

COMMUNITY LIVING OSHAWA/CLARINGTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017



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, 2017 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, 2016 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, 2017, 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 Villeneuve

Chartered Accountants, Licensed Public Accountants

**June 20, 2017
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, 2017

			<u>2017</u>	<u>2016</u>
<u>ASSETS</u>				
Current				
Cash and cash equivalents		\$	116,816	\$ 380,219
Accounts receivable			841,653	497,608
Subsidies receivable			126,519	80,110
Prepaid expenses			142,519	138,369
			<u>1,227,507</u>	<u>1,096,306</u>
Capital				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 1,662,786	\$ -	1,662,786	1,662,786
Buildings	5,630,995	3,224,875	2,406,120	2,519,818
Furniture, equipment and vehicles	2,238,189	1,963,047	275,142	235,217
	<u>\$ 9,531,970</u>	<u>\$ 5,187,922</u>	<u>4,344,048</u>	<u>4,417,821</u>
			<u>\$ 5,571,555</u>	<u>\$ 5,514,127</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, 2017

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current		
Bank indebtedness (Note 3)	\$ 135,000	\$ -
Accounts payable and accrued liabilities	1,978,486	1,924,162
Due to Ministry of Community and Social Services	-	-
Funds held in trust	21,279	21,141
Current portion of long term debt	151,349	322,088
	<u>2,286,114</u>	<u>2,267,391</u>
Long Term (Note 4)		
Loans payable	94,051	93,764
Mortgages payable	1,314,602	1,423,210
Less: current portion shown above	(151,349)	(322,088)
	<u>1,257,304</u>	<u>1,194,886</u>
Deferred contributions related to capital assets (Note 5)	<u>586,291</u>	<u>617,944</u>
Net Assets		
Investment in capital assets (Note 6)	2,349,104	2,282,903
Capital reserve allowance - Dedicated Supportive Housing (Note 9)	29,219	28,828
Unrestricted net assets (deficit)	(936,477)	(877,825)
	<u>1,441,846</u>	<u>1,433,906</u>
	<u>\$ 5,571,555</u>	<u>\$ 5,514,127</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	Investment in Capital Assets	Capital Reserve Allowance	Unrestricted	Total 2017	Total 2016
Opening balance	\$ 2,282,903	\$ 28,828	\$ (877,825)	\$ 1,433,906	\$ 697,710
Prior year adjustment due to Ministry review (Note 8)			-	-	-
Excess of revenue over expenses (expenses over revenue) (Note 6)	(192,811)	-	200,360	7,549	730,608
Net change in investment in capital assets (Note 6)	259,012	-	(259,012)	-	-
Dedicated Supportive Housing funding (Note 9)	-	391	-	391	5,588
Closing balance	\$ 2,349,104	\$ 29,219	\$ (936,477)	\$ 1,441,846	\$ 1,433,906

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 15,995,543	\$ 15,533,502
Other Provincial subsidy	1,118,708	1,191,647
Sales	47,159	66,266
Program fees	1,090,283	1,053,365
Fundraising	74,624	80,695
Donations	41,643	27,329
Ontario Trillium Foundation	148,400	-
Other revenue	212,568	240,521
Gain on expropriation of 1034 Winchester	-	716,729
Amortization of deferred contributions (Note 5)	31,653	33,584
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	18,760,581	18,943,638
Expenses (Schedule A)	<hr/>	<hr/>
	18,753,032	18,213,030
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EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 7,549	\$ 730,608
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Due to (from) Ministry	\$ -	\$ -
Retained by organization	7,549	730,608
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	\$ 7,549	\$ 730,608
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COMMUNITY LIVING OSHAWA/CLARINGTON**SCHEDULE A****EXPENSES****FOR THE YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
Expenses		
Salaries	\$ 11,590,681	\$ 11,354,724
Benefits	2,248,102	2,221,106
Travel	248,098	214,587
Communication	134,814	147,373
Rent/lease/mortgage interest	172,880	181,067
Utilities	247,196	220,639
Staff training	101,960	106,557
Advertising and promotion	5,055	3,702
Professional/contracted out services	76,590	55,782
Purchased client services	281,565	309,965
Purchased client services - OPR	122,481	77,300
Insurance	49,354	42,793
Other services	65,103	62,421
Supplies, equipment related to repairs and maintenance	304,472	284,214
IT - supplies and equipment	29,269	24,176
Other supplies and equipment	83,467	98,391
Specialized furniture and equipment	-	-
Capital repairs and maintenance	335,389	206,000
Individualized funding	2,375,539	2,353,098
Amortization	216,587	211,027
Loss on disposal of capital assets	7,877	740
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Total expenses before vacation accrual	18,696,479	18,175,662
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Vacation accrual (Note 12)	56,553	37,368
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TOTAL EXPENSES	\$ 18,753,032	\$ 18,213,030
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COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - MINISTRY SERVICE CONTRACT TOTALS (TPAR)

