# 2016 / 17 ANNUAL REPORT

PACE

LIVE YOUR LIFE

PACE is a charitable, non-profit community support service organization established in 1981 to provide support services to adults with disabilities who choose to live independent lives.

PACE provides support services to more than 325+ individuals, who have a variety of disabilities including multiple sclerosis, cerebral palsy, spinal cord injuries, acquired brain injuries, muscular dystrophy and Huntington disease.

# DISTRIBUTION OF PACE SERVICE DELIVERY


**1. PACE HEAD OFFICE**
970 Lawrence Avenue West, Suite 210
Toronto, ON M6A 3B6

**2. BATHURST/PRINCE CHARLES**
3270 Bathurst Street
Toronto, ON M6A 3A8

**3. BELLO HORIZONTE**
1500 Keele Street, Suite 206
Toronto, ON M6N 5A9

**4. BROADWAY**
12 Broadway Avenue, Unit 107
Toronto, ON M4P 3G9

**5. CABOTO TERRACE**
3050 Dufferin Street, Suite 107
Toronto, ON M6B 4G3

**6. EDWARDS MANOR**
340 Royal York Road, Unit 317
Toronto, ON M8Y 2P9

**7. HENRY LANE**
25 Henry Lane Terrace, Unit 442
Toronto, ON M5A 4B6

**8. PANAM/JOANNE WILSON PROGRAM**
310 – 20 Palace Street
Toronto, ON M5A 0J4

**9. PAULA CASSIN LEARNING CENTRE**
300 New Toronto Street, Unit 1
Toronto, ON M8V 2E8

**10. WINDWARD COOPERATIVE**
34 Little Norway Crescent, Suite 310
Toronto, ON M5V 3A3

**SUPPORTIVE HOUSING LOCATIONS**

**CURRENT ATTENDANT OUTREACH SERVICE AREA**

# WHAT WE DO

## Supportive Housing Services

The Supportive Housing Program provides essential support services to eligible individuals living in one of PACE's designated supportive housing locations. This program supports adults with physical disabilities to live independently in the community.

PACE staff are available to provide support 24-hours per day seven days a week for pre-booked daily services as well as unscheduled, urgent services in all of our supportive housing sites. Clients live in their own apartments and a landlord/tenant relationship exists so the Client maintains a lease not connected to PACE services.

## Attendant Outreach Services

PACE provides personal support services associated with the activities of daily living (similar to those provided at the Supportive Housing sites) at the Client's home, school or workplace. These services are provided throughout Toronto between the hours of 6:00 a.m. and midnight. Services are provided on a pre-booked basis.

### FEE FOR SERVICE PROGRAM

These personal support services are pre-scheduled on a temporary basis to meet the needs of people with disabilities.

## Enhanced Services at Bello Horizonte

The PACE Bello Horizonte location supports two groups of people:

- those with Huntington disease (HD) (this part of the program is unique in Toronto and Canada),
- and people who require enhanced services as well as support services.

PACE staff provide information to Clients to assist them to make healthy and safe decisions about their services. Also, life skills – such as banking, shopping, nutrition, social/recreational, education/volunteering are available. Assistance connecting with community agencies and resources is also provided to Clients who want it.

### HUNTINGTON DISEASE (HD) DROP-IN PROGRAM

This is a free monthly event for people living with HD and their family members to socialize and connect with other members of the HD community.

### HUNTINGTON DISEASE (HD) COMMUNITY PROGRAM

PACE provides community-based support services for adults living with the effects of HD. Services are provided in clients' homes throughout Toronto and on a pre-booked basis.

Specific to HD support, services are provided that are customized to address individual needs. These could include physical, cognitive and psychiatric challenges that a person with HD may experience.

# WHAT WE DO (continued)

## Services for individuals living with the effects of an Acquired Brain Injury (ABI)

PACE offers day programs, supportive housing and community-based support services for adults living with the effects of an acquired brain injury.

### ABI SUPPORTIVE HOUSING

Supportive housing for adults living with the effects of an acquired brain injury is provided at our Edwards Manor location. This is an integrated community apartment complex in south Etobicoke where PACE provides 24-hour support to these individuals living in their own studio apartment.

