

COMMUNITY LIVING OSHAWA/CLARINGTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014



*Smith
Chappell
Marsh
Vilander* **LLP Chartered Accountants**

*H. Howard Smith, FCA (Retired)
Richard A. Chappell, CPA, CA
Deborah L. Marsh, CPA, CA
Vesa K. Vilander, CPA, CA*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
COMMUNITY LIVING OSHAWA/CLARINGTON
OSHAWA, ONTARIO

We have audited the accompanying statement of financial position of Community Living Oshawa/Clarington as at March 31, 2014 and the statements of changes in net assets and operations 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 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 risk 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 qualified audit opinion.

Basis for Qualified Opinion

As explained in Note 12, the organization has not accrued vacation salaries payable of \$589,837. Canadian Accounting Standards for Not-for-Profit Organizations require that all liabilities be recorded. If the vacation salaries payable had been accrued, excess of revenue over expenses and unrestricted net assets would decrease and accounts payable would increase by \$589,837. This policy is consistent with prior years' presentation.

In common with many non-profit organizations, the organization derives revenues from donations and fund-raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and fund-raising, excess (deficiency) of revenues over expenditures, and net assets.

Qualified Opinion

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Community Living Oshawa/Clarington as at March 31, 2014, and the results of its operations for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Smith Chappell Marsh Vitlander LLP
Chartered Accountants, Licensed Public Accountants

June 18, 2014
Oshawa, Ontario

COMMUNITY LIVING OSHAWA/CLARINGTON

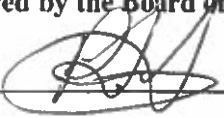
(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

			<u>2014</u>	<u>2013</u>
ASSETS				
Current				
Cash and cash equivalents		\$	129,517	\$ 30,608
Accounts receivable			343,463	275,008
Subsidies receivable			57,848	38,997
Prepaid expenses			138,024	107,209
			<u>668,852</u>	<u>451,822</u>
Capital				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 1,662,786	\$ -	1,662,786	1,762,786
Buildings	5,386,842	2,830,415	2,556,427	2,053,153
Furniture, equipment and vehicles	2,093,591	1,764,423	329,168	283,742
	<u>\$ 9,143,219</u>	<u>\$ 4,594,838</u>	<u>4,548,381</u>	<u>4,099,681</u>
			\$ <u>5,217,233</u>	\$ <u>4,551,503</u>

Approved by the Board of Directors:



COMMUNITY LIVING OSHAWA/CLARINGTON

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES</u>		
Current		
Bank indebtedness (Note 3)	\$ 200,000	\$ 480,000
Accounts payable and accrued liabilities	1,292,480	1,032,302
Due to Ministry of Community and Social Services	6,139	-
Funds held in trust	20,973	15,860
Current portion of long term debt	347,626	226,500
	<u>1,867,218</u>	<u>1,754,662</u>
Long Term (Note 4)		
Loans payable	279,494	241,597
Mortgages payable	1,623,559	1,489,958
Less: current portion shown above	(347,626)	(226,500)
	<u>1,555,427</u>	<u>1,505,055</u>
Deferred contributions related to capital assets (Note 5)	<u>687,233</u>	<u>725,288</u>
Net Assets		
Investment in capital assets (Note 6)	1,758,095	1,162,838
Capital reserve allowance - Dedicated Supportive Housing (Note 9)	17,653	12,066
Unrestricted net assets (deficit)	(668,393)	(608,406)
	<u>1,107,355</u>	<u>566,498</u>
	<u>\$ 5,217,233</u>	<u>\$ 4,551,503</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2014

	Investment in Capital Assets	Capital Reserve Allowance	Unrestricted	Total 2014	Total 2013
Opening balance	\$ 1,162,838	\$ 12,066	\$ (608,406)	\$ 566,498	\$ 430,801
Prior year adjustment due to Ministry review (Note 8)			(24,314)	(24,314)	-
Excess of revenue over expenses (expenses over revenue) (Note 6)	243,979	-	315,605	559,584	130,109
Net change in investment in capital assets (Note 6) Dedicated Supportive Housing funding (Note 9)	351,278	-	(351,278)	-	-
	-	5,587	-	5,587	5,588
Closing balance	\$ 1,758,095	\$ 17,653	\$ (668,393)	\$ 1,107,355	\$ 566,498