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 15,995,543	\$ 15,533,502
Program fees	1,030,410	995,662
Donations	130	401
Other revenue	120,878	109,421
Amortization of deferred contributions (Note 5)	31,653	33,584
	<u>17,178,614</u>	<u>16,672,570</u>
Expenses		
Salaries	11,308,834	11,052,074
Benefits	2,208,795	2,173,587
Travel	239,619	208,041
Communication	133,401	145,357
Rent/lease/mortgage interest	146,474	146,476
Utilities	194,666	183,673
Staff training	101,831	105,593
Advertising and promotion	5,055	3,702
Professional/contracted out services	76,590	55,782
Purchased client services	281,565	309,965
Purchased client services - OPR	122,481	77,300
Insurance	47,254	40,693
Other services	31,478	24,977
Supplies, equipment related to repairs and maintenance	183,368	136,831
IT - supplies and equipment	28,552	23,459
Other supplies and equipment	62,857	55,662
Capital repairs and maintenance	171,566	206,000
Individualized funding	1,778,739	1,616,266
Expenditure recovery	(108,972)	(52,795)
Amortization	121,932	120,900
Loss on disposal of capital assets	7,877	740
	<u>17,143,962</u>	<u>16,634,283</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	34,652	38,287
Vacation accrual (Note 12)	<u>39,107</u>	<u>24,408</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>(4,455)</u>	\$ <u>13,879</u>
Due to (from) Ministry	\$ -	\$ -
Retained by organization	<u>(4,455)</u>	<u>13,879</u>
	\$ <u>(4,455)</u>	\$ <u>13,879</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATIONS - NON-SERVICE CONTRACT TOTALS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Other Provincial subsidy	\$ 1,118,708	\$ 1,191,647
Sales	47,159	66,266
Program fees	59,873	57,703
Fundraising	74,624	80,695
Donations	41,513	26,928
Ontario Trillium Foundation	148,400	-
Gain on expropriation of 1034 Winchester	-	716,729
Other revenue	91,690	131,100
	<u>1,581,967</u>	<u>2,271,068</u>
Expenses		
Salaries	281,847	302,650
Benefits	39,307	47,519
Travel	8,479	6,546
Communication	1,413	2,016
Rent/lease/mortgage interest	26,406	34,591
Utilities	52,530	36,966
Staff training	129	964
Insurance	2,100	2,100
Other services	45,265	49,861
Supplies, equipment related to repairs and maintenance	108,265	145,406
IT - supplies and equipment	717	717
Other supplies and equipment	20,610	42,729
Capital repairs and maintenance	163,823	-
Individualized funding	596,800	736,832
Expenditure recovery	110,171	42,355
Amortization	94,655	90,127
	<u>1,552,517</u>	<u>1,541,379</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	29,450	729,689
Vacation accrual (Note 12)	17,446	12,960
	<u>12,004</u>	<u>716,729</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ 12,004	\$ 716,729
Due to (from) Ministry	\$ -	\$ -
Retained by organization	12,004	716,729
	<u>\$ 12,004</u>	<u>\$ 716,729</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF OPERATING SURPLUS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Central Administration	\$ -	\$ -
Property Maintenance	-	-
DS Host Family Residences	65,716	109,487
DS Supported Independent Living	67,441	37,371
DS Supported Group Living Residences	(156,319)	(132,380)
DS Intensive Support Residences	(1,556)	(599)
DS Caregiver Respite Services	27,503	729
DS Community Participation	(27,496)	(729)
Community Living - Children's Group Living	(25,297)	(31,536)
Children Associate Living	45,560	31,536
Children In-Home Respite	5,464	1,289
Children Out-of-Home Respite	(15,944)	(759)
Support Services - Children	10,480	(530)
Temporary Supports	(7)	-
Partner Facility Renewal	-	-
Partner Facility Renewal - Fire Code Retrofit	-	-
Children Out-of-Home Respite Initiative	-	-
Dedicated Supportive Housing	-	-
ODSP Employment Supports	-	-
Special Projects	-	716,729
Association Accounts	-	-
Clarington Project	12,004	-
Ontario Trillium Foundation	-	-
Net Surplus (Deficit)	<u>\$ 7,549</u>	<u>\$ 730,608</u>
Due to (from) Ministry	\$ -	\$ -
Retained by organization	<u>7,549</u>	<u>730,608</u>
	<u>\$ 7,549</u>	<u>\$ 730,608</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CENTRAL ADMINISTRATION

