

COMMUNITY LIVING OSHAWA/CLARINGTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016



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, 2016 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

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. Our report on the financial statements as at and for the year ended March 31, 2015 was qualified for the same reason.

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, 2016, and the results of its operations for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Smith Chappell Mars V. Lander CW

Chartered Accountants, Licensed Public Accountants

June 21, 2016
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, 2016

			<u>2016</u>	<u>2015</u>
<u>ASSETS</u>				
Current				
Cash and cash equivalents		\$	380,219	\$ 182,168
Accounts receivable			497,608	694,241
Subsidies receivable			80,110	91,561
Prepaid expenses			138,369	132,735
			<u>1,096,306</u>	<u>1,100,705</u>
Capital				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 1,662,786	\$ -	1,662,786	1,662,786
Buildings	5,618,054	3,098,236	2,519,818	2,568,795
Furniture, equipment and vehicles	2,156,920	1,921,703	235,217	246,876
	<u>\$ 9,437,760</u>	<u>\$ 5,019,939</u>	<u>4,417,821</u>	<u>4,478,457</u>
			\$ <u>5,514,127</u>	\$ <u>5,579,162</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, 2016

	<u>2016</u>	<u>2015</u>
<u>LIABILITIES</u>		
Current		
Bank indebtedness (Note 3)	\$ -	\$ 405,000
Accounts payable and accrued liabilities	1,924,162	2,080,659
Due to Ministry of Community and Social Services	-	19,337
Funds held in trust	21,141	21,141
Current portion of long term debt	322,088	721,196
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	2,267,391	3,247,333
Long Term (Note 4)		
Loans payable	93,764	177,051
Mortgages payable	1,423,210	1,526,736
Less: current portion shown above	(322,088)	(721,196)
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	1,194,886	982,591
Deferred contributions related to capital assets (Note 5)		
	617,944	651,528
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Net Assets		
Investment in capital assets (Note 6)	2,282,903	1,718,142
Capital reserve allowance - Dedicated Supportive Housing (Note 9)	28,828	23,240
Unrestricted net assets (deficit)	(877,825)	(1,043,672)
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	1,433,906	697,710
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	\$ 5,514,127	\$ 5,579,162
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COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2016

	Investment in Capital Assets	Capital Reserve Allowance	Unrestricted	Total 2016	Total 2015
Opening balance	\$ 1,718,142	\$ 23,240	\$ (1,043,672)	\$ 697,710	\$ 1,107,355
Prior year adjustment due to Ministry review (Note 8)			-	-	-
Excess of revenue over expenses (expenses over revenue) (Note 6)	538,546	-	192,062	730,608	(415,232)
Net change in investment in capital assets (Note 6)	26,215	-	(26,215)	-	-
Dedicated Supportive Housing funding (Note 9)	-	5,588	-	5,588	5,587
Closing balance	\$ 2,282,903	\$ 28,828	\$ (877,825)	\$ 1,433,906	\$ 697,710

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 15,533,502	\$ 15,091,597
Other Provincial subsidy	1,191,647	865,074
Sales	66,266	74,829
Program fees	1,053,365	1,042,815
Fundraising	80,695	99,458
Donations	27,329	12,420
Other revenue	240,521	202,679
Gain on expropriation of 1034 Winchester	716,729	-
Amortization of deferred contributions (Note 5)	33,584	35,705
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	18,943,638	17,424,577
Expenses (Schedule A)	18,213,030	17,820,472
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EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 730,608	\$ (395,895)
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Due to (from) Ministry	\$ -	\$ 19,337
Retained by organization	730,608	(415,232)
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	\$ 730,608	\$ (395,895)
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COMMUNITY LIVING OSHAWA/CLARINGTON**SCHEDULE A****EXPENSES****FOR THE YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
Expenses		
Salaries	\$ 11,354,724	\$ 10,750,073
Benefits	2,221,106	2,032,691
Travel	214,587	227,215
Communication	147,373	118,943
Rent/lease/mortgage interest	181,067	171,335
Utilities	220,639	224,429
Staff training	106,557	114,592
Advertising and promotion	3,702	4,800
Professional/contracted out services	55,782	65,106
Purchased client services	309,965	296,751
Purchased client services - OPR	77,300	110,932
Insurance	42,793	39,852
Other services	62,421	78,231
Supplies, equipment related to repairs and maintenance	284,214	430,690
IT - supplies and equipment	24,176	19,581
Other supplies and equipment	98,391	116,222
Specialized furniture and equipment	-	31,878
Capital repairs and maintenance	206,000	95,663
Individualized funding	2,353,098	2,065,622
Amortization	211,027	217,491
Loss on disposal of capital assets	740	-
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Total expenses before vacation accrual	18,175,662	17,212,097
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Vacation accrual (Note 12)	37,368	608,375
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TOTAL EXPENSES	\$ 18,213,030	\$ 17,820,472
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COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - MINISTRY SERVICE CONTRACT TOTALS (TPAR)