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 14,585,444	\$ 14,289,192
Other Ministry revenue	615,654	505,068
Sales	49,787	55,854
Fees for programs	1,044,181	1,005,776
Fundraising	101,839	63,272
Donations	34,030	34,770
Other revenue	125,582	135,487
Gain on expropriation of 1034 Winchester	459,413	-
Amortization of deferred contributions (Note 5)	38,055	40,687
	<hr/>	<hr/>
	17,053,985	16,130,106
Expenses (Schedule A)	16,488,262	15,999,997
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 565,723	\$ 130,109
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Due to (from) Ministry	\$ 6,139	\$ -
Retained by organization	559,584	130,109
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	\$ 565,723	\$ 130,109
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COMMUNITY LIVING OSHAWA/CLARINGTON

SCHEDULE A

EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Expenses		
Salaries	\$ 10,309,212	\$ 10,226,214
Staff benefits	2,004,128	1,984,584
Travel	229,132	232,208
Training and conferences	134,133	88,245
Purchased services - non-client	195,165	139,788
Program costs	78,261	89,284
Building/Accommodation	1,013,774	1,000,820
Advertising and promotion	4,313	3,568
Office	174,021	160,302
Miscellaneous	58,397	38,743
Individualized funding	1,683,111	1,484,992
Client related	351,126	368,206
Amortization	248,459	182,083
Loss on disposal of capital assets	5,030	960
TOTAL EXPENSES	\$ 16,488,262	\$ 15,999,997

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - MINISTRY SERVICE CONTRACT TOTALS (TPAR)

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 14,585,444	\$ 14,289,192
Fees for programs	985,433	948,378
Donations	165	-
Other revenue	90,681	96,824
Amortization of deferred contributions (Note 5)	38,055	40,687
	<u>15,699,778</u>	<u>15,375,081</u>
Expenses		
Salaries	10,181,271	10,098,537
Staff benefits	1,980,408	1,959,944
Travel	220,709	225,626
Training and conferences	111,568	84,077
Purchased services - non-client	195,165	139,788
Program costs	34,841	47,654
Building/Accommodation	716,199	739,441
Advertising and promotion	4,313	3,568
Office	170,476	156,245
Miscellaneous	40,373	32,868
Individualized funding	1,459,588	1,329,250
Client related	351,126	368,206
Expenditure recovery	(45,055)	(45,055)
Amortization	167,456	103,863
Loss on disposal of capital assets	5,030	960
	<u>15,593,468</u>	<u>15,244,972</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ 106,310</u>	<u>\$ 130,109</u>
Due to (from) Ministry	\$ 6,139	\$ -
Retained by organization	100,171	130,109
	<u>\$ 106,310</u>	<u>\$ 130,109</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - NON-SERVICE CONTRACT TOTALS

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Other Ministry revenue	\$ 615,654	\$ 505,068
Sales	49,787	55,854
Fees for programs	58,748	57,398
Fundraising	101,839	63,272
Donations	33,865	34,770
Gain on expropriation of 1034 Winchester	459,413	-
Other revenue	34,901	38,663
	<u>1,354,207</u>	<u>755,025</u>
Expenses		
Salaries	127,941	127,677
Staff benefits	23,720	24,640
Travel	8,423	6,582
Training and conferences	22,565	4,168
Program costs	43,420	41,630
Building/Accomodation	301,475	265,279
Office	3,545	4,057
Miscellaneous	18,024	5,875
Individualized funding	223,523	155,742
Expenditure recovery	41,155	41,155
Amortization	81,003	78,220
	<u>894,794</u>	<u>755,025</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ 459,413</u>	<u>\$ -</u>
Due to (from) Ministry	\$ -	\$ -
Retained by organization	<u>459,413</u>	<u>-</u>
	<u>\$ 459,413</u>	<u>\$ -</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATING SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Central Administration	\$ -	\$ -
Property Maintenance	-	-
DS Host Family Residences	104,549	46,194
DS Supported Independent Living	36,576	90,763
DS Supported Group Living Residences	(47,509)	(30,786)
DS Intensive Support Residences	6,555	23,938
DS Caregiver Respite Services	(6,233)	13,209
DS Community Participation	6,041	(12,747)
DS Self Managed Support - Indirect	192	(462)
Community Living - Children's Group Living	(21,567)	(14,213)
Children Associate Living	21,567	14,213
Children In-Home Respite	(494)	1,225
Children Out-of-Home Respite	(897)	(1,518)
Support Services - Children	1,391	293
Temporary Supports	-	-
Partner Facility Renewal	6,139	-
Repairs and Maintenance	-	-
Children Out-of-Home Respite Initiative	-	-
Dedicated Supportive Housing	-	-
ODSP Employment Supports	-	-
Special Projects	459,413	-
Association Accounts	-	-
Clarington Project	-	-
Net Surplus (Deficit)	\$ 565,723	\$ 130,109
Due to (from) Ministry	\$ 6,139	\$ -
Retained by organization	559,584	130,109
	\$ 565,723	\$ 130,109