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Memberships and miscellaneous	\$ 428	\$ 507
Donations	130	401
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	558	908
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Expenses		
Salaries	733,166	727,768
Benefits	147,813	138,990
Travel	3,544	6,475
Communication	15,948	14,214
Utilities	14,693	11,195
Staff training	14,866	24,133
Advertising and promotion	4,827	3,474
Professional/contracted out services	57,277	44,952
Purchased client services - OPR	25,472	30,541
Insurance	11,436	11,436
Other services	31,478	24,977
Supplies, equipment related to repairs and maintenance	11,572	13,260
IT - supplies and equipment	14,243	8,742
Other supplies and equipment	20,365	14,875
Expenditure transfer	(88,917)	(21,100)
Allocated administration	(1,017,225)	(1,053,024)
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	558	908
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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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Memberships and miscellaneous	\$ -	\$ -
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Expenses		
Salaries	349,698	348,217
Benefits	70,492	68,522
Salaries allocated	(375,056)	(375,056)
Travel	22,638	29,011
Communication	2,121	2,786
Rent/lease/mortgage interest	14,568	14,745
Staff training	676	500
Services related to repairs and maintenance	(44,573)	(44,573)
Insurance	1,440	1,440
Supplies, equipment related to repairs and maintenance	13,021	10,058
Other supplies and equipment	625	-
Allocated to programs	(55,650)	(55,650)
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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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 598,201	\$ 610,548
Other	<u>14,500</u>	<u>14,500</u>
	<u>612,701</u>	<u>625,048</u>
Expenses		
Salaries	72,456	70,868
Staff benefits	14,570	13,617
Travel	1,122	644
Communication	601	621
Rent/lease/mortgage interest	4,325	4,291
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	409,447	378,256
Allocated administration	<u>40,492</u>	<u>41,160</u>
	<u>546,889</u>	<u>513,333</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	65,812	111,715
Vacation accrual (Note 12)	96	2,228
EXCESS OF REVENUE OVER EXPENSES	\$ <u>65,716</u>	\$ <u>109,487</u>
Due to Ministry	\$ <u>65,716</u>	\$ <u>109,487</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED INDEPENDENT LIVING (9112)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 941,512	\$ 913,551
Expenses		
Salaries	270,473	285,631
Benefits	53,893	55,643
Maintenance salaries and benefits	9,751	9,751
Travel	14,922	15,774
Communication	4,417	5,532
Staff training	3,000	3,457
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	452,347	428,600
Allocated administration	57,514	58,236
	<u>874,028</u>	<u>870,335</u>
Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	67,484	43,216
Vacation accrual (Note 12)	43	5,845
EXCESS OF REVENUE OVER EXPENSES	\$ 67,441	\$ 37,371
Due to (from) Ministry	\$ 67,441	\$ 37,371