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 15,533,502	\$ 15,091,597
Program fees	995,662	981,512
Donations	401	580
Other revenue	109,421	105,448
Amortization of deferred contributions (Note 5)	33,584	35,705
	<u>16,672,570</u>	<u>16,214,842</u>
Expenses		
Salaries	11,052,074	10,518,583
Benefits	2,173,587	1,997,743
Travel	208,041	219,997
Communication	145,357	117,782
Rent/lease/mortgage interest	146,476	128,829
Utilities	183,673	188,170
Staff training	105,593	110,618
Advertising and promotion	3,702	4,800
Professional/contracted out services	55,782	65,106
Purchased client services	309,965	296,751
Purchased client services - OPR	77,300	110,932
Insurance	40,693	37,752
Other services	24,977	29,451
Supplies, equipment related to repairs and maintenance	136,831	280,794
IT - supplies and equipment	23,459	18,864
Other supplies and equipment	55,662	64,730
Specialized furniture and equipment	-	31,878
Capital repairs and maintenance	206,000	95,663
Individualized funding	1,616,266	1,603,331
Expenditure recovery	(52,795)	(52,795)
Amortization	120,900	133,383
Loss on disposal of capital assets	740	-
	<u>16,634,283</u>	<u>16,002,362</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	38,287	212,480
Vacation accrual (Note 12)	<u>24,408</u>	<u>598,976</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>13,879</u>	\$ <u>(386,496)</u>
Due to (from) Ministry	\$ -	\$ 19,337
Retained by organization	<u>13,879</u>	<u>(405,833)</u>
	\$ <u>13,879</u>	\$ <u>(386,496)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - NON-SERVICE CONTRACT TOTALS

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Other Provincial subsidy	\$ 1,191,647	\$ 865,074
Sales	66,266	74,829
Program fees	57,703	61,303
Fundraising	80,695	99,458
Donations	26,928	11,840
Gain on expropriation of 1034 Winchester	716,729	-
Other revenue	131,100	97,231
	<u>2,271,068</u>	<u>1,209,735</u>
Expenses		
Salaries	302,650	231,490
Benefits	47,519	34,948
Travel	6,546	7,218
Communication	2,016	1,161
Rent/lease/mortgage interest	34,591	42,506
Utilities	36,966	36,259
Staff training	964	3,974
Insurance	2,100	2,100
Other services	49,861	60,420
Supplies, equipment related to repairs and maintenance	145,406	148,696
IT - supplies and equipment	717	717
Other supplies and equipment	42,729	51,492
Individualized funding	736,832	462,291
Expenditure recovery	42,355	42,355
Amortization	90,127	84,108
	<u>1,541,379</u>	<u>1,209,735</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	729,689	-
Vacation accrual (Note 12)	12,960	9,399
	<u> </u>	<u> </u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 716,729	\$ (9,399)
	<u> </u>	<u> </u>
Due to (from) Ministry	\$ -	\$ -
Retained by organization	716,729	(9,399)
	<u> </u>	<u> </u>
	\$ 716,729	\$ (9,399)
	<u> </u>	<u> </u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATING SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Central Administration	\$ -	\$ -
Property Maintenance	-	-
DS Host Family Residences	109,487	99,323
DS Supported Independent Living	37,371	16,784
DS Supported Group Living Residences	(132,380)	(323,448)
DS Intensive Support Residences	(599)	(17,534)
DS Caregiver Respite Services	729	(3,855)
DS Community Participation	(729)	(111,863)
Community Living - Children's Group Living	(31,536)	(67,406)
Children Associate Living	31,536	13,416
Children In-Home Respite	1,289	1,860
Children Out-of-Home Respite	(759)	(3,299)
Support Services - Children	(530)	(5,008)
Temporary Supports	-	(4,803)
Partner Facility Renewal	-	-
Partner Facility Renewal - Fire Code Retrofit	-	19,337
Children Out-of-Home Respite Initiative	-	-
Dedicated Supportive Housing	-	-
ODSP Employment Supports	-	(9,399)
Special Projects	716,729	-
Association Accounts	-	-
Clarington Project	-	-
Net Surplus (Deficit)	\$ 730,608	\$ (395,895)
Due to (from) Ministry	\$ -	\$ 19,337
Retained by organization	730,608	(415,232)
	\$ 730,608	\$ (395,895)