COMMUNITY LIVING OSHAWA/CLARINGTON

CENTRAL ADMINISTRATION

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Memberships and miscellaneous	\$ 113	\$ 1,650
Donations	165	-
	<hr/>	<hr/>
	278	1,650
	<hr/>	<hr/>
Expenses		
Salaries	660,105	625,389
Staff benefits	145,860	129,217
Travel	7,353	15,542
Training and conferences	21,269	8,274
Purchased services - non-client	71,406	73,356
Program costs	6,866	8,454
Building/Accommodation	35,495	59,942
Advertising and promotion	4,313	3,568
Office	52,598	43,585
Miscellaneous	40,373	32,868
Allocated administration	(1,020,360)	(973,545)
Expenditure transfer	(25,000)	(25,000)
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	278	1,650
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
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COMMUNITY LIVING OSHAWA/CLARINGTON

PROPERTY MAINTENANCE

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Memberships and miscellaneous	\$ -	\$ -
	<hr/>	<hr/>
Expenses		
Salaries	335,728	313,545
Salaries allocated	(354,781)	(320,741)
Staff benefits	63,248	59,364
Travel	29,221	30,416
Training and conferences	500	500
Program costs	167	-
Building/Accommodation	23,320	14,123
Office	2,821	3,017
Allocated to programs	(100,224)	(100,224)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
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COMMUNITY LIVING OSHAWA/CLARINGTON

DS HOST FAMILY RESIDENCES (9111)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 458,006	\$ 447,909
Other revenue	9,526	900
	<u>467,532</u>	<u>448,809</u>
Expenses		
Salaries	69,249	66,597
Staff benefits	13,177	13,305
Travel	2,349	2,255
Training and Conferences	750	750
Building/Accommodation	4,982	5,035
Office	2,851	2,851
Individualized funding	239,353	274,591
Allocated administration	30,272	37,231
	<u>362,983</u>	<u>402,615</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 104,549</u>	<u>\$ 46,194</u>
Due to Ministry	<u>\$ 104,549</u>	<u>\$ 46,194</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED INDEPENDENT LIVING (9112)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 945,430	\$ 931,280
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Expenses		
Salaries	275,984	262,875
Staff benefits	52,265	51,972
Maintenance salaries and benefits	9,224	8,339
Travel	18,117	17,478
Training and conferences	3,000	3,000
Building/Accommodation	2,189	7,111
Office	11,515	11,249
Individualized funding	471,822	421,479
Allocated administration	64,738	57,014
	<hr/>	<hr/>
	908,854	840,517
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 36,576	\$ 90,763
	<hr/>	<hr/>
Due to (from) Ministry	\$ 36,576	\$ 90,763
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED GROUP LIVING RESIDENCES (8847)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 7,136,968	\$ 7,153,527
Fees for programs	807,602	770,817
Other	81,042	94,274
Amortization of deferred contributions (Note 5)	38,055	40,687
	<hr/>	<hr/>
	8,063,667	8,059,305
	<hr/>	<hr/>
Expenses		
Salaries	5,385,895	5,436,373
Staff benefits	1,060,413	1,042,423
Maintenance salaries and benefits	136,591	123,485
Travel	92,409	88,325
Training and conferences	67,348	51,352
Purchased services - non - client	121,264	51,233
Program costs	11,843	22,108
Building/Accomodation	195,871	330,427
Office	53,630	45,985
Client related	262,834	270,534
Allocated administration	550,592	523,023
Amortization	167,456	103,863
Loss on disposal of capital assets	5,030	960
	<hr/>	<hr/>
	8,111,176	8,090,091
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (47,509)	\$ (30,786)
	<hr/>	<hr/>
Due to (from) Ministry	\$ (147,680)	\$ (160,895)
Retained by organization	100,171	130,109
	<hr/>	<hr/>
	\$ (47,509)	\$ (30,786)
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COMMUNITY LIVING OSHAWA/CLARINGTON

