
Financial statements of Tropicana Community Services Organization

March 31, 2018

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Independent Auditor's Report

To the Members of
Tropicana Community Services Organization

We have audited the accompanying financial statements of Tropicana Community Services Organization (the "Organization"), which comprise the balance sheet as at March 31, 2018, the statements of revenue, expenses and changes in fund balances and of 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 the auditor's 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, the auditor considers 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 the Organization as at March 31, 2018 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 12, 2018

Tropicana Community Services Organization

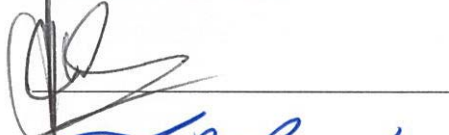
Balance sheet

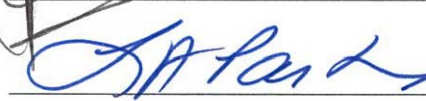
As at March 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Current assets			
Cash and term deposits		92,079	783,818
Amount due from funders	5	374,643	—
Accounts and other receivables		99,190	276,523
Deposits and prepaid expenses		58,461	87,179
		624,373	1,147,520
Capital assets	3	5,761,082	5,902,574
		6,385,455	7,050,094
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	1,065,465	1,176,251
Current portion of long-term debt	4	72,483	72,283
Amount due to funders	5	—	795,385
Deferred revenue	6	501,306	203,135
		1,639,254	2,247,054
Long-term debt	4	1,531,581	1,610,395
Deferred capital grants	7	2,227,821	2,277,292
		3,759,402	3,887,687
Fund balances			
Unrestricted	8	792,194	684,217
Restricted		(252,314)	(198,560)
Capital building fund	9	446,919	429,696
		986,799	915,353
		6,385,455	7,050,094