COMMUNITY LIVING OSHAWA/CLARINGTON

CENTRAL ADMINISTRATION

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Memberships and miscellaneous	\$ 507	\$ 299
Donations	401	580
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	908	879
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Expenses		
Salaries	727,768	681,485
Benefits	138,990	139,516
Travel	6,475	4,964
Communication	14,214	8,060
Utilities	11,195	13,015
Staff training	24,133	31,953
Advertising and promotion	3,474	4,572
Professional/contracted out services	44,952	53,987
Purchased client services - OPR	30,541	11,664
Insurance	11,436	11,436
Other services	24,977	29,451
Supplies, equipment related to repairs and maintenance	13,260	25,193
IT - supplies and equipment	8,742	2,547
Other supplies and equipment	14,875	21,640
Expenditure transfer	(21,100)	(21,100)
Allocated administration	(1,053,024)	(1,017,504)
	<hr/>	<hr/>
	908	879
	<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, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Memberships and miscellaneous	\$ -	\$ -
	<hr/>	<hr/>
Expenses		
Salaries	348,217	332,460
Benefits	68,522	68,218
Salaries allocated	(375,056)	(355,911)
Travel	29,011	34,381
Communication	2,786	2,942
Rent/lease/mortgage interest	14,745	6,621
Staff training	500	500
Services related to repairs and maintenance	(44,573)	(44,573)
Insurance	1,440	1,440
Supplies, equipment related to repairs and maintenance	10,058	9,573
Allocated to programs	(55,650)	(55,651)
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	-	-
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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, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 610,548	\$ 591,596
Other	14,500	10,875
	<u>625,048</u>	<u>602,471</u>
Expenses		
Salaries	70,868	68,589
Staff benefits	13,617	13,966
Travel	644	647
Communication	621	601
Rent/lease/mortgage interest	4,291	4,122
Utilities	648	648
Staff training	750	750
Insurance	228	228
IT - supplies and equipment	500	500
Other supplies and equipment	1,750	1,750
Individualized funding	378,256	372,097
Allocated administration	41,160	34,116
	<u>513,333</u>	<u>498,014</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	111,715	104,457
Vacation accrual (Note 12)	2,228	5,134
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 109,487</u>	<u>\$ 99,323</u>
Due to Ministry	<u>\$ 109,487</u>	<u>\$ 99,323</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED INDEPENDENT LIVING (9112)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 913,551	\$ 955,740
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Expenses		
Salaries	285,631	266,198
Benefits	55,643	53,496
Maintenance salaries and benefits	9,751	9,254
Travel	15,774	17,437
Communication	5,532	6,112
Staff training	3,457	3,000
Services related to repairs and maintenance	1,159	1,159
Insurance	552	552
Supplies, equipment related to repairs and maintenance	1,000	1,000
IT - supplies and equipment	2,000	2,000
Other supplies and equipment	3,000	3,000
Individualized funding	428,600	489,935
Allocated administration	58,236	64,320
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	870,335	917,463
	<hr/>	<hr/>
Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	43,216	38,277
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Vacation accrual (Note 12)	5,845	21,493
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 37,371	\$ 16,784
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Due to (from) Ministry	\$ 37,371	\$ 16,784
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COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED GROUP LIVING RESIDENCES (8847)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 7,992,551	\$ 7,775,549
Program Fees	816,310	800,666
Other	94,004	94,274
Amortization of deferred contributions (Note 5)	33,584	35,705
	<u>8,936,449</u>	<u>8,706,194</u>
Expenses		
Salaries	6,183,427	5,815,064
Benefits	1,212,386	1,050,686
Maintenance salaries and benefits	144,397	137,026
Travel	75,406	100,059
Communication	91,034	68,401
Rent/lease/mortgage interest	109,019	100,419
Utilities	105,670	109,047
Staff training	58,051	55,714
Services related to repairs and maintenance	17,161	17,161
Professional/contracted out services	7,536	6,258
Purchased client services	239,178	214,179
Purchased client services - OPR	46,759	96,024
Insurance	15,337	12,396
Supplies, equipment related to repairs and maintenance	57,193	167,134
IT - supplies and equipment	4,825	4,825
Other supplies and equipment	9,296	12,308
Allocated administration	580,668	545,976
Amortization	120,900	133,383
Loss on disposal of capital assets	740	-
	<u>9,078,983</u>	<u>8,646,060</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	(142,534)	60,134
Vacation accrual (Note 12)	(10,154)	383,582
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ (132,380)</u>	<u>\$ (323,448)</u>
Due to (from) Ministry	\$ -	\$ (133,010)
Retained by organization	(132,380)	(190,438)
	<u>\$ (132,380)</u>	<u>\$ (323,448)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS INTENSIVE GROUP LIVING (9110)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 321,166	\$ 287,636
Program fees	14,326	19,056
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	335,492	306,692
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Expenses		
Salaries	220,455	207,689
Benefits	42,203	40,695
Maintenance salaries and benefits	19,064	18,087
Travel	8,021	10,260
Communication	3,341	3,302
Utilities	1,195	-
Staff training	2,400	2,400
Services related to repairs and maintenance	2,264	2,264
Professional/contracted out services	100	410
Purchased client services	8,050	8,148
Insurance	792	792
Supplies, equipment related to repairs and maintenance	2,412	-
IT - supplies and equipment	675	524
Other supplies and equipment	845	845
Allocated administration	22,452	21,000
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	334,269	316,416
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Excess of revenue over expenses (expenses over revenue) before vacation accrual	1,223	(9,724)
Vacation accrual (Note 12)	1,822	7,810
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EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (599)	\$ (17,534)
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Due to (from) Ministry	\$ (599)	\$ (17,534)
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COMMUNITY LIVING OSHAWA/CLARINGTON