DS INTENSIVE SUPPORT RESIDENCES (9110)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 287,636	\$ 323,886
Fees for programs	18,840	24,000
	<u>306,476</u>	<u>347,886</u>
Expenses		
Salaries	193,100	198,478
Staff benefits	36,171	40,593
Maintenance salaries and benefits	18,030	16,294
Travel	11,756	15,384
Training and conferences	2,400	2,400
Building/Accommodation	4,032	8,850
Office	2,854	3,369
Client related	10,592	13,763
Allocated administration	20,986	24,817
	<u>299,921</u>	<u>323,948</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>6,555</u>	\$ <u>23,938</u>
Due to (from) Ministry	\$ <u>6,555</u>	\$ <u>23,938</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS CAREGIVER RESPITE SERVICES (9130)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 184,425	\$ 170,925
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Expenses		
Adult out-of-home respite	50,318	31,863
Durham Special Needs Allocation Program funding	119,520	125,853
Specialized furniture and equipment	20,820	-
	<hr/>	<hr/>
	190,658	157,716
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ (6,233)	\$ 13,209
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Due to Ministry	\$ (6,233)	\$ 13,209
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS COMMUNITY PARTICIPATION (9131)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 2,349,179	\$ 2,294,208
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Expenses		
Salaries	1,387,634	1,320,674
Staff benefits	259,269	257,408
Maintenance salaries and benefits	134,525	121,625
Travel	23,921	14,099
Training and conferences	10,359	10,359
Program costs	15,716	16,842
Building/Accommodation	142,638	178,438
Office	29,725	30,250
Individualized funding	203,079	232,510
Client related	3,011	3,150
Expenditure transfer	(20,055)	(20,055)
Allocated administration	153,316	141,655
	<hr/>	<hr/>
	2,343,138	2,306,955
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 6,041	\$ (12,747)
	<hr/>	<hr/>
Due to (from) Ministry	\$ 6,041	\$ (12,747)
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SELF MANAGED SUPPORT - INDIRECT (9136)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 161,990	\$ 161,990
Expenses		
Salaries	64,623	64,149
Staff benefits	13,193	12,457
Travel	-	1,243
Office	-	250
Individualized funding	73,461	72,714
Allocated administration	10,521	11,639
	<u>161,798</u>	<u>162,452</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 192	\$ (462)
Due to (from) Ministry	\$ 192	\$ (462)

COMMUNITY LIVING OSHAWA/CLARINGTON

COMMUNITY LIVING - CHILDREN'S GROUP LIVING (9250)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 1,890,357	\$ 1,947,061
Fees for programs	143,400	145,392
	<u>2,033,757</u>	<u>2,092,453</u>
Expenses		
Salaries	1,431,475	1,434,558
Staff benefits	265,043	284,037
Maintenance salaries and benefits	52,792	47,726
Travel	26,265	34,373
Training and conferences	3,350	4,812
Purchased services - non - client	2,495	15,199
Building/Accommodation	59,000	72,298
Office	8,186	9,487
Client related	67,224	72,282
Allocated administration	139,494	131,894
	<u>2,055,324</u>	<u>2,106,666</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ (21,567)</u>	<u>\$ (14,213)</u>
Due to (from) Ministry	<u>\$ (21,567)</u>	<u>\$ (14,213)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN'S ASSOCIATE LIVING - INDIVIDUALIZED RESIDENTIAL CARE (9251)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 249,595	\$ 247,487
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Expenses		
Salaries	61,862	59,938
Staff benefits	11,924	11,982
Travel	1,296	-
Training and conferences	1,100	1,100
Building/Accomodation	604	604
Office	1,625	1,625
Individualized funding	132,526	141,980
Allocated administration	17,091	16,045
	<hr/>	<hr/>
	228,028	233,274
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 21,567	\$ 14,213
	<hr/>	<hr/>
Due to Ministry	\$ 21,567	\$ 14,213
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN IN-HOME RESPITE (9254)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ <u>31,652</u>	\$ <u>31,529</u>
 Expenses		
Individualized support funding	29,979	28,260
Allocated administration	<u>2,167</u>	<u>2,044</u>
	<u>32,146</u>	<u>30,304</u>
 EXCESS OF REVENUE OVER EXPENSES	 \$ <u>(494)</u>	 \$ <u>1,225</u>
 Due to Ministry	 \$ <u>(494)</u>	 \$ <u>1,225</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN OUT-OF-HOME RESPITE (9255)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 136,848	\$ 130,892
Fees for programs	15,591	8,169
	<u>152,439</u>	<u>139,061</u>
Expenses		
Salaries	97,527	98,799
Staff benefits	16,751	15,220
Travel	3,758	-
Training and conferences	249	-
Building/Accommodation	8,392	1,102
Office	229	104
Client related	2,670	4,060
Allocated administration	23,760	21,294
	<u>153,336</u>	<u>140,579</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (897)	\$ (1,518)
Due to (from) Ministry	\$ (897)	\$ (1,518)

COMMUNITY LIVING OSHAWA/CLARINGTON

SUPPORT SERVICES - CHILDREN (9259)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ <u>108,408</u>	\$ <u>106,263</u>
Expenses		
Salaries	74,330	72,030
Staff benefits	14,011	14,391
Maintenance salaries and benefits	3,619	3,272
Travel	1,504	3,395
Training and conferences	342	342
Building/Accomodation	2,301	2,164
Office	3,487	3,487
Allocated administration	7,423	6,889
	<u>107,017</u>	<u>105,970</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 1,391</u>	<u>\$ 293</u>
Due to (from) Ministry	<u>\$ 1,391</u>	<u>\$ 293</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS TEMPORARY SUPPORTS (9137)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 139,530	\$ -
	<u> </u>	<u> </u>
Expenses		
Individualized funding	139,530	-
	<u> </u>	<u> </u>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<u> </u>	<u> </u>
Due to (from) Ministry	\$ -	\$ -
	<u> </u>	<u> </u>

