANCE - End of year</b>	\$ <u>521,921</u>	\$ <u>409,652</u>

**8. INTERNALLY RESTRICTED FUNDS - HEALTH WITH DIGNITY**

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

	2019	2018
<b>BALANCE - Beginning of year</b>	\$ 231,201	\$ 234,591
- Language services surplus (deficit)	86,851	4,595
- Transfer to/from other funds re: Dragon Den	<u>-</u>	<u>(7,985)</u>
<b>BALANCE - End of year</b>	\$ <u>318,052</u>	\$ <u>231,201</u>

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ACCESS ALLIANCE MULTICULTURAL HEALTH AND COMMUNITY SERVICES

(a charitable organization)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

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:

	2019	2018
BALANCE - Beginning of year	\$ 263,247	\$ 295,859
Contributions received	60,478	126,347
Amortization	<u>(122,327)</u>	<u>(158,959)</u>
BALANCE - End of year	\$ <u>201,398</u>	\$ <u>263,247</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 \$168,984 (2018 - \$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 \$ 6,940,592 (\$6,575,876), accounts payable and accrued liabilities would have been \$ 392,567 (2018 - \$412,084) and restricted assets would have been \$1,391,487 (2018 - \$1,072,181).