DS CAREGIVER RESPITE SERVICES (9130)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 173,292	\$ 151,414
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Expenses		
Individualized funding	172,563	155,269
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EXCESS OF REVENUE OVER EXPENSES	\$ 729	\$ (3,855)
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Due to Ministry	\$ 729	\$ (3,855)
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COMMUNITY LIVING OSHAWA/CLARINGTON

DS COMMUNITY PARTICIPATION (9131)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 2,400,864	\$ 2,416,402
Other	410	-
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	2,401,274	2,416,402
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Expenses		
Salaries	1,443,052	1,398,146
Benefits	268,397	279,395
Maintenance salaries and benefits	142,210	134,954
Travel	20,527	18,653
Communication	15,075	12,547
Rent/lease/mortgage interest	12,062	11,308
Utilities	38,466	39,900
Staff training	10,359	10,359
Services related to repairs and maintenance	16,902	16,902
Professional/contracted out services	869	1,501
Insurance	7,152	7,152
Supplies, equipment related to repairs and maintenance	38,732	63,050
IT - supplies and equipment	3,217	5,161
Other supplies and equipment	20,737	19,820
Specialized furniture and equipment	-	31,878
Individualized funding	208,253	224,110
Allocated administration	153,984	152,964
Expenditure transfer	(20,055)	(20,055)
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	2,379,939	2,407,745
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Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	21,335	8,657
Vacation accrual (Note 12)	22,064	120,520
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EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (729)	\$ (111,863)
	<hr/>	<hr/>
Due to (from) Ministry	\$ (729)	\$ (111,863)
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COMMUNITY LIVING OSHAWA/CLARINGTON