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

 Director

 Director

Tropicana Community Services Organization

Statement of revenue, expenses and changes in fund balances

Year ended March 31, 2018

	Unrestricted		Restricted						Capital Building Fund	2018 Total	2017 Total	
	General	CAC-NSP	Daycare	TEC	LYVE	Jobs For Youth	The Lab	Trusteed Projects				Total restricted
	\$	\$	\$	\$	\$	\$	\$	\$				\$
Revenue												
City of Toronto fees	2,300	—	692,234	—	—	—	17,410	—	709,644	—	711,944	695,447
City of Toronto grants	146,474	—	102,390	502,665	—	—	—	—	605,055	—	751,529	213,866
Provincial grants	456,214	3,391	—	5,137,784	—	—	—	—	5,137,784	—	5,597,389	5,409,773
Federal grants	34,035	—	6,087	34,167	—	—	—	—	40,254	—	74,289	305,779
United Way	318,725	—	—	477,383	—	—	—	—	477,383	9,363	805,471	808,483
Foundations and others	—	—	—	—	—	—	—	28,600	28,600	—	28,600	—
Membership and donations	26,383	—	200	32,091	—	—	25,091	—	57,382	10,044	93,809	174,509
Parents fees/Fee for Service	35,380	—	57,303	4,639	—	—	—	—	61,942	—	97,322	73,292
Fund raising – general and others	250	—	—	—	—	—	—	—	—	—	250	3,146
Fund raising – spring dance/uplifting spirits	36,681	—	—	—	—	—	—	—	—	—	36,681	25,594
Other income and expense recoveries	255,226	—	—	—	—	—	—	—	—	—	255,226	274,446
Interest income	1,486	—	—	—	—	—	—	—	—	—	1,486	721
Rental income	48,640	—	—	—	—	—	—	—	—	—	48,640	50,824
Amortization of deferred capital grants	49,471	—	—	—	—	—	—	—	—	—	49,471	57,223
	1,411,265	3,391	858,214	6,188,729	—	—	42,501	28,600	7,118,044	19,407	8,552,107	8,093,103
Expenses												
Advertising and promotion	15,811	—	505	46,532	—	—	—	510	47,547	—	63,358	69,221
Fundraising - general and others	—	—	—	—	—	—	—	—	—	—	—	1,132
Fund raising – spring dance/uplifting spirits	9,111	—	—	—	—	—	—	—	—	—	9,111	15,576
Amortization	145,222	—	1,453	19,293	160	—	3,221	—	24,127	2,184	171,533	180,876
Equipment lease	20,298	—	3,819	21,657	—	—	—	—	25,476	—	45,774	49,744
Food	9,177	—	53,907	7,174	—	—	31	280	61,392	—	70,569	68,558
Insurance	15,506	—	2,639	15,003	—	—	—	—	17,642	—	33,148	33,691
Employment service reimbursement	—	—	—	2,153,869	—	—	—	—	2,153,869	—	2,153,869	2,245,607
HRSDC participants' reimbursement	—	—	—	—	6,880	—	—	—	6,880	—	6,880	151,916
Non-recoverable portion of Harmonized Sales T.	11,351	—	3,798	18,553	—	—	8	—	22,359	—	33,710	33,595
Professional fees	55,015	—	9,368	79,127	—	—	—	—	88,495	—	143,510	117,907
Program supplies	29,326	—	14,430	5,829	—	—	—	1,608	21,867	—	51,193	49,394
Rent, utilities, renovations and cleaning	49,541	—	1,979	303,656	—	—	—	1,510	307,145	—	356,686	374,823
Salaries and benefits	1,274,209	—	774,884	2,313,711	(653)	—	—	29,431	3,117,373	—	4,391,582	4,075,012
Special projects	2,387	—	—	225,285	—	—	—	—	225,285	—	227,672	231,470
Stipend	—	—	—	451,986	—	—	—	—	451,986	—	451,986	331,457
Stationery, office supplies and bank charges	128,684	—	20,363	63,468	—	—	185	5,549	89,565	—	218,249	230,514
Telephone	8,847	—	5,634	8,595	—	—	—	—	14,229	—	23,076	18,606
Travel	3,140	—	—	25,488	—	—	—	127	25,615	—	28,755	13,897
	1,777,625	—	892,779	5,759,226	6,387	—	3,445	39,015	6,700,852	2,184	8,480,661	8,292,996
Allocation – administration expenses	(470,946)	—	45,540	425,406	—	—	—	—	470,946	—	—	—
Adjusted total expenses	1,306,679	—	938,319	6,184,632	6,387	—	3,445	39,015	7,171,798	2,184	8,480,661	8,292,996
Excess (deficiency) of revenue over expenses	104,586	3,391	(80,105)	4,097	(6,387)	—	39,056	(10,415)	(53,754)	17,223	71,446	(199,893)
Fund balance, beginning of year	677,410	6,807	202,759	(240,826)	(305,206)	190,128	(27,436)	(17,979)	(198,560)	429,696	915,353	1,115,246
Fund balances, end of year	781,996	10,198	122,654	(236,729)	(311,593)	190,128	11,620	(28,394)	(252,314)	446,919	986,799	915,353

The accompanying notes are an integral part of the financial statements.