Support services include personal, general and wellness assistance. Specific to ABI support, enhanced services are provided that are customized to address individual life skill, cognitive and behavioural needs.

We work with each individual to set goals that determine the scope of the individual supports to be provided. Individuals learn or relearn ways to live independently again.

### ABI DAY PROGRAMS

Our day programs are held at the wheel-chair accessible Paula Cassin Learning Centre and offer learning opportunities/training, recreational activities and social support. Our programs are designed to meet the needs of our Clients and are created with Client and staff input. The programs provide opportunities to learn and practice new skills and/or to “re-learn” and practice old skills and information impacted by the ABI.

Clients are partnered with Coaches, who help define clear goals, keep them on track, and provide extra support if needed. Once a Client has successfully acquired their skill they can then apply (if they choose to) for our Community program to work with a Coach to help them transfer that skill to their home or community.

### ABI COMMUNITY-BASED SUPPORT SERVICES

Following the assessment process, recommendations, and a plan for specific individualized service needs and goals are developed. Depending on the goals that have been established, the length of the program could be 6-12 weeks long. Further assessments may be conducted on an as-needed basis. Service is provided in the home or community once or twice a week (depending on the needs).

## Client Resource Services

PACE provides practical support to its Clients. The support provided can be system navigation, information, resources, education, and support in the adjustment to having an evolving disability. Staff meets with Clients in their home or in the community, wherever assistance is required.

# PACE BY THE NUMBERS

## BUDGET FOR 2017/18

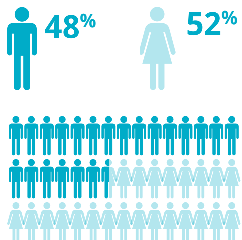
**$14,603,953**

## TOTAL NUMBER OF EMPLOYEES

**326**

## CLIENT DEMOGRAPHICS

**GENDER**



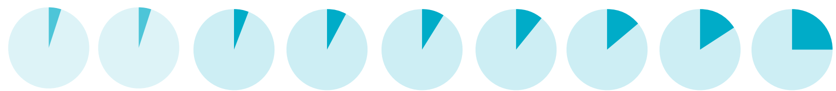
48% (male)

52% (female)

**AGE**

| | |
|---|---|
| 18-39 | 22% |
| 40-64 | 51% |
| 65 & over | 27% |

## PRIMARY CLIENT DISABILITIES



| | |
|---|---|
| Huntington Disease | 5% |
| Arthritis/ Rheumatic conditions | 5% |
| Spina Bifida | 6% |
| Multiple Sclerosis | 8% |
| Acquired Brain Injury | 9% |
| Spinal Cord Injury | 11% |
| Stroke | 14% |
| Cerebral Palsy | 16% |
| OTHER (a wide variety of conditions) | 25% |

## NUMBER OF CLIENTS SUPPORTED* BY PROGRAM

| | |
|---|---|
| Supportive Housing | 111 |
| Attendant Outreach | 128 |
| Client Resources | 77 |
| Community and Day Programs | 56 |

(*Some clients receive services through more than one program.)

For detailed financial information, see the 2016/17 Annual Report online at *www.pace-il.ca/sites/pace-il.ca/files/AnnualReport2016*

# THE YEAR IN REVIEW

## The following are highlights of our key accomplishments over this past year aligned to our previous strategic plan.

### AGENCY OF CHOICE:

- Our Client Satisfaction survey final report was received and analyzed. Clients and frontline staff were actively engaged in selecting the program-specific priorities for improvement, the action plans to be implemented and the approach for evaluating outcomes.
- The PanAm supportive housing program opened in May/June 2016.
- Collaboration with the (Clarendon) Client Transition Advisory committee to ensure that client satisfaction levels increased and were sustained at the two supportive housing programs.
- The West Park development project efforts continued although progress has been delayed.
- Creation and implementation of the quality improvement and communications plans.

### ORGANIZATIONAL VITALITY:

- Created PACE's brand strategy through an extensive consultation process. The promise to clients, "Live *Your* Life" is now reflected in the new PACE logo.