COMMUNITY LIVING - CHILDREN'S GROUP LIVING (9250)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 1,922,146	\$ 1,890,357
Fees for programs	149,630	149,190
	<u>2,071,776</u>	<u>2,039,547</u>
Expenses		
Salaries	1,446,516	1,420,789
Benefits	293,585	279,810
Maintenance salaries and benefits	55,808	52,960
Travel	43,307	24,156
Communication	10,035	11,406
Rent/lease/mortgage interest	6,359	6,359
Utilities	22,659	20,963
Staff training	3,833	3,555
Services related to repairs and maintenance	6,632	6,632
Professional/contracted out services	2,042	2,320
Purchased client services	56,392	68,523
Purchased client services - OPR	-	3,244
Insurance	3,165	3,111
Supplies, equipment related to repairs and maintenance	11,043	10,474
IT - supplies and equipment	2,000	2,000
Other supplies and equipment	2,548	2,485
Allocated administration	136,344	139,068
	<u>2,102,268</u>	<u>2,057,855</u>
Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	(30,492)	(18,308)
Vacation accrual (Note 12)	1,044	49,098
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ (31,536)</u>	<u>\$ (67,406)</u>
Due to (from) Ministry	<u>\$ (31,536)</u>	<u>\$ (67,406)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILD ASSOCIATE LIVING (9251)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 262,630	\$ 249,595
	<hr/>	<hr/>
Expenses		
Salaries	63,856	61,952
Benefits	12,591	12,598
Travel	1,006	1,906
Communication	400	400
Utilities	348	348
Staff training	1,100	1,100
Insurance	108	108
Supplies, equipment related to repairs and maintenance	150	150
IT - supplies and equipment	500	500
Other supplies and equipment	625	625
Individualized funding	132,996	134,608
Allocated administration	16,584	16,992
	<hr/>	<hr/>
	230,264	231,287
	<hr/>	<hr/>
Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	32,366	18,308
Vacation accrual (Note 12)	830	4,892
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 31,536	\$ 13,416
	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ 31,536	\$ 13,416
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN IN-HOME RESPITE (9254)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ <u>31,652</u>	\$ <u>31,652</u>
Expenses		
Individualized funding	28,287	27,644
Allocated administration	<u>2,076</u>	<u>2,148</u>
	<u>30,363</u>	<u>29,792</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>1,289</u>	\$ <u>1,860</u>
Due to Ministry	\$ <u>1,289</u>	\$ <u>1,860</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN OUT-OF-HOME RESPITE (9255)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 136,848	\$ 136,848
Program fees	15,396	12,600
	<hr/>	<hr/>
	152,244	149,448
	<hr/>	<hr/>
Expenses		
Salaries	96,949	102,798
Benefits	23,456	16,618
Travel	3,012	1,958
Communication	1,178	1,795
Utilities	844	1,449
Staff training	-	335
Professional/contracted out services	-	223
Purchased client services	2,665	1,977
Insurance	114	289
Supplies, equipment related to repairs and maintenance	2,111	3,310
IT - supplies and equipment	210	104
Other supplies and equipment	-	15
Allocated administration	22,464	21,876
	<hr/>	<hr/>
	153,003	152,747
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (759)	\$ (3,299)
	<hr/>	<hr/>
Due to (from) Ministry	\$ (759)	\$ (3,299)
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

SUPPORT SERVICES - CHILDREN (9259)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ <u>108,408</u>	\$ <u>108,408</u>
Expenses		
Salaries	75,791	74,371
Benefits	16,175	15,109
Maintenance salaries and benefits	3,826	3,630
Travel	854	1,308
Communication	-	1,000
Utilities	360	360
Staff training	342	342
Services related to repairs and maintenance	455	455
Insurance	204	204
Supplies, equipment related to repairs and maintenance	300	300
IT - supplies and equipment	500	500
Other supplies and equipment	1,986	1,986
Allocated administration	7,416	7,404
	<u>108,209</u>	<u>106,969</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	199	1,439
Vacation accrual (Note 12)	729	6,447
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>(530)</u>	\$ <u>(5,008)</u>
Due to (from) Ministry	\$ <u>(530)</u>	\$ <u>(5,008)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS TEMPORARY SUPPORTS (9137)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 267,311	\$ 194,865
	<u> </u>	<u> </u>
Expenses		
Individualized funding	<u>267,311</u>	<u>199,668</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ -	\$ (4,803)
	<u> </u>	<u> </u>
Due to (from) Ministry	\$ -	\$ (4,803)
	<u> </u>	<u> </u>