Tropicana Community Services Organization

Statement of revenue, expenses and changes in fund balances

Year ended March 31, 2017

	Unrestricted		Restricted						Capital Building Fund	2017 Total	
	General	CAC-NSP	Daycare	TEC	LYVE	Jobs For Youth	The Lab	Trusteed Projects			Total restricted
	\$	\$	\$	\$	\$	\$	\$	\$			\$
Revenue											
City of Toronto fees	—	—	678,382	—	—	—	17,065	—	695,447	—	695,447
City of Toronto grants	76,141	—	104,585	27,740	5,400	—	—	—	137,725	—	213,866
Provincial grants	209,847	3,391	—	5,196,535	—	—	—	—	5,196,535	—	5,409,773
Federal grants	24,259	—	7,119	15,255	259,146	—	—	—	281,520	—	305,779
United Way	318,725	—	—	416,771	53,767	—	—	—	470,538	19,220	808,483
Membership and donations	27,219	—	100	13,515	41,395	—	4,361	65,260	124,631	22,659	174,509
Parents fees/Fee for Service	23,641	—	49,151	425	75	—	—	—	49,651	—	73,292
Fund raising – general and others	3,121	25	—	—	—	—	—	—	—	—	3,146
Fund raising – spring dance/uplifting spirits	25,594	—	—	—	—	—	—	—	—	—	25,594
Other income and expense recoveries	270,437	—	—	4,009	—	—	—	—	4,009	—	274,446
Interest income	721	—	—	—	—	—	—	—	—	—	721
Rental income	50,824	—	—	—	—	—	—	—	—	—	50,824
Amortization of deferred capital grants	57,223	—	—	—	—	—	—	—	—	—	57,223
	1,087,752	3,416	839,337	5,674,250	359,783	—	21,426	65,260	6,960,056	41,879	8,093,103
Expenses											
Advertising and promotion	20,531	—	273	47,577	—	—	—	841	48,691	—	69,222
Fund raising – general and others	1,132	—	—	—	—	—	—	—	—	—	1,132
Fund raising – spring dance/uplifting spirits	15,576	—	—	—	—	—	—	—	—	—	15,576
Amortization	148,865	—	1,062	23,519	362	—	4,339	—	29,282	2,729	180,876
Equipment lease	19,927	—	4,292	21,941	3,584	—	—	—	29,817	—	49,744
Food	8,666	—	53,253	3,148	2,087	—	—	1,404	59,892	—	68,558
Insurance	13,139	—	3,557	15,476	1,267	—	—	252	20,552	—	33,691
Employment service reimbursement	—	—	—	2,245,607	—	—	—	—	2,245,607	—	2,245,607
HRSDC participants' reimbursement	—	—	—	—	151,916	—	—	—	151,916	—	151,916
Non-recoverable portion of Harmonized Sales Tax	9,206	—	5,857	17,834	698	—	—	—	24,389	—	33,595
OSJS reimbursement	—	—	—	—	—	—	—	—	—	—	—
Professional fees	33,225	—	9,048	70,506	4,858	—	270	—	84,682	—	117,907
Program supplies	9,193	—	17,589	14,313	4,569	—	—	3,730	40,201	—	49,394
Rent, utilities, renovations and cleaning	96,115	—	14,713	240,041	16,764	—	—	7,190	278,708	—	374,823
Salaries and benefits	1,201,768	—	695,759	1,970,318	161,296	—	—	45,871	2,873,244	—	4,075,012
Special projects	—	—	1,429	230,041	—	—	—	—	231,470	—	231,470
Stipend	—	—	—	331,457	—	—	—	—	331,457	—	331,457
Stationery, office supplies and bank charges	120,004	—	54,978	47,262	6,437	—	—	1,833	110,510	—	230,514
Telephone	9,443	—	2,210	6,035	918	—	—	—	9,163	—	18,606
Travel	2,904	—	283	9,396	64	—	—	1,250	10,993	—	13,897
	1,709,694	—	864,303	5,294,470	354,820	—	4,609	62,371	6,580,573	2,729	8,292,996
Allocation – administration expenses	(504,888)	—	48,000	400,175	43,068	—	6,420	7,225	504,888	—	—
Adjusted total expenses	1,204,806	—	912,303	5,694,645	397,888	—	11,029	69,596	7,085,461	2,729	8,292,996
Excess (deficiency) of revenue over expenses	(117,054)	3,416	(72,966)	(20,395)	(38,105)	—	10,397	(4,336)	(125,405)	39,150	(199,893)
Fund balance, beginning of year	794,464	3,391	275,725	(220,431)	(267,101)	190,128	(37,833)	(13,643)	(73,155)	390,546	1,115,246
Fund balances, end of year	677,410	6,807	202,759	(240,826)	(305,206)	190,128	(27,436)	(17,979)	(198,560)	429,696	915,353

The accompanying notes are an integral part of the financial statements.