COMMUNITY LIVING OSHAWA/CLARINGTON

DS SUPPORTED GROUP LIVING RESIDENCES (8847)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 8,264,329	\$ 7,992,551
Program Fees	842,356	816,310
Other	106,050	94,004
Amortization of deferred contributions (Note 5)	31,653	33,584
	<u>9,244,388</u>	<u>8,936,449</u>
Expenses		
Salaries	6,334,806	6,183,427
Benefits	1,231,263	1,212,386
Maintenance salaries and benefits	144,397	144,397
Travel	120,081	75,406
Communication	76,538	91,034
Rent/lease/mortgage interest	109,465	109,019
Utilities	105,607	105,670
Staff training	63,062	58,051
Services related to repairs and maintenance	17,161	17,161
Professional/contracted out services	14,138	7,536
Purchased client services	225,493	239,178
Purchased client services - OPR	78,534	46,759
Insurance	21,820	15,337
Supplies, equipment related to repairs and maintenance	113,076	57,193
IT - supplies and equipment	4,825	4,825
Other supplies and equipment	9,854	9,296
Allocated administration	557,106	580,668
Amortization	121,932	120,900
Loss on disposal of capital assets	7,877	740
	<u>9,357,035</u>	<u>9,078,983</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	(112,647)	(142,534)
Vacation accrual (Note 12)	43,672	(10,154)
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ (156,319)</u>	<u>\$ (132,380)</u>
Due to (from) Ministry	\$ (119,825)	\$ (141,010)
Retained by organization	<u>(36,494)</u>	<u>8,630</u>
	<u>\$ (156,319)</u>	<u>\$ (132,380)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS INTENSIVE GROUP LIVING (9110)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 321,166	\$ 321,166
Program fees	19,536	14,326
	<u>340,702</u>	<u>335,492</u>
Expenses		
Salaries	227,009	220,455
Benefits	45,381	42,203
Maintenance salaries and benefits	19,064	19,064
Travel	6,405	8,021
Communication	4,346	3,341
Utilities	53	1,195
Staff training	2,400	2,400
Services related to repairs and maintenance	2,264	2,264
Professional/contracted out services	567	100
Purchased client services	6,812	8,050
Insurance	792	792
Supplies, equipment related to repairs and maintenance	40	2,412
IT - supplies and equipment	675	675
Other supplies and equipment	845	845
Allocated administration	21,575	22,452
	<u>338,228</u>	<u>334,269</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	2,474	1,223
Vacation accrual (Note 12)	4,030	1,822
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (1,556)	\$ (599)
Due to (from) Ministry	\$ (1,556)	\$ (599)

COMMUNITY LIVING OSHAWA/CLARINGTON

DS CAREGIVER RESPITE SERVICES (9130)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 170,796	\$ 173,292
Expenses		
Individualized funding	143,293	172,563
EXCESS OF REVENUE OVER EXPENSES	\$ 27,503	\$ 729
Due to Ministry	\$ 27,503	\$ 729

COMMUNITY LIVING OSHAWA/CLARINGTON

DS COMMUNITY PARTICIPATION (9131)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 2,431,943	\$ 2,400,864
Other	(100)	410
	<u>2,431,843</u>	<u>2,401,274</u>
Expenses		
Salaries	1,497,915	1,443,052
Benefits	298,820	268,397
Maintenance salaries and benefits	142,210	142,210
Travel	17,585	20,527
Communication	16,133	15,075
Rent/lease/mortgage interest	11,757	12,062
Utilities	43,525	38,466
Staff training	10,359	10,359
Services related to repairs and maintenance	16,902	16,902
Professional/contracted out services	859	869
Insurance	7,152	7,152
Supplies, equipment related to repairs and maintenance	46,168	38,732
IT - supplies and equipment	2,809	3,217
Other supplies and equipment	21,004	20,737
Specialized furniture and equipment	-	-
Individualized funding	204,433	208,253
Allocated administration	145,010	153,984
Expenditure transfer	(20,055)	(20,055)
	<u>2,462,586</u>	<u>2,379,939</u>
Excess of revenue over expenses (expenses over revenue)		
before vacation accrual	(30,743)	21,335
Vacation accrual (Note 12)	(3,247)	22,064
	<u>(34,000)</u>	<u>43,400</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (27,496)	\$ (729)
Due to (from) Ministry	\$ (27,496)	\$ (729)