### SAFETY, QUALITY & SERVICE EXCELLENCE

- Expanded knowledge in the area of mental health through training of management and front-line staff.
- Continued implementation of Gold Care is contributing to increased efficiency and effectiveness in staff and client service scheduling management and Human Resources information management.
- Received "Exemplary" rating from Accreditation Canada.

### INNOVATIVE LEADERSHIP

- Developed/implemented a new performance management process for Management and Administrative staff.
- Strengthened the change management capacity of the Senior Leadership team.
- Created the new strategic plan for 2017-2020 – mission, vision, values, and strategic objectives.

# STAFF YEARS OF SERVICE

## 30 Years

| | |
|---|---|
| Oliver Moodie | Caboto |
| Viviene Ellis | Windward |
| Shirley Rokos | Head Office |
| Marvet Forrester | Caboto |

## 25 Years

| | |
|---|---|
| Mcrena Constantine | Caboto |
| Kim Knox | Head Office |
| Romeo DiCamillo | Head Office |
| Rhonda Sutton | Bathurst |
| Tina Gibbons | Bathurst |

## 20 Years

| | |
|---|---|
| Michael Dow | Bello1 |
| Michael Wise | Bello2 |
| Matthew Guard | Bello1 |
| Glenda Roy | Bathurst |
| Loveita Perry | Bello1 |
| Nigist Tamiru | Outreach |
| Christopher Duda | Head Office |
| Bernadette Cyrus | Outreach |
| Maunda Williams | Head Office |
| Minda Loberiano | Broadway |
| Beverley Fraser | Windward |
| Anne Alexis | Outreach |
| Elizabeth Turner | Outreach |
| Garth Samuels | Outreach |

## 15 Years

| | |
|---|---|
| Adekunle Okeyinka | Bathurst |
| Esther Idowu | Head Office |
| Stephen Kusi-Ankrah | PanAm/Joanne Wilson Program |
| Pauline Nelson | Bathurst |
| Robert Vibert | Bello1 |

## 10 Years

| | |
|---|---|
| Belisa Paulo | Bello2 |
| Rachel Walker | Bello2 |
| Michael Posthumus | Windward |
| Lori Sabean | Outreach |
| Richard Stafford | Bello1 |
| Sobb Pedro | Outreach |

## 5 Years

| | |
|---|---|
| Annmarie Bernard | Outreach |
| Frank Yiadom | Bello1 |
| Heather Sloan | Outreach |
| Adewale Adeleke | Outreach |
| Akin Adegbola | Outreach |
| Joel Magtulis | Outreach |

# MESSAGE FROM BOARD CHAIR

I am pleased to share that PACE has had another eventful and successful year. It has been a year of significant change and substantial accomplishment.

One of the most impactful changes that took place over this past year was that, after more than twenty-five years of dedicated and passionate service to PACE, Joanne Wilson retired as our Executive Director. To honour Joanne's significant contributions to PACE, we will be renaming the PanAm Supportive Housing program to the Joanne Wilson Program.

Working together with a search firm, the board's human resources committee was responsible for leading the search process for Joanne's replacement and of ensuring a smooth transition between Joanne's departure and the new Executive Director's onboarding. We were very fortunate to have recruited Laura Visser as our new Executive Director. Laura has hit the ground running and through her leadership and partnership with both the Senior Leadership Team and the Board Strategic Planning Committee, PACE has a new strategic plan and a new logo.

PACE Leadership and the Board Integrations and Partnerships Committee had another busy year exploring possibilities and proposals from potential partners. In each case, we remained committed to identifying opportunities that would deliver value-added benefits for our clients, strengthen the organization, and enhance the sustainability of PACE going into the future. Our discussions with Amico, the developer leading the West Park non-hospital development project continue and, although there have been delays in this project overall, we are hopeful of progress in the coming year. In addition, PACE has actively participated in the work of the Central and Toronto Central LHINs, including the advancement of the neighbourhood and population-based care and strengthening the delivery of integrated community care.

Another significant accomplishment this year was the successful completion of our Accreditation Canada survey. I am proud to share that PACE received a final rating of accredited with exemplary standing. This is the highest level of accreditation and is awarded to organizations that go beyond the requirements of Accreditation Canada and demonstrate excellence in quality improvement.