Tropicana Community Services Organization

Statement of cash flows

Year ended March 31, 2018

	2018	2017
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	71,446	(199,893)
Items not affecting cash		
Amortization of deferred capital grant	(49,471)	(57,223)
Amortization of capital assets	171,533	180,876
	193,508	(76,240)
Changes in non cash working capital items		
Accounts and other receivables	177,333	(182,870)
Deposits and prepaid expenses	28,718	151
Accounts payable and accrued liabilities	(110,786)	66,173
Amount due to funders	(1,170,028)	150,708
Deferred revenue	298,171	(254,526)
	(583,084)	(296,604)
Investing activity		
Purchase of capital assets	(30,041)	(6,490)
Financing activity		
Long-term debt	(78,614)	(76,476)
	(691,739)	(379,570)
Decrease in cash and term deposits	(691,739)	(379,570)
Cash and term deposits, beginning of year	783,818	1,163,388
Cash and term deposits, end of year	92,079	783,818
Cash and term deposits comprise the following		
Cash	(12,961)	678,778
Term deposits	105,040	105,040
	92,079	783,818
Supplementary cash flow information		
Interest paid	65,165	66,701

The accompanying notes are an integral part of the financial statements.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

1. Purpose of Organization

Tropicana Community Services Organization (the "Organization") is a charitable organization providing culturally appropriate social services in east Toronto, focusing on the needs of youth and the Caribbean and Black communities.

Through the cooperative efforts of staff, volunteers and community partners, the Organization provides counseling and other support programs to have an enduring positive impact in building a healthier community, by enhancing self-reliance and self-worth.

The Organization is a charitable organization under the Income Tax Act and, therefore, is not subject to either Federal or Provincial income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit organizations, using the restricted method of recognizing restricted contributions, and reflect the following policies:

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates:

Buildings	Straight-basis over 50 years
Machinery and equipment	20% declining-balance
Computer equipment	33.33% declining-balance

Leasehold improvements are amortized on the straight-line basis over the term of the leases.

Revenue recognition

Restricted donations and grants are recognized as revenue of the appropriate restricted funds. All other restricted donations and grants for which no restricted funds have been established are deferred and recognized as revenue of the General Fund in the years in which the related expense are incurred. Unrestricted donations or grants are recognized as revenue of the General Fund.

Allocation of expenses

The Organization does not allocate administration expenses to functions; instead, it records such expenses in a separate account and then re-allocates the total to the various programs based on amounts allowed in the budget by the funders.

Fund balance

Upon completion of each program and subsequent final settlement with the primary funding agency, any remaining fund balance is transferred into the General Fund balance, or as contracted with the Funder, included in the appropriate Restricted Fund.

Donated services

The work of the Organization is dependent on the voluntary services of many members. Due to the difficulty of determining the fair value of these services, they are not recognized in these financial statements and no official receipts are therefore issued.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for term deposits. The Organization has elected to use the fair value option to measure term deposits, with any subsequent changes in fair value recorded in the Statement of revenue, expenses and changes in fund balances.

Deferred capital grants

Amounts received for the purchase of capital assets are recorded as deferred capital grants and are amortized at the same rate as the related capital assets.

3. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	700,000	-	700,000	700,000
Building	5,329,423	483,992	4,845,431	4,952,701
Furniture and equipment	677,841	551,530	126,311	157,061
Computer equipment	806,498	735,425	71,073	69,979
Leasehold improvements	358,741	340,474	18,267	22,834
	7,872,503	2,111,421	5,761,082	5,902,574

The Organization purchased its own building on February 17, 2012. Amortization of the building commenced upon occupancy on July 1, 2013.

The Ministry of Children and Youth Services (the "Ministry") agreed to assist the Organization by providing funds for the acquisition and renovation of the premises for use to operate the program approved by and/or funded by the Ministry. The amount contributed was \$2,000,000, of which \$700,000 was for the purchase of the land and was received and recorded in the Statement of changes in fund balances during the 2012 fiscal year. The remaining \$1,300,000 is included in deferred capital grant (Note 7).