COMMUNITY LIVING OSHAWA/CLARINGTON

COMMUNITY LIVING - CHILDREN'S GROUP LIVING (9250)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 1,922,146	\$ 1,922,146
Fees for programs	151,320	149,630
	<u>2,073,466</u>	<u>2,071,776</u>
Expenses		
Salaries	1,467,759	1,446,516
Benefits	261,989	293,585
Maintenance salaries and benefits	55,808	55,808
Travel	46,014	43,307
Communication	10,744	10,035
Rent/lease/mortgage interest	6,359	6,359
Utilities	25,190	22,659
Staff training	4,110	3,833
Services related to repairs and maintenance	6,632	6,632
Professional/contracted out services	2,284	2,042
Purchased client services	44,086	56,392
Purchased client services - OPR	18,475	-
Insurance	3,219	3,165
Supplies, equipment related to repairs and maintenance	11,487	11,043
IT - supplies and equipment	2,000	2,000
Other supplies and equipment	2,563	2,548
Allocated administration	133,974	136,344
	<u>2,102,693</u>	<u>2,102,268</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	(29,227)	(30,492)
Vacation accrual (Note 12)	(3,930)	1,044
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (25,297)	\$ (31,536)
Due to (from) Ministry	\$ (25,297)	\$ (31,536)

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILD ASSOCIATE LIVING (9251)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 240,190	\$ 262,630
	<hr/>	<hr/>
Expenses		
Salaries	64,070	63,856
Benefits	12,904	12,591
Travel	866	1,006
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	97,289	132,996
Allocated administration	15,889	16,584
	<hr/>	<hr/>
	194,249	230,264
	<hr/>	<hr/>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	45,941	32,366
Vacation accrual (Note 12)	381	830
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 45,560	\$ 31,536
	<hr/>	<hr/>
Due to Ministry	\$ 45,560	\$ 31,536
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN IN-HOME RESPITE (9254)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ <u>31,652</u>	\$ <u>31,652</u>
Expenses		
Individualized funding	24,112	28,287
Allocated administration	2,076	2,076
	<u>26,188</u>	<u>30,363</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>5,464</u>	\$ <u>1,289</u>
Due to Ministry	\$ <u>5,464</u>	\$ <u>1,289</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

CHILDREN OUT-OF-HOME RESPITE (9255)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 136,848	\$ 136,848
Program fees	17,198	15,396
	<u>154,046</u>	<u>152,244</u>
Expenses		
Salaries	116,774	96,949
Benefits	25,406	23,456
Travel	-	3,012
Communication	1,012	1,178
Utilities	1,954	844
Staff training	-	-
Professional/contracted out services	-	-
Purchased client services	2,006	2,665
Insurance	-	114
Supplies, equipment related to repairs and maintenance	1,430	2,111
IT - supplies and equipment	111	210
Other supplies and equipment	-	-
Allocated administration	21,297	22,464
	<u>169,990</u>	<u>153,003</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ (15,944)</u>	<u>\$ (759)</u>
Due to (from) Ministry	<u>\$ (15,944)</u>	<u>\$ (759)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

SUPPORT SERVICES - CHILDREN (9259)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ <u>130,848</u>	\$ <u>108,408</u>
Expenses		
Salaries	87,108	75,791
Benefits	17,371	16,175
Maintenance salaries and benefits	3,826	3,826
Travel	2,438	854
Communication	-	-
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	7,416
	<u>122,306</u>	<u>108,209</u>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	8,542	199
Vacation accrual (Note 12)	(1,938)	729
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>10,480</u>	\$ <u>(530)</u>
Due to (from) Ministry	\$ <u>10,480</u>	\$ <u>(530)</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