COMMUNITY LIVING OSHAWA/CLARINGTON

PARTNER FACILITY RENEWAL (8915)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 170,500	\$ 105,500
	<hr/>	<hr/>
Disbursements		
Repairs and maintenance	164,361	105,500
	<hr/>	<hr/>
	\$ 6,139	\$ -
EXCESS OF REVENUE OVER EXPENSES	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ 6,139	\$ -
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

REPAIRS AND MAINTENANCE (8852)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial grants	\$ <u>148,385</u>	\$ <u>50,200</u>
Disbursements		
Repairs and maintenance	<u>148,385</u>	<u>50,200</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Due to Ministry	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN OUT-OF-HOME RESPITE INITIATIVE (A510)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Provincial subsidy	\$ 186,535	\$ 186,535
	<hr/>	<hr/>
Expenses		
Salaries	143,759	145,132
Staff benefits	29,083	27,575
Travel	2,760	3,116
Training and conferences	901	1,188
Program costs	249	250
Building/Accommodation	4,033	3,871
Office	955	986
Client related	4,795	4,417
	<hr/>	<hr/>
	186,535	186,535
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ -	\$ -
	<hr/>	<hr/>
Due to (from) Ministry	\$ -	\$ -
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

DEDICATED SUPPORTIVE HOUSING

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Other Ministry revenue	\$ 236,839	\$ 215,308
Fees for programs	32,448	32,448
	<hr/>	<hr/>
	269,287	247,756
	<hr/>	<hr/>
Expenses		
Operating		
Maintenance, salaries, wages and benefits	55,650	55,650
Maintenance materials and services	16,107	9,081
Utilities	40,644	26,140
Administration	22,300	22,299
Insurance	2,100	2,100
	<hr/>	<hr/>
Total Operating	136,801	115,270
	<hr/>	<hr/>
Other		
Mortgage interest	45,896	48,679
Transfer to capital reserve	5,587	5,587
Amortization	81,003	78,220
	<hr/>	<hr/>
Total Other	132,486	132,486
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<hr/>	<hr/>
Due to Ministry	\$ -	\$ -
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

ODSP EMPLOYMENT SUPPORTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Other Ministry revenue	\$ 146,983	\$ 127,300
	<hr/>	<hr/>
Expenses		
Salaries	100,975	98,803
Staff benefits	19,357	19,781
Travel	3,974	3,597
Training and conferences	18,922	711
Program costs	1,910	2,434
Office	1,845	1,974
	<hr/>	<hr/>
	146,983	127,300
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ -	\$ -
	<hr/>	<hr/>
Due to Ministry	\$ -	\$ -
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

SPECIAL PROJECTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Gain on expropriation of 1034 Winchester	\$ 459,413	\$ -
Other	28,737	34,341
	<hr/> 488,150	<hr/> 34,341
Expenses		
Salaries	12,655	12,737
Benefits	381	383
Program costs	2,162	1,138
Building/Accommodation	21,848	26,801
Individualized funding	(8,309)	(6,718)
	<hr/> 28,737	<hr/> 34,341
EXCESS OF REVENUE OVER EXPENSES		
(EXPENSES OVER REVENUE)	\$ 459,413	\$ -

COMMUNITY LIVING OSHAWA/CLARINGTON

ASSOCIATION ACCOUNTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Other Ministry revenue	\$ 231,832	\$ 162,460
Donations	30,545	33,662
Fund-raising (net)	78,059	51,179
Other	6,164	4,322
Sales	49,787	55,854
	<u>396,387</u>	<u>307,477</u>
Expenses		
Salaries	14,311	16,137
Benefits	3,982	4,476
Travel	434	313
Training and conferences	3,643	3,457
Program costs	30,387	30,889
Building Accomodation	111,798	89,745
Individualized funding	231,832	162,460
	<u>396,387</u>	<u>307,477</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u> -</u>	\$ <u> -</u>
Retained by organization	\$ <u> -</u>	\$ <u> -</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CLARINGTON PROJECT