As in any year, there are people changes as a part of a normal course of business. Four of our current board members complete their roles as Directors at the end of this board year: Lew Boles, Lauren Ettin, Jeremy Grafstein and Greg Kaplan. The nominations committee selected four very strong individuals to join the Board and we welcome these new Directors: Crystal Chin, Marsha Josephs, Todd Kilpatrick, and Laura Tamblyn Watts.

We are excited to build on the momentum the organization has generated and for the opportunities that lie ahead. On behalf of the Board of Directors, thank you for your continued contribution, partnership and support.

Bill Noble
**Chair, Board of Directors**


JAMAICAN
RUN real
but Trini
Throw
Rel Wood

# MESSAGE FROM EXECUTIVE DIRECTOR

Since January, I have had the great honour of serving as Executive Director for PACE Independent Living – and the daily privilege of working with a strong, vibrant team of passionate individuals who are united in their commitment to providing outstanding support to the clients we serve.

One of my first priorities was to have conversations with clients of each program, team members from across the organization, and attendant service and health system partners in both the Central and Toronto Central Local Health Integration Networks (LHINs). Through these discussions, common themes emerged:

- our clients see PACE as a leader among service providers, particularly with respect to honouring client choice - and they want us to continue to strengthen how we deliver service;
- our staff see PACE as a leader among employers - and they want us to get even stronger by remaining focused on continuous quality improvement and innovation; and
- our partners see PACE as a respected and trusted system leader - and they want us to continue to collaborate to create better ways of meeting client, population and system needs.

The importance for PACE to continuing to have the courage to challenge the status quo was also strongly reinforced through the input received from clients and staff as part of the strategic planning process. The organization's new three-year strategic plan reflects and responds to this resounding call to action. In 2017/18, a primary focus will be on actions designed to increase client-perceived quality of service; to further strengthen how frontline and management team members work together, and to maximize the amount of high-quality service that can be sustainably delivered to clients. This work will reinforce an already solid foundation upon which PACE can continue to evolve, innovate and partner.

The health care system (including home and community support services), the expectations for PACE and other service providers, and the needs of current and potential future clients are all continuing to evolve. Going forward, our partnership and collaboration efforts will be focused on advancing expanded support service options for people with disabilities, creating new solutions to existing service gaps and barriers in Ontario, and contributing to improving how people connect to and move through the broader system of health services and supports they need to live independently in the community.

I would like to thank our clients, staff, Board of Directors and partners for the warm welcome and support during my first months at PACE. I am excited about the future of PACE and look forward to working with the PACE team, and with existing and new partners, to create new and better ways of making a tangible differences in the lives of our current and future clients.

Laura Visser
**Executive Director**

Laura Visser

# PACE STRATEGIC PLAN

## VISION

Independence and choice – options for everyone.

## MISSION

To deliver excellent support services to people with disabilities so they can live their lives.

## VALUES

### RESPECT

We embrace all differences and treat every person with dignity and courtesy.

### CLIENT CHOICE

We honour each client's right to direct their services to the extent that they can.

### COURAGE

We make the choices needed to evolve and thrive.

### INTEGRITY

We keep our promises and meet our commitments.

### TEAMWORK

We work together and with partners to provide the best client experience.

## PROMISE TO CLIENTS

LIVE *YOUR* LIFE

# PACE STRATEGIC PLAN (continued)

## OUR PRIORITIES

| Deliver Top Quality Services | Create the Strongest Team | Sustain Organizational Vitality | Demonstrate Service Leadership | Provide System Leadership & Partnership |
|---|---|---|---|---|
| **OUR GOALS** | | | | |
| • Recognized by clients for consistently providing excellent and safe client experiences. | • Staff and management to work together as a team – demonstrating trust, healthy dialogue as well as shared commitment, accountability and results. | • Maximize the amount of service that can be delivered without compromising quality.<br>• Achieve sustainable and optimized Human Resources.<br>• Enhance organizational resilience through efficient, effective and responsive corporate support. | • Increase access to address unmet attendant service needs in the Central and Toronto Central LHIN.<br>• Evolve and expand services in response to emerging client needs and support requests. | • Increase attendant service capacity through the creation of solutions to existing system gaps.<br>• Actively participate in advancing integrated and population-based health care initiatives in a manner that respects PACE's commitment to client-choice. |

## ENABLERS

- Communication and engagement
- Partnership and collaboration
- Change management
- Performance monitoring and reporting

# FINANCIAL STATEMENTS

KPMG

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of PACE Independent Living

We have audited the accompanying financial statements of PACE Independent Living, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

*Auditors' 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 judgment, 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 audit opinion.