DS TEMPORARY SUPPORTS (9137)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ <u>447,811</u>	\$ <u>267,311</u>
Expenses		
Individualized funding	<u>447,818</u>	<u>267,311</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>(7)</u>	\$ <u>-</u>
Due to (from) Ministry	\$ <u>(7)</u>	\$ <u>-</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

PARTNER FACILITY RENEWAL (8917)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ <u>136,399</u>	\$ <u>156,000</u>
Expenses		
Capital/repairs and maintenance	<u>136,399</u>	<u>156,000</u>
	\$ <u> -</u>	\$ <u> -</u>
EXCESS OF REVENUE OVER EXPENSES		
	\$ <u> -</u>	\$ <u> -</u>
Due to Ministry		
	\$ <u> -</u>	\$ <u> -</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

PARTNER FACILITY RENEWAL - FIRE CODE RETROFIT (8917)

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 35,167	\$ 50,000
	<hr/>	<hr/>
Expenses		
Capital/repairs and maintenance	35,167	50,000
	<hr/>	<hr/>
	\$ -	\$ -
EXCESS OF REVENUE OVER EXPENSES	<hr/> <hr/>	<hr/> <hr/>
Due to Ministry	\$ -	\$ -
	<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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Provincial subsidy	\$ 186,535	\$ 186,535
Expenses		
Salaries	143,250	145,194
Benefits	28,893	28,022
Travel	4,004	4,004
Communication	1,141	1,141
Utilities	2,288	2,288
Staff training	1,166	668
Professional/contracted out services	1,465	283
Purchased client services	3,168	3,680
Insurance	531	393
Supplies, equipment related to repairs and maintenance	-	572
IT - supplies and equipment	389	290
Other supplies and equipment	240	-
	<u>186,535</u>	<u>186,535</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ -	\$ -
Due to (from) Ministry	\$ -	\$ -

COMMUNITY LIVING OSHAWA/CLARINGTON

DEDICATED SUPPORTIVE HOUSING

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Other provincial Subsidy	\$ 253,686	\$ 238,871
Program fees	32,448	32,448
	<hr/>	<hr/>
	286,134	271,319
	<hr/>	<hr/>
Expenses		
Operating		
Maintenance, salaries, wages and benefits	55,650	55,650
Maintenance materials and services	26,906	23,998
Utilities	52,530	36,966
Administration	22,299	22,300
Insurance	2,100	2,100
	<hr/>	<hr/>
Total Operating	159,485	141,014
	<hr/>	<hr/>
Other		
Mortgage interest	26,406	34,591
Transfer to capital reserve	5,588	5,587
Amortization	94,655	90,127
	<hr/>	<hr/>
Total Other	126,649	130,305
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -
	<hr/>	<hr/>
Due to Ministry	\$ -	\$ -
	<hr/>	<hr/>