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Donations	\$ 3,320	\$ 1,108
Program fees	26,300	24,950
Fund-raising	23,780	12,093
	<hr/>	<hr/>
	53,400	38,151
	<hr/>	<hr/>
Expenses		
Travel	4,015	2,672
Program costs	8,961	7,169
Building/Accomodation	1,845	1,496
Office	500	884
Miscellaneous	18,024	5,875
Expenditure transfer	20,055	20,055
	<hr/>	<hr/>
	53,400	38,151
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
Operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ 559,584	\$ 130,109
Charges to income not involving cash:		
Amortization	248,459	182,083
Adjustment due to MCSS review	(24,314)	-
Loss (gain) on disposal of capital assets	(454,383)	960
Change in capital reserve allowance	5,587	5,588
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(68,455)	(71,148)
Subsidies receivable	(18,851)	186,099
Prepaid expenses	(30,815)	(71,483)
Accounts payable and accrued liabilities	260,179	(169,642)
Due to Ministry of Community and Social Services	6,139	(529)
Funds held in trust	5,113	5,086
	<u>488,243</u>	<u>197,123</u>
Investing activities		
Proceeds on disposal of capital assets	819,400	-
Additions to capital assets	<u>(1,062,177)</u>	<u>(687,968)</u>
	<u>(242,777)</u>	<u>(687,968)</u>
Financing activities		
Increase (decrease) in loans payable	37,897	(80,765)
Increase (decrease) in mortgages payable	133,601	(88,054)
Increase (decrease) in deferred contributions related to capital assets	<u>(38,055)</u>	<u>(40,687)</u>
	<u>133,443</u>	<u>(209,506)</u>
Change in cash during the year	378,909	(700,351)
Cash at the beginning of the year	<u>(449,392)</u>	<u>250,959</u>
Cash at the end of the year	\$ <u><u>(70,483)</u></u>	\$ <u><u>(449,392)</u></u>
Cash is comprised of:		
Cash	\$ 129,517	\$ 30,608
Bank indebtedness	<u>(200,000)</u>	<u>(480,000)</u>
	\$ <u><u>(70,483)</u></u>	\$ <u><u>(449,392)</u></u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

1. Purpose of the Organization

Community Living Oshawa/Clarington is a non-profit organization, which provides care and accommodation for the benefit of individuals with an intellectual disability. The organization was incorporated in Ontario on February 15, 1957 without share capital and is a registered charity, which is exempt from tax under the provisions of the Income Tax Act. On May 22, 2003, the organization changed its name from The Oshawa/Clarington Association for Community Living to Community Living Oshawa/Clarington.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) Capital Assets

Capital assets are stated at cost. Amortization charges are calculated on a declining balance basis at the following rates:

Buildings	5%
Furniture, equipment and vehicles	25%

(b) Donated Services

The organization does not record the value of donated materials and services as it is felt to be impracticable from a record keeping and valuation point of view.

(c) Pledges

The organization does not account for the value of pledges. Accordingly, donations are recorded on a cash basis.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

2. Significant Accounting Policies - continued

(d) Revenue Recognition

Community Living Oshawa/Clarington follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government funding is recognized according to the contract. Fundraising revenue is recorded when the event is held. Sales are recognized when the product is shipped to the customer. Fees for programs are recognized on a monthly basis.

Certain revenues are received during the year for events to be held or programs to be completed in the next fiscal year. These revenues are deferred to the next year's operations.

(e) Basis of Presentation

These statements have been departmentalized in accordance with the funding and budgeting requirements prescribed by the Ministry of Community and Social Services.

(f) Allocation of Expenses

The organization provides various programs on behalf of the Ministry of Community and Social Services (MCSS). The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The organization allocates these expenses to the departments in accordance with the approved budgets.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

2. Significant Accounting Policies - continued

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results may differ from those estimates.

(h) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets 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 net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and subsidies receivable.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and Due to Ministry of Community and Social Services.

The organization has no financial assets measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

2. Significant Accounting Policies - continued

(h) Financial Instruments (continued)

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and short-term guaranteed investment certificates.

3. Bank Credit Facility

The bank credit facility represents a line of credit with the Royal Bank of Canada to a maximum of \$1,000,000. The interest rate is Royal Bank prime. Security pledged for the line of credit consists of a mortgage on 1200 Simcoe Street South and a general security agreement. There was \$200,000 outstanding at March 31, 2014 (\$480,000 outstanding at March 31, 2013).