COMMUNITY LIVING OSHAWA/CLARINGTON

PARTNER FACILITY RENEWAL (8917)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 156,000	\$ 65,000
	<hr/>	<hr/>
Expenses		
Capital/repairs and maintenance	156,000	65,000
	<hr/>	<hr/>
	\$ -	\$ -
EXCESS OF REVENUE OVER EXPENSES	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

PARTNER FACILITY RENEWAL - FIRE CODE RETROFIT (8917)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 50,000	\$ 50,000
	<hr/>	<hr/>
Expenses		
Capital/repairs and maintenance	50,000	30,663
	<hr/>	<hr/>
	\$ -	\$ 19,337
EXCESS OF REVENUE OVER EXPENSES	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ -	\$ 19,337
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN OUT-OF-HOME RESPITE INITIATIVE (A510)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Provincial subsidy	\$ 186,535	\$ 186,535
	<hr/>	<hr/>
Expenses		
Salaries	145,194	144,693
Benefits	28,022	27,636
Travel	4,004	4,268
Communication	1,141	1,216
Utilities	2,288	2,440
Staff training	668	610
Professional/contracted out services	283	407
Purchased client services	3,680	3,924
Insurance	393	272
Supplies, equipment related to repairs and maintenance	572	610
IT - supplies and equipment	290	203
Other supplies and equipment	-	256
	<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, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Other provincial Subsidy	\$ 238,871	\$ 255,053
Program fees	32,448	32,448
	<hr/>	<hr/>
	271,319	287,501
	<hr/>	<hr/>
Expenses		
Operating		
Maintenance, salaries, wages and benefits	55,650	55,650
Maintenance materials and services	23,998	38,991
Utilities	36,966	36,259
Administration	22,300	22,300
Insurance	2,100	2,100
	<hr/>	<hr/>
Total Operating	141,014	155,300
	<hr/>	<hr/>
Other		
Mortgage interest	34,591	42,506
Transfer to capital reserve	5,587	5,587
Amortization	90,127	84,108
	<hr/>	<hr/>
Total Other	130,305	132,201
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

EMPLOYMENT SUPPORTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Other Provincial subsidy	\$ 215,944	\$ 147,730
	<hr/>	<hr/>
Expenses		
Salaries	145,910	93,621
Benefits	28,697	19,005
Travel	5,119	4,220
Communication	516	621
Staff training	129	1,370
Other services	20,083	27,176
IT - supplies and equipment	717	717
Other supplies and equipment	1,813	1,000
	<hr/>	<hr/>
	202,984	147,730
	<hr/>	<hr/>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	12,960	-
Vacation accrual (Note 12)	12,960	9,399
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ -	\$ (9,399)
	<hr/>	<hr/>
Due to Ministry	\$ -	\$ (9,399)
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

SPECIAL PROJECTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Gain on expropriation of 1034 Winchester	\$ 716,729	\$ -
Other	20,327	15,348
	<hr/>	<hr/>
	737,056	15,348
	<hr/>	<hr/>
Expenses		
Salaries	12,032	5,276
Benefits	362	133
Supplies, equipment related to repairs and maintenance	4,851	6,210
Other supplies and equipment	3,082	3,729
	<hr/>	<hr/>
	20,327	15,348
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES		
(EXPENSES OVER REVENUE)	\$ 716,729	\$ -
	<hr/> <hr/>	<hr/> <hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

ASSOCIATION ACCOUNTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Other Provincial subsidy	\$ 736,832	\$ 462,291
Donations	23,465	9,580
Fund-raising (net)	54,067	78,726
Other	110,773	81,883
Sales	66,266	74,829
	<hr/>	<hr/>
	991,403	707,309
	<hr/>	<hr/>
Expenses		
Salaries	89,058	76,943
Benefits	18,460	15,810
Travel	-	589
Communication	-	40
Staff training	835	2,604
Supplies, equipment related to repairs and maintenance	109,470	94,402
Other supplies and equipment	24,331	42,990
Individualized funding	736,832	462,291
Allocated administration	12,417	11,640
	<hr/>	<hr/>
	991,403	707,309
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<hr/>	<hr/>
Retained by organization	\$ -	\$ -
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