COMMUNITY LIVING OSHAWA/CLARINGTON

EMPLOYMENT SUPPORTS

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Other Provincial subsidy	\$ 200,405	\$ 215,944
	<hr/>	<hr/>
Expenses		
Salaries	137,585	145,910
Benefits	27,729	28,697
Travel	3,859	5,119
Communication	496	516
Staff training	129	129
Other services	10,615	20,083
IT - supplies and equipment	717	717
Other supplies and equipment	1,829	1,813
	<hr/>	<hr/>
	182,959	202,984
	<hr/>	<hr/>
Excess of revenue over expenses (expenses over revenue) before vacation accrual	17,446	12,960
Vacation accrual (Note 12)	17,446	12,960
	<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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Gain on expropriation of 1034 Winchester	\$ -	\$ 716,729
Other	30,056	20,327
	<hr/>	<hr/>
	30,056	737,056
	<hr/>	<hr/>
Expenses		
Salaries	25,266	12,032
Benefits	760	362
Travel	86	-
Supplies, equipment related to repairs and maintenance	3,944	4,851
Other supplies and equipment	-	3,082
	<hr/>	<hr/>
	30,056	20,327
	<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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Other Provincial subsidy	\$ 664,617	\$ 736,832
Donations	39,698	23,465
Fund-raising (net)	21,551	54,067
Other	61,634	110,773
Sales	47,159	66,266
	<hr/>	<hr/>
	834,659	991,403
	<hr/>	<hr/>
Expenses		
Salaries	63,346	89,058
Benefits	10,818	18,460
Travel	-	-
Communication	-	-
Staff training	-	835
Supplies, equipment related to repairs and maintenance	70,148	109,470
Other supplies and equipment	14,090	24,331
Individualized funding	596,800	736,832
Expenditure transfer	67,817	
Allocated administration	11,640	12,417
	<hr/>	<hr/>
	834,659	991,403
	<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, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Donations	\$ 1,815	\$ 3,463
Program fees	27,425	25,255
Fund-raising	53,073	26,628
	<u>82,313</u>	<u>55,346</u>
Expenses		
Travel	4,534	1,427
Communication	917	1,500
Supplies, equipment related to repairs and maintenance	1,679	1,500
Other supplies and equipment	4,691	13,503
Miscellaneous	23,010	17,361
Capital/repairs and maintenance	15,423	-
Expenditure transfer	20,055	20,055
	<u>70,309</u>	<u>55,346</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>12,004</u>	\$ <u>-</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

ONTARIO TRILLIUM FOUNDATION

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Grant	\$ <u>148,400</u>	\$ <u>-</u>
Expenses		
Capital/repairs and maintenance	<u>148,400</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

COMMUNITY LIVING OSHAWA/CLARINGTON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ 7,549	\$ 730,608
Charges to income not involving cash:		
Amortization	216,587	211,027
Adjustment due to MCSS review	-	-
Loss (gain) on disposal of capital assets	7,877	(715,989)
Change in capital reserve allowance	391	5,588
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(344,045)	196,633
Subsidies receivable	(46,409)	11,451
Prepaid expenses	(4,150)	(5,634)
Accounts payable and accrued liabilities	54,324	(156,497)
Due to Ministry of Community and Social Services	-	(19,337)
Funds held in trust	138	-
	<u>(107,738)</u>	<u>257,850</u>
Investing activities		
Proceeds on disposal of capital assets	-	716,729
Additions to capital assets	<u>(150,691)</u>	<u>(151,131)</u>
	<u>(150,691)</u>	<u>565,598</u>
Financing activities		
Increase (decrease) in loans payable	287	(103,526)
Increase (decrease) in mortgages payable	(108,608)	(83,287)
Increase (decrease) in deferred contributions related to capital assets	<u>(31,653)</u>	<u>(33,584)</u>
	<u>(139,974)</u>	<u>(220,397)</u>
Change in cash during the year	(398,403)	603,051
Cash at the beginning of the year	<u>380,219</u>	<u>(222,832)</u>
Cash at the end of the year	\$ <u>(18,184)</u>	\$ <u>380,219</u>
Cash is comprised of:		
Cash	\$ 116,816	\$ 380,219
Bank indebtedness	<u>(135,000)</u>	<u>-</u>
	\$ <u>(18,184)</u>	\$ <u>380,219</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

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, 2017

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, 2017

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, 2017

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 \$135,000 outstanding at March 31, 2017 (no balance outstanding at March 31, 2016).