4. Long Term

Mortgages Payable

Property:	630 Annapolis	\$ 127,122
Mortgagor:	Canada Mortgage and Housing Corporation	
Monthly Payment:	\$1,109.57	
Interest Rate:	2.76%	
Maturity Date:	June 1, 2015	
Property:	821 Central Park	138,863
Mortgagor:	Canada Mortgage and Housing Corporation	
Monthly Payment:	\$1,212.05	
Interest Rate:	2.76%	
Maturity Date:	June 1, 2015	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

4. Long Term - continued

Property:	380 Holcan	211,485
Mortgagor:	Royal Bank of Canada	
Monthly Payment:	\$1,801.91	
Interest Rate:	3.258%	
Maturity Date:	March 1, 2016	
Property:	425 Adelaide	154,309
Mortgagor:	Royal Bank of Canada	
Monthly Payment:	\$1,314.75	
Interest Rate:	3.258%	
Maturity Date:	March 1, 2016	
Property:	488 Rossland	208,818
Mortgagor:	TD Canada Trust	
Monthly Payment:	\$2,092.35	
Interest Rate:	6.51%	
Maturity Date:	March 1, 2026	
Property:	844 Bessborough	213,566
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,768.77	
Interest Rate:	3.153%	
Maturity Date:	June 1, 2016	
Property:	209 Killdeer	158,731
Mortgagor:	Royal Bank	
Monthly Payment:	\$1,275.47	
Interest Rate:	3.182%	
Maturity Date:	November 1, 2014	
Property:	6758 Enfield	359,133
Mortgagor:	Royal Bank	
Monthly Payment:	\$1,992.43	
Interest Rate:	4.42%	
Maturity Date:	December 23, 2018	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

4. Long Term - continued

Property:	1200 Simcoe Street	51,532
Mortgagor:	Royal Bank	
Monthly Payment:	\$529.88	
Interest Rate:	3.41%	
Maturity Date:	September 2, 2018	
		<hr/>
		1,623,559
Less: Current portion		<hr/>
		245,183
		<hr/>
		<u>\$ 1,378,376</u>

All mortgages are secured by the respective properties. The Ministry of Community and Social Services has guaranteed payment of all the above mortgages, except 6758 Enfield and 1200 Simcoe Street, and funds all capital expenditures and mortgage payments. Principal repayments in the next five years are as follows: \$245,183 in 2015, \$626,455 in 2016, \$211,231 in 2017, \$29,125 in 2018 and \$57,178 in 2019. All mortgages are to be refinanced when they mature.

Loans payable

The loans payable below were utilized to purchase various vehicles

Loan payable to:	Royal Bank	16,067
Monthly Payment:	\$2,036.00	
Interest Rate:	3.50%	
Maturity Date:	November 6, 2014	
		<hr/>
Loan payable to:	Royal Bank	8,055
Monthly Payment:	\$460.47	
Interest Rate:	3.60%	
Maturity Date:	September 10, 2015	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

4. Long Term - continued

Loan payable to:	Royal Bank	13,779
Monthly Payment:	\$648.31	
Interest Rate:	3.61%	
Maturity Date:	January 10, 2016	
Loan payable to:	Royal Bank	8,392
Monthly Payment:	\$411.84	
Interest Rate:	3.29%	
Maturity Date:	December 21, 2015	
Loan payable to:	Royal Bank	8,988
Monthly Payment:	\$400.00	
Interest Rate:	3.95%	
Maturity Date:	March 3, 2016	
Loan payable to:	Royal Bank	10,863
Monthly Payment:	\$457.38	
Interest Rate:	4.79%	
Maturity Date:	April 5, 2016	
Loan payable to:	Royal Bank	11,460
Monthly Payment:	\$441.56	
Interest Rate:	3.42%	
Maturity Date:	June 24, 2016	
Loan payable to:	Royal Bank	11,460
Monthly Payment:	\$441.56	
Interest Rate:	3.42%	
Maturity Date:	June 24, 2016	
Loan payable to:	Royal Bank	14,201
Monthly Payment:	\$436.20	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	
Loan payable to:	Royal Bank	33,578
Monthly Payment:	\$1,031.35	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

4. Long Term - continued

Loan payable to:	Royal Bank	14,110
Monthly Payment:	\$433.40	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	
Loan payable to:	Royal Bank	60,187
Monthly Payment:	\$1,154.14	
Interest Rate:	3.04%	
Maturity Date:	November 12, 2018	
Loan payable to:	Royal Bank	61,186
Monthly Payment:	\$1,154.23	
Interest Rate:	3.04%	
Maturity Date:	December 23, 2018	
Loan payable to:	Ford credit	7,168
Monthly Payment:	\$311.64	
Interest Rate:	0%	
Maturity Date:	February 7, 2016	
		<hr/>
		279,494
Less: Current portion		<hr/>
		102,443
		<hr/>
		\$ 177,051

All loans are secured by the respective vehicles. Principal repayments in the next five years are as follows: \$102,443 in 2015, \$83,287 in 2016, \$47,709 in 2017, \$26,670 in 2018 and \$19,385 in 2019.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