4. Long-term debt

On February 14, 2012, the Organization entered into a fixed rate loan agreement with the Royal Bank of Canada. The original principal amount was \$940,000 and bore an annual interest rate of 3.70%. The loan was repayable by consecutive monthly blended payments of \$5,548, including interest, based on a 240-month amortization. On February 17, 2015, this loan agreement was renewed for a 36-month term with a principal amount of \$842,462 and bore an annual interest rate of 3.20%. The loan was repayable by consecutive monthly blended payments of \$5,322, including interest, based on a 205-month amortization. On February 7, 2018, this loan agreement was renewed for a 36-month term with a principal amount of \$726,521 and bears an annual interest rate of 4.72%. All outstanding principal and interest are payable in full at the end of the term.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

4. Long-term debt (continued)

Additionally, on February 17, 2015, the Organization entered into a fixed rate loan agreement with Royal Bank of Canada. The principal amount of \$1,000,000 bore an annual interest of 3.20% for a 36-month term. The loan was repayable by consecutive monthly blended payments of \$5,648, including interest, based on a 240-month amortization. On February 9, 2018, this loan agreement was renewed for 36-month term with a principal amount of \$891,063 and bears an annual interest rate of 4.72%.

As security, the bank has a first ranking interest in all personal property of the Organization and also has a first fixed charge on the land and building (Note 3).

Long-term debt consists of the following:

	2018	2017
	\$	\$
Principal amount outstanding	1,604,064	1,682,678
Less: current portion	72,483	72,283
Long-term portion	<u>1,531,581</u>	<u>1,610,395</u>

Interest paid for the year ended March 31, 2018 totaled \$65,165 (\$66,701 in 2017).

5. Amount due from (to) funders

The amount represents overspent (unspent) funding that will be recovered from (by) the funders in the next fiscal year.

6. Deferred revenue

	2018	2017
	\$	\$
Trusteed projects	10,159	9,859
Daycare wage subsidy (Note 11)	(46,045)	(46,045)
Daycare	115,014	—
Pre-apprenticeship	127,738	145,319
United Way	168,096	—
Other programs	126,344	94,002
	<u>501,306</u>	<u>203,135</u>

The Organization administers certain projects under the terms of trustee agreements. Revenue is recognized for these projects to the extent of expenses incurred, with the unspent amounts included in deferred revenue.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

7. Deferred capital grants

	2018	2017
	\$	\$
Ministry of Children and Youth Services	1,300,000	1,300,000
Federal Economic Development Agency	612,709	612,709
Ontario Trillium Foundation	546,553	546,552
	<u>2,459,262</u>	<u>2,459,261</u>
Accumulated amortization	(231,441)	(181,969)
	<u>2,227,821</u>	<u>2,277,292</u>

8. Unrestricted fund

The Unrestricted fund includes the invested in capital assets fund, which consists of:

	2018	2017
	\$	\$
Net book value of capital assets (Note 3)	5,761,082	5,902,574
Long-term debt (Note 4)	(1,604,064)	(1,682,678)
Deferred capital grant (Note 7)	(2,227,821)	(2,277,292)
	<u>1,929,197</u>	<u>1,942,604</u>

9. Capital building fund

The Capital building fund is an internally restricted account that was established by the Board with the aim to appropriate contributions, and record funds expended, towards the future development of the Organization's own building.

10. Transfer Payment Annual Reconciliation ("TPAR")

The Organization has five Service Contracts/CFSA (Child and Family Services Act) Approvals with the Ministry of Community and Social Services and the Ministry of Children and Youth Services. The contracts require the completion of an annual program reconciliation report that summarizes by service, all revenues and expenses and identifies any resulting surplus or deficits.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

10. Transfer Payment Annual Reconciliation ("TPAR") (continued)

These reports show the following services to be in surplus (deficit) position for the year ended March 31, 2018:

	2018						2017
	V.A.W. (Counsel. Service)	V.A.W. (Perf. Mngt. Framework)	V.A.W. (Capacity Building)	C.A.C. (Transitional Support)	SNAP (Stop Now and Plan)	Mentoring Program	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue per TPAR	130,499	2,100	5,400	71,848	98,200	120,000	428,047
Expenses per TPAR	131,813	2,105	4,107	75,394	89,063	84,380	386,862
(Deficit) surplus per TPAR	(1,314)	(5)	1,293	(3,546)	9,137	35,620	41,185
							(19,926)

11. Toronto Children's Services wage grants

The following amounts are included in the Daycare column amounts on the Statement of revenue, expenses and changes in fund balances.