*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of PACE Independent Living as at March 31, 2017, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 12, 2017
Vaughan, Canada

# STATEMENT OF FINANCIAL POSITION

March 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,562,663 | $ 1,303,835 |
| Accounts receivable | 76,934 | 138,711 |
| Prepaid expenses | 88,436 | 97,726 |
| | 1,728,033 | 1,540,272 |
| Capital assets (note 2) | 26,866 | 13,123 |
| | $ 1,754,899 | $ 1,553,395 |
| **Liabilities, Deferred Contributions and Net Assets** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 1,468,298 | $ 1,317,917 |
| Due to MOHLTC-LHIN | 340,912 | 351,335 |
| | 1,809,210 | 1,669,252 |
| Deferred contributions: | | |
| Expenses of future periods (note 3(a)) | 136,090 | 89,141 |
| Capital assets (note 3(b)) | 26,866 | 13,123 |
| | 162,956 | 102,264 |
| Net assets: | | |
| Unrestricted | (217,267) | (218,121) |
| Invested in capital assets (note 4) | – | – |
| | (217,267) | (218,121) |
| Commitments and contingencies (note 6) | | |
| | $ 1,754,899 | $ 1,553,395 |

See accompanying notes to financial statements.

On behalf of the Board:

_________________ Director

_________________ Director

# STATEMENT OF OPERATIONS

Year ended March 31, 2017, with comparative information for 2016

| | Supportive Housing | Attendant Outreach | Acquired Brain Injury | Administration and other | 2017 Total | 2016 Total |
|---|---|---|---|---|---|---|
| Revenue: | | | | | | |
| Eligible expenditures reimbursed | $ 7,955,740 | $ 3,170,205 | $ 1,349,566 | $ 2,005,753 | $ 14,481,264 | $ 12,429,188 |
| Personal support services recovery | (96,433) | (4,141) | (18,671) | – | (119,245) | (138,573) |
| Interest | – | – | – | 10,469 | 10,469 | 9,537 |
| Other | 62,072 | 122,637 | – | 34,964 | 219,673 | 141,733 |
| Amortization of deferred contributions related to capital assets | – | – | – | 11,792 | 11,792 | 3,281 |
| | 7,921,379 | 3,288,701 | 1,330,895 | 2,062,978 | 14,603,953 | 12,445,166 |
| Expenses: | | | | | | |
| Employee salaries and wages | 6,181,254 | 2,633,939 | 989,542 | 1,264,790 | 11,069,525 | 9,289,313 |
| Employee benefits | 1,232,150 | 512,213 | 131,524 | 236,424 | 2,112,311 | 1,822,935 |
| Supplies | 72,840 | 2,645 | 17,249 | 31,597 | 124,331 | 108,119 |
| Sundry | 150,280 | 41,021 | 39,867 | 301,218 | 532,386 | 581,081 |
| Equipment | 75,805 | 27,596 | 35,367 | 59,935 | 198,703 | 216,418 |
| Building and grounds | 208,649 | 71,781 | 95,205 | 156,481 | 532,116 | 401,168 |
| Contracted out | – | – | 21,935 | – | 21,935 | 22,595 |
| | 7,920,978 | 3,289,195 | 1,330,689 | 2,050,445 | 14,591,307 | 12,441,629 |
| Excess (deficiency) of revenue over expenses before amortization of capital assets | 401 | (494) | 206 | 12,533 | 12,646 | 3,537 |
| Amortization of capital assets | – | – | – | (11,792) | (11,792) | (3,281) |
| Excess (deficiency) of revenue over expenses | $ 401 | $ (494) | $ 206 | $ 741 | $ 854 | $ 256 |

See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2017, with comparative information for 2016

| | Unrestricted | Invested in capital assets (note 4) | 2017 Total | 2016 Total |
|---|---|---|---|---|
| Net assets, beginning of year | $ (218,121) | $ – | $ (218,121) | $ (218,377) |
| Excess of revenue over expenses | 854 | – | 854 | 256 |
| Net assets, end of year | $ (217,267) | $ – | $ (217,267) | $ (218,121) |

See accompanying notes to financial statements.