4. Long Term

Mortgages Payable

Property:	630 Annapolis	\$ 95,311
Mortgagor:	Canada Mortgage and Housing Corporation	
Monthly Payment:	\$1,039.23	
Interest Rate:	1.39%	
Maturity Date:	June 1, 2020	
Property:	821 Central Park	104,114
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, 2017

4. Long Term - continued

Property:	380 Holcan	163,346
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,677.43	
Interest Rate:	1.735%	
Maturity Date:	March 1, 2021	
Property:	425 Adelaide	119,185
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,223.93	
Interest Rate:	1.735%	
Maturity Date:	March 1, 2021	
Property:	488 Rossland	170,245
Mortgagor:	TD Canada Trust	
Monthly Payment:	\$2,092.35	
Interest Rate:	6.51%	
Maturity Date:	March 1, 2026	
Property:	844 Bessborough	166,782
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,663.30	
Interest Rate:	1.855%	
Maturity Date:	June 1, 2021	
Property:	209 Killdeer	125,021
Mortgagor:	Scotiabank	
Monthly Payment:	\$1,204.19	
Interest Rate:	2.164%	
Maturity Date:	November 1, 2019	
Property:	6758 Enfield	333,579
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, 2017

4. Long Term - continued

Property:	1200 Simcoe Street	37,019
Mortgagor:	Royal Bank	
Monthly Payment:	\$529.88	
Interest Rate:	3.41%	
Maturity Date:	September 2, 2018	
		<hr/>
		1,314,602
Less: Current portion		<hr/>
		112,679
		<hr/>
		\$ 1,201,923

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: \$112,679 in 2018, \$141,150 in 2019, \$200,847 in 2020, \$364,798 in 2021 and \$126,787 in 2022. 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	\$ 47,996
Monthly Payment:	variable	
Interest Rate:	variable	
Maturity Date:	March 7, 2021	
Loan payable to:	Royal Bank	22,482
Monthly Payment:	\$1,154.14	
Interest Rate:	3.04%	
Maturity Date:	November 12, 2018	

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

4. Long Term - continued

Loan payable to:	Royal Bank	23,573
Monthly Payment:	\$1,154.23	
Interest Rate:	3.04%	
Maturity Date:	December 23, 2018	
		<hr/>
		94,051
Less: Current portion		<hr/>
		38,670
		<hr/>
		\$ 55,381

All loans are secured by the respective vehicles. Principal repayments in the next five years are as follows: \$38,670 in 2018, \$31,385 in 2019, \$12,000 in 2020 and \$11,996 in 2021.

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>2017</u>	<u>2016</u>
Opening balance	\$ 617,944	\$ 651,528
Less: Amounts amortized to revenue	<u>31,653</u>	<u>33,584</u>
Closing balance	<u>\$ 586,291</u>	<u>\$ 617,944</u>

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

6. Investment in Capital Assets

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

	<u>2017</u>	<u>2016</u>
Capital assets	\$4,344,048	\$ 4,417,821
Less: Amount financed by deferred contributions	(586,291)	(617,944)
Bank credit facility	-	-
Loans payable	(94,051)	(93,764)
Mortgages payable	<u>(1,314,602)</u>	<u>(1,423,210)</u>
	<u>\$ 2,349,104</u>	<u>\$ 2,282,903</u>

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

	<u>2017</u>	<u>2016</u>
Excess of revenue over expenses (expenses over revenue)		
Amortization of deferred contributions	\$ 31,653	\$ 33,584
Gain (loss) on sale/expropriation of assets	(7,877)	715,989
Less: Amortization of capital assets	<u>(216,587)</u>	<u>(211,027)</u>
	<u>\$ (192,811)</u>	<u>\$ 538,546</u>
Net change in investment in capital assets		
Purchase of capital assets	\$ 150,691	\$ 151,131
Proceeds on sale/expropriation of assets	-	(716,729)
Addition of new mortgage and loans	(60,000)	-
Repayment of mortgage and loan principal	<u>168,321</u>	<u>591,813</u>
	<u>\$ 259,012</u>	<u>\$ 26,215</u>

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, 2017 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

COMMUNITY LIVING OSHAWA/CLARINGTON

NOTES TO FINANCIAL STATEMENTS

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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, 2017 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 \$5,197 expenditures were incurred.

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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:

2018	\$26,491
2019	\$26,491
2020	\$ 5,070
2021	\$ 5,070
2022	\$ 5,070

These leases expire at various dates between May 2019 and March 2022

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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, 2017.

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.

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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.