CLARINGTON PROJECT

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Donations	\$ 3,463	\$ 2,260
Program fees	25,255	28,855
Fund-raising	26,628	20,732
	<hr/>	<hr/>
	55,346	51,847
	<hr/>	<hr/>
Expenses		
Travel	1,427	2,409
Communication	1,500	500
Supplies, equipment related to repairs and maintenance	1,500	3,506
Other supplies and equipment	13,503	3,773
Miscellaneous	17,361	21,604
Expenditure transfer	20,055	20,055
	<hr/>	<hr/>
	55,346	51,847
	<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, 2016

	<u>2016</u>	<u>2015</u>
Operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ 730,608	\$ (415,232)
Charges to income not involving cash:		
Amortization	211,027	217,491
Adjustment due to MCSS review	-	-
Loss (gain) on disposal of capital assets	(715,989)	-
Change in capital reserve allowance	5,588	5,587
Net change in non-cash working capital balances related to operations:		
Accounts receivable	196,633	(350,778)
Subsidies receivable	11,451	(33,713)
Prepaid expenses	(5,634)	5,289
Accounts payable and accrued liabilities	(156,497)	788,179
Due to Ministry of Community and Social Services	(19,337)	13,198
Funds held in trust	-	168
	<u>257,850</u>	<u>230,189</u>
Investing activities		
Proceeds on disposal of capital assets	716,729	-
Additions to capital assets	<u>(151,131)</u>	<u>(147,567)</u>
	<u>565,598</u>	<u>(147,567)</u>
Financing activities		
Increase (decrease) in loans payable	(103,526)	(102,443)
Increase (decrease) in mortgages payable	(83,287)	(96,823)
Increase (decrease) in deferred contributions related to capital assets	<u>(33,584)</u>	<u>(35,705)</u>
	<u>(220,397)</u>	<u>(234,971)</u>
Change in cash during the year	603,051	(152,349)
Cash at the beginning of the year	<u>(222,832)</u>	<u>(70,483)</u>
Cash at the end of the year	<u>\$ 380,219</u>	<u>\$ (222,832)</u>
Cash is comprised of:		
Cash	\$ 380,219	\$ 182,168
Bank indebtedness	<u>-</u>	<u>(405,000)</u>
	<u>\$ 380,219</u>	<u>\$ (222,832)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

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, 2016

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, 2016

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, 2016

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 no balance outstanding at March 31, 2016 (\$405,000 outstanding at March 31, 2015).

4. Long Term

Mortgages Payable

Property:	630 Annapolis	\$ 106,380
Mortgagor:	Canada Mortgage and Housing Corporation	
Monthly Payment:	\$1,039.23	
Interest Rate:	1.39%	
Maturity Date:	June 1, 2020	
Property:	821 Central Park	116,206
Mortgagor:	Canada Mortgage and Housing Corporation	
Monthly Payment:	\$1,135.21	
Interest Rate:	1.39%	
Maturity Date:	June 1, 2020	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

4. Long Term - continued

Property:	380 Holcan	180,490
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,677.43	
Interest Rate:	1.735%	
Maturity Date:	March 1, 2021	
Property:	425 Adelaide	131,694
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,223.93	
Interest Rate:	1.735%	
Maturity Date:	March 1, 2020	
Property:	488 Rossland	183,934
Mortgagor:	TD Canada Trust	
Monthly Payment:	\$2,092.35	
Interest Rate:	6.51%	
Maturity Date:	March 1, 2026	
Property:	844 Bessborough	183,313
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,768.77	
Interest Rate:	3.153%	
Maturity Date:	June 1, 2016	
Property:	209 Killdeer	136,642
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,204.19	
Interest Rate:	2.164%	
Maturity Date:	November 1, 2019	
Property:	6758 Enfield	342,529
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, 2016