## STATEMENT OF CASH FLOWS

Year ended March 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | $ 854 | $ 256 |
| Items not involving cash: | | |
| Amortization of capital assets | 11,792 | 3,281 |
| Amortization of deferred contributions related to capital assets | (11,792) | (3,281) |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 61,777 | (16,713) |
| Prepaid expenses | 9,290 | (60,547) |
| Accounts payable and accrued liabilities | 150,381 | 309,140 |
| Deferred contributions relating to expenses of future periods | 46,949 | 48,967 |
| Due to MOHLTC-LHIN | (10,423) | 99,281 |
| | 258,828 | 380,384 |
| Financing activities: | | |
| Deferred capital contributions received | 25,535 | 16,404 |
| Investing activities: | | |
| Acquisition of capital assets | (25,535) | (16,404) |
| Increase in cash and cash equivalents | 258,828 | 380,384 |
| Cash and cash equivalents, beginning of year | 1,303,835 | 923,451 |
| Cash and cash equivalents, end of year | $ 1,562,663 | $ 1,303,835 |

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2017

PACE Independent Living (the "Organization") is a charity incorporated as a corporation without share capital in the Province of Ontario. The Organization provides support services to adults with physical disabilities.

As provided under the Local Health System Integration Act 2006, effective July 1, 2010, the Ministry of Health and Long-Term Care ("MOHLTC") assigned to the Local Health Integration Network ("LHIN") all its rights, duties and obligations under its 2014-2017 Multi-Sector Accountability Agreement ("M-SAA") with the Health Service Providers ("HSP"). M-SAA is aligned with the MOHLTC's transforming agenda and will enable the LHIN to take on full responsibility for planning, funding and integrating health services in the LHIN area, which includes the HSP. The Organization is assigned into the Central LHIN and Toronto Central LHIN.

Effective September 1, 2015, the Toronto Central LHIN approved the transfer of services from Clarendon Foundation (Cheshire Homes) Inc. ("Clarendon") to the Organization. All services previously offered would continue under the Organization's ownership, with all funding previously meant for Clarendon also transferring to the Organization. The services transferred fall under the Toronto Central LHIN.

**1. Significant accounting policies:**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for grants and contributions.

The Organization's programs are principally funded through MOHLTC-LHIN under program budgets subject to annual review. Grants are recorded as receivable when approved by the MOHLTC-LHIN and are recognized as revenue in the year the expenditure relating to the grant is incurred. Grants relating to expenditures to be incurred in periods subsequent to year end are recorded as deferred contributions. Grants are provided for each program of the Organization (Supportive Housing, Attendant Outreach and Acquired Brain Injury). Any amount under-spent in a program from the approved grant is returned to the MOHLTC-LHIN in the next fiscal year. Any expenses incurred by a program in excess of the approved grant are borne by the program.

Year ended March 31, 2017

**1. Significant accounting policies (continued):**

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash and term deposits with an initial maturity of 90 days or less.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Year ended March 31, 2017

1. **Significant accounting policies (continued):**

(d) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization of office furniture and fixtures and computer equipment are provided using the straight-line method over the estimated useful life of five years and three years, respectively.

(e) Donated capital assets, materials and services:

Donated capital assets are recorded at fair value at the time of receipt when fair value can be reasonably estimated. Donated materials and services are not recorded.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and 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 revenue and expenses during the year. Amounts subject to such estimates and assumptions include useful lives of capital assets. Actual results could differ from those estimates.