5. Deferred Contributions - Capital Assets

Deferred capital contributions related to capital assets represent the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	<u>2014</u>	<u>2013</u>
Opening balance	\$ 725,288	\$ 765,974
Less: Amounts amortized to revenue	38,055	40,686
Closing balance	<u>\$ 687,233</u>	<u>\$ 725,288</u>

6. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	<u>2014</u>	<u>2013</u>
Capital assets	\$4,548,381	\$ 4,099,681
Less: Amount financed by deferred contributions	(687,233)	(725,288)
Bank credit facility	(200,000)	(480,000)
Loans payable	(279,494)	(241,597)
Mortgages payable	(1,623,559)	(1,489,958)
	<u>\$ 1,758,095</u>	<u>\$ 1,162,838</u>

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

	<u>2014</u>	<u>2013</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 38,055	\$ 40,687
Gain (loss) on sale/expropriation of assets	454,383	(960)
Less: Amortization of capital assets	<u>(248,459)</u>	<u>(182,083)</u>
	<u>\$ 243,979</u>	<u>\$ (142,356)</u>
Net change in investment in capital assets		
Purchase of capital assets	\$ 1,062,177	\$ 687,968
Proceeds on sale/expropriation of assets	(819,400)	-
Addition of new mortgage and loans	(489,616)	(480,000)
Repayment of mortgage and loan principal	598,117	168,819
	<u>\$ 351,278</u>	<u>\$ 376,787</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

7. Contingent Liabilities

In the normal course of operations, the organization becomes involved in various legal actions, including claims relating to injuries and damage to property. The organization maintains provisions (including but not limited to insurance) it considers to be adequate for such actions. While the final outcome with respect to actions outstanding or pending at March 31, 2014 cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the organization's financial position or results of its operations.

8. Prior year adjustment

Each fiscal year, the organization is required to perform a year-end reconciliation to determine any amounts repayable to, or recoverable from, Ministry of Community and Social Services (MCSS) in accordance with the corporation's operating agreements. As at the Auditors' Report date, the fiscal year ending March 31, 2014 has not been reviewed by MCSS, and as a result, future adjustments may be required as a result of this review. Due to the particular requirements of MCSS, comparative figures are not restated when these adjustments are made.

9. Capital Reserve Allowance - Dedicated Supportive Housing

The capital reserve allowance represents funding received from the Dedicated Supportive Housing, which can be used for future approved capital expenditures. Reduction in this reserve occurs when allowable capital expenditures are made. During the year, funding and interest of \$5,587 was received and no expenditures were incurred.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

10. Community Living - Residences

The following are under the operations of Community Living - Adult Residences:

630 Annapolis Avenue
38-40 Wayne Street
425 Adelaide Avenue
821 Central Park Boulevard
380 Holcan Avenue
488 Rossland Road
6758 Enfield Road
1200 Simcoe Street
209 Killdeer Street
843 Grandview Avenue
706 Holt Road
4794 Old Scugog Road
580 Wilson Road
844 Bessborough Drive
321 Marland Street

The following are under the operations of Community Living - Children's' Residences:

1035 Olive Avenue
88 Wyndfield Crescent
23 Inglewood Place
881 Pinecrest Road

11. Commitments

The organization is committed to annual amounts under lease agreements with respect to vehicles, equipment and properties as follows:

2015	\$12,184
2016	\$12,184
2017	\$ 6,082

These leases expire at various dates between March 2014 and October 2016.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

12. Qualification Regarding Vacation Salaries Payable

Vacation salaries payable in the amount of \$589,837 have not been accrued in these financial statements in accordance with the Ministry of Community and Social Services guidelines. This is consistent with prior years' presentation.

13. Financial Instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2014.

Credit risk

Credit risk arises from the potential that counterparties will fail to perform their obligations. The organization is subject to credit risk through its accounts receivables. Account monitoring procedures are utilized to minimize risk of loss.

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The organization is subject to interest rate risk through some of their mortgages. The organization is not subject to interest rate risk with certain mortgages payable as the mortgages are guaranteed by the funding authority. For the other mortgages payable, the organization monitors the current interest rate to ensure that their interest rates do not vary much from the market rate.

Liquidity Risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

14. Economic Dependence

In common with other publicly funded agencies, the organization derives the majority of its revenue from the Province of Ontario. Further, the Province of Ontario through the Ministry of Community and Social Services has an encumbrance on specific real properties held in the name of the Association.

15. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

16. Subsequent Event

Community Living Oshawa/Clarington is in negotiations with the Ministry of Transportation with respect to the expropriation and replacement (6758 Enfield Road) of the property at 1034 Winchester Road East. The expropriation occurred in the 2013/2014 fiscal year and the organization received some of the proceeds from the expropriation but is waiting for the final settlement from the Ministry of Transportation.