	2018						2017
	Wage subsidy	P.E. Prior 98	P.E. 99-05	Wage improvement funding	PWE	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Deferred from prior years	(1) (46,066)	—	—	—	—	(46,066)	(17,715)
Grants received							
Infant/Toddler	—	—	—	—	—	—	27,336
Pre-school/School Age	—	—	—	—	—	—	109,759
	(2) —	—	—	—	—	—	137,095
Expense							
Infant/Toddler	—	—	—	—	—	—	64,988
Pre-school/School Age	—	—	—	—	—	—	96,835
	(3) —	—	—	—	—	—	161,823
Wage subsidies returned to Children's Services this fiscal year	(4) —	—	—	—	—	—	—
Wage subsidies deferred to future years	(1) + (2) - (3) - (4)	(46,066)	—	—	—	(46,066)	(42,443)

12. Guarantees and commitments

(i) *Guarantees*

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

- (a) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) Indemnity has been provided to all directors and or officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to association with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.
- (c) In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Organization to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

12. Guarantees and commitments (continued)

(ii) *Commitments*

The Organization has the following minimum lease commitments under operating leases, the latest expiry date of which is March 23, 2020:

	\$
2019	84,702
2020	<u>38,667</u>
	<u>123,369</u>

13. Financial instruments

Fair value

The fair value of the Organization's accounts receivable, accounts payable and accrued liabilities and amount due to funders approximates their carrying value due to their short-term maturity.

The Organization manages the risks associated with financial instruments as follows:

- Credit risk is the possibility that other parties may default on their financial obligations. The Organization manages its credit risk by renewing the allowance for potential credit losses on a regular basis.
- Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Organization manages this risk on investments by investing in short term investments, which limits exposure to this risk. The Organization's mortgage is at a fixed rate which allows the Organization to manage future cash flows.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

14. Project classification

The Organization has several restricted and unrestricted projects to complete. The funds for restricted projects are to be used for those specific projects only. The following are programs carried out by the Organization during the year:

<u>Unrestricted</u>	<u>Program/Project</u>
Administration	Capital Campaign Community Relations Resource Development Finance Human Resources Food & Toy Drive
Culturally Appropriate Counselling	Individual & Family Counselling Newcomer Settlement Program (Pay Equity) Violence Against Women Counselling Transition & Housing Support Success Through Aggression Replacement Training (Start) Women Empowering Women Support Group Stop Now and Plan (SNAP)
Youth	ManUP Sister 2 Sister Defy Your Label Girls Defy Your Label Boys Together We Can – Youth Mentorship YMCA Exchange Video Game Drop-In
Education	Tutoring Learning Clubs - Chess, Stem, Staying on Code, Steelpan The Lab Powered by Freedom Mobile Camp Tropicana – Summer & March Break
<u>Restricted</u>	<u>Program/Project</u>
Children of Tomorrow Day Care	Infant, Toddler, Preschool Full Day Kindergarten, School-Age
Tropicana Employment Centre (TEC)	Employment Service Youth Job Connection Youth Job Connection Summer Canada Ontario Job Grant Career Navigator – Retail netWORKS Pre-Apprenticeship - Autobody & Collision Repair Toronto Youth Jobs Corps Youth Job Link
Trusted Projects	Children & Youth Dance Theatre (OTF) Scarborough Basketball Association

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2018

15. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$449 (\$1,002 in 2017) of income taxes, CPP and EI owing to the government.