2. **Capital assets:**

| | | | 2017 | 2016 |
|---|---|---|---|---|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Office furniture and fixtures | $ 68,630 | $ 58,788 | $ 9,842 | $ 13,123 |
| Computer equipment | 25,535 | 8,511 | 17,024 | – |
| | $ 94,165 | $ 67,299 | $ 26,866 | $ 13,123 |

Year ended March 31, 2017

3. **Deferred contributions:**

(a) Expenses of future years:

Deferred contributions related to expenses of future years represent unspent externally restricted grants.

| | 2017 | 2016 |
|---|---|---|
| Balance, beginning of year | $ 89,141 | $ 40,174 |
| Contributions received | 52,249 | 79,614 |
| Amount recognized as income | (5,300) | (30,647) |
| Balance, end of year | $ 136,090 | $ 89,141 |

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of restricted contributions received for, and expended on, the purchase of capital assets.

| | 2017 | 2016 |
|---|---|---|
| Balance, beginning of year | $ 13,123 | $ – |
| Contributions received | 25,535 | 16,404 |
| Amount recognized as income | (11,792) | (3,281) |
| Balance, end of year | $ 26,866 | $ 13,123 |

4. **Net assets invested in capital assets:**

(a) Net assets invested in capital assets are calculated as follows:

| | 2017 | 2016 |
|---|---|---|
| Capital assets | $ 26,866 | $ 13,123 |
| Amounts financed by deferred capital contributions | (26,866) | (13,123) |
| | $ – | $ – |

Year ended March 31, 2017

4. **Net assets invested in capital assets (continued):**

(b) Change in net assets invested in capital assets is calculated as follows:

| | 2017 | 2016 |
|---|---|---|
| Deficiency of revenue over expenses: | | |
| Amortization of deferred contributions related to capital assets | $ 11,792 | $ 3,281 |
| Amortization of capital assets | (11,792) | (3,281) |
| | $ – | $ – |

5. **Employee future benefits:**

(a) The Organization has a defined contribution pension plan which began in May 1994. The plan is for the employees of the UNIFOR, Local 40 and is administered by the Canada-Wide Industrial Pension Plan. The plan provides benefits based on the contributions of the Organization and investment income related by the plan. Benefit levels can change depending on a change in the collective agreement or on the performance of the pension fund. The cost of the plan is recognized based on contributions made during the year. The current year contributions made by the Organization were $91,198 (2016 - $84,904).

(b) The Organization has joined a defined contribution multi-employer pension plan for employees who are members of the Local 1 Service Employees International Union commencing December 1998. It is administered by the Nursing Home and Related Industries Pension Plan. The cost of the plan is recognized based on contributions made during the year. The current year contributions made by the Organization were $102,073 (2016 - $98,699).

(c) The Organization has a defined contribution plan providing pension benefits to eligible management and administrative employees, which began on August 1, 2004. The cost of the plan is recognized based on contributions made during the year. The current year contributions made by the Organization were $105,481 (2016 - $102,861).

(d) The Organization has a Registered Retirement Savings Plan of certain employees of the Ontario Public Service Employees Union Local 593. Employees transferred as part of the new services on September 1, 2015 from Clarendon are enrolled in this plan. The current year contributions made by the Organization were $32,989 (2016 - $20,723).

Year ended March 31, 2017

6. **Commitments and contingencies:**

(a) Commitments:

The Organization is committed to minimum payments under operating leases for premises and office equipment as follows:

| | |
|---|---|
| 2018 | $ 344,956 |
| 2019 | 342,237 |
| 2020 | 176,895 |
| 2021 | 13,389 |
| 2022 | 780 |

(b) Contingencies:

The Organization has an outstanding claim relating to retroactive pay equity legislation relating to the years 2005 to 2009 of approximately $1,100,000. There is agreement with the unions that the amount will only be paid when the MOHLTC-LHIN makes funds available for this purpose or if there are available operating funds. In the current year, payments of $201,934 ($521,934 cumulatively) were made with a remaining outstanding claim of approximately $578,000 (2016 -$780,000).

7. **Economic dependence:**

The Organization's principal funder is the MOHLTC-LHIN. The funding is subject to budget review. In management's opinion, the Organization's ability to continue its programs is dependent on this funding.

Annually, the MOHLTC-LHIN performs a reconciliation between the Organization's allowable expenditures and funds paid during the previous year. The balance due to or from the MOHLTC-LHIN for the year ended March 31, 2017 will not be determined until the MOHLTC-LHIN has reviewed the Organization's financial and statistical returns. The management of the Organization considers the amounts reported to include all proper adjustments for non-allowable costs.

PACE

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