4. Long Term - continued

Property:	1200 Simcoe Street	42,022
Mortgagor:	Royal Bank	
Monthly Payment:	\$529.88	
Interest Rate:	3.41%	
Maturity Date:	September 2, 2018	
		<hr/>
		1,423,210
Less: Current portion		<hr/>
		274,379
		<hr/>
		<u>\$ 1,148,831</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: \$274,379 in 2017, \$95,658 in 2018, \$123,811 in 2019, \$183,185 in 2020 and \$346,808. 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	\$ 457
Monthly Payment:	\$457.38	
Interest Rate:	4.79%	
Maturity Date:	April 5, 2016	
Loan payable to:	Royal Bank	1,318
Monthly Payment:	\$441.56	
Interest Rate:	3.42%	
Maturity Date:	June 24, 2016	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

4. Long Term - continued

Loan payable to:	Royal Bank	1,318
Monthly Payment:	\$441.56	
Interest Rate:	3.42%	
Maturity Date:	June 24, 2016	
Loan payable to:	Royal Bank	4,301
Monthly Payment:	\$436.20	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	
Loan payable to:	Royal Bank	10,170
Monthly Payment:	\$1,031.35	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	
Loan payable to:	Royal Bank	4,273
Monthly Payment:	\$433.40	
Interest Rate:	2.99%	
Maturity Date:	January 6, 2017	
Loan payable to:	Royal Bank	35,434
Monthly Payment:	\$1,154.14	
Interest Rate:	3.04%	
Maturity Date:	November 12, 2018	
Loan payable to:	Royal Bank	36,493
Monthly Payment:	\$1,154.23	
Interest Rate:	3.04%	
Maturity Date:	December 23, 2018	
		<hr/>
		93,764
Less: Current portion		<hr/>
		47,709
		<hr/>
		\$ 46,055

All loans are secured by the respective vehicles. Principal repayments in the next five years are as follows: \$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, 2015

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>2016</u>	<u>2015</u>
Opening balance	\$ 651,528	\$ 687,233
Less: Amounts amortized to revenue	33,584	35,705
Closing balance	<u>\$ 617,944</u>	<u>\$ 651,528</u>

6. Investment in Capital Assets

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

	<u>2016</u>	<u>2015</u>
Capital assets	\$4,417,821	\$ 4,478,457
Less: Amount financed by deferred contributions	(617,944)	(651,528)
Bank credit facility	(-)	(405,000)
Loans payable	(93,764)	(177,051)
Mortgages payable	<u>(1,423,210)</u>	<u>(1,526,736)</u>
	<u>\$ 2,282,903</u>	<u>\$ 1,718,142</u>

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

	<u>2016</u>	<u>2015</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 33,584	\$ 35,705
Gain (loss) on sale/expropriation of assets	715,989	-
Less: Amortization of capital assets	<u>(211,027)</u>	<u>(217,491)</u>
	<u>\$ 538,546</u>	<u>\$ (181,786)</u>
Net change in investment in capital assets		
Purchase of capital assets	\$ 151,131	\$ 147,567
Proceeds on sale/expropriation of assets	(716,729)	-
Addition of new mortgage and loans	-	(205,000)
Repayment of mortgage and loan principal	<u>591,813</u>	<u>199,266</u>
	<u>\$ 26,215</u>	<u>\$ 141,833</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

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, 2016 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 years ending March 31, 2015 and 2016 have 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 \$5,588 was received and no expenditures were incurred.

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NOTES TO FINANCIAL STATEMENTS

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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
209 Killdeer Street
706 Holt Road
4794 Old Scugog Road
580 Wilson Road
844 Bessborough Drive
321 Marland Street
88 Wyndfield Crescent**

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

**1035 Olive Avenue
1200 Simcoe Street
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:

2017	\$21,420
2018	\$21,420
2019	\$21,420

These leases expire at various dates between December 2015 and May 2019

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NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

12. Vacation Accrual

Vacation salaries payable in the amount of \$608,375 were accrued in the March 31, 2015 financial statements in accordance with the Ministry of Community and Social Services guidelines. Prior to 2015, per the Ministry of Community and Social Services guidelines, this payable was not accrued. The entire amount was recognized in the March 31, 2015 fiscal year to be consistent with reporting to the Ministry of Community and Social Services for fiscal 2014/15. Vacation is being accrued on an annual basis starting in 2016.

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, 2016.

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, 2015

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.