

**COMMUNITY LIVING DURHAM NORTH**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Community Living Durham North  
Port Perry, Ontario

We have audited the accompanying statement of financial position of Community Living Durham North as at March 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal controls 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 judgement, 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 revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.**

***Qualified Opinion***

**In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Community Living Durham North as at March 31, 2015, and the results of its operations, and changes in net assets for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.**

**Chartered Accountants, Licensed Public Accountants**

**June 17, 2015  
Oshawa, Ontario**

**COMMUNITY LIVING DURHAM NORTH**

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2015**

			<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>				
<b>Current</b>				
Cash			\$ 272,783	\$ 559,376
Accounts receivable (Note 3)			262,214	238,926
Prepaid expenses and deposits			28,342	17,779
			<u>563,339</u>	<u>816,081</u>
<b>Capital (Note 2(e))</b>				
	<u>Cost</u>	<u>Accumulated Amortization</u>		
Land	\$ 1,554,104	\$ -	1,554,104	1,554,104
Buildings	4,018,204	2,068,983	1,949,221	2,139,324
Equipment and computers	311,705	271,088	40,617	39,543
Furniture and fixtures	138,729	124,388	14,341	16,134
Leasehold improvements	58,657	58,657	-	-
Vehicles	660,986	526,467	134,519	153,319
	<u>\$ 6,742,385</u>	<u>\$ 3,049,583</u>	<u>3,692,802</u>	<u>3,902,424</u>
			<u>\$ 4,256,141</u>	<u>\$ 4,718,505</u>

Approved by the Board of Directors:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

**COMMUNITY LIVING DURHAM NORTH**

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts payable and accrued charges	\$ 640,547	\$ 939,205
Deferred revenue (Note 4)	6,464	659
Current portion of long term debt	37,000	66,542
	<u>684,011</u>	<u>1,006,406</u>
<b>Long Term</b>		
Mortgages payable (Note 5)	900,948	956,467
Term loans payable (Note 7)	11,153	21,606
Less: Current portion	(37,000)	(66,542)
	<u>875,101</u>	<u>911,531</u>
<b>Deferred Contributions Related to Capital Assets (Note 8)</b>	<u>1,591,443</u>	<u>1,678,889</u>
<b>Net Assets</b>		
Invested in capital assets (Note 9)	1,189,258	1,245,462
Unrestricted	(83,672)	(123,783)
	<u>1,105,586</u>	<u>1,121,679</u>
	<u>\$ 4,256,141</u>	<u>\$ 4,718,505</u>

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>Invested in Capital Assets</u></b>	<b><u>Unrestricted</u></b>	<b><u>2015 Total</u></b>	<b><u>2014 Total</u></b>
<b>Opening balance</b>	\$ 1,245,462	\$ (123,783)	\$ 1,121,679	\$ 1,083,505
<b>Excess of revenues over expenses (expenses over revenues) (Note 9(b))</b>	(177,096)	161,003	(16,093)	45,748
<b>Net change in invested in capital assets (Note 9(b))</b>	120,892	(120,892)	-	-
<b>Inter-fund transfers</b>	-	-	-	(7,574)
<b>Closing Balance</b>	<u>\$ 1,189,258</u>	<u>\$ (83,672)</u>	<u>\$ 1,105,586</u>	<u>\$ 1,121,679</u>

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>Operating Activities</b>		
Excess of revenue over expenses (expenses over revenue)	\$ (16,093)	\$ 45,748
Charges to income not involving cash:		
Amortization	264,542	277,455
Change in internally restricted	<u>-</u>	<u>(7,574)</u>
	<u>248,449</u>	<u>315,629</u>
<b>Net change in non-cash working capital balances related to operations:</b>		
Account receivable	(23,288)	(103,482)
Prepaid expenses and deposits	(10,563)	2,981
Accounts payable	(298,658)	214,400
Deferred revenue	<u>5,805</u>	<u>(464)</u>
	<u>(326,704)</u>	<u>113,435</u>
	<u>(78,255)</u>	<u>429,064</u>
<b>Investing Activities</b>		
Additions to capital assets	<u>(54,920)</u>	<u>(586,610)</u>
<b>Financing Activities</b>		
Increase (decrease) in long term debt	(65,972)	334,618
Increase (decrease) in deferred contributions related to capital assets net of related amortization	<u>(87,446)</u>	<u>(92,610)</u>
	<u>(153,418)</u>	<u>242,008</u>
<b>Change in Cash and Cash Equivalents During the Year</b>	(286,593)	84,462
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>559,376</u>	<u>474,914</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 272,783</u>	<u>\$ 559,376</u>

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - GENERAL**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>REVENUES:</b>		
Donations and fundraising	\$ 16,881	\$ 20,677
Membership dues	230	600
Miscellaneous	34,937	34,205
	<hr/>	<hr/>
	52,048	55,482
	<hr/>	<hr/>
<b>EXPENDITURES:</b>		
Supplies	1,432	1,414
Vehicle operation	65	-
Volunteer training	-	1,336
Central administration - general	10,211	10,211
	<hr/>	<hr/>
	11,708	12,961
	<hr/>	<hr/>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 40,340</b>	<b>\$ 42,521</b>
	<hr/> <hr/>	<hr/> <hr/>



**COMMUNITY LIVING DURHAM NORTH**  
**STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	<u>\$10,875,528</u>	<u>\$10,875,528</u>	<u>\$10,201,487</u>
<b>REVENUE:</b>			
Rent	802,236	810,402	757,654
Other funding	218,202	224,988	79,461
Ontario Trillium Foundation	52,000	57,388	65,000
United Way	39,699	39,700	39,699
Children's Aid Society	105,000	105,000	57,079
Respite	43,000	42,753	39,850
	<u>1,260,137</u>	<u>1,280,231</u>	<u>1,038,743</u>
<b>SUPPORT:</b>			
Amortization of Deferred Contributions (Note 8)	-	87,446	92,610
	<u>12,135,665</u>	<u>12,243,205</u>	<u>11,332,840</u>
<b>EXPENDITURES:</b>			
Wages and salaries	8,360,795	8,131,858	7,365,197
Employee benefits	1,523,342	1,449,767	1,314,122
Staff travel	97,074	71,913	75,696
Supplies	64,480	74,846	73,328
Vehicle operation	100,240	84,024	83,728
Utilities and taxes	183,847	176,973	182,586
Purchased services	161,421	280,997	274,328
Insurance	63,680	68,297	64,094
Food	239,508	239,361	229,270
Personal needs	71,732	76,557	59,126
New furnishings and equipment	64,225	106,152	191,307
Advertising and promotion	2,802	1,217	1,401
Repairs and maintenance	97,129	188,068	110,430
Staff training and conferences	27,744	25,560	30,335
Rental	232,338	175,584	171,545
Central administration - general (reallocation)	234,784	281,014	245,830
- staffing	610,524	602,908	579,835
	<u>12,135,665</u>	<u>12,035,096</u>	<u>11,052,158</u>
<b>EXCESS OF REVENUES OVER</b>			
<b>EXPENDITURES BEFORE AMORTIZATION</b>	-	208,109	280,682
Amortization	-	264,542	277,455
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (56,433)</u>	<u>\$ 3,227</u>

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - ADULT DAY PROGRAM**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 1,100,428	\$ 1,100,428	\$ 1,257,342
<b>REVENUE:</b>			
Other funding	186,402	191,113	34,118
Ontario Trillium Foundation	52,000	57,388	65,000
	<u>238,402</u>	<u>248,501</u>	<u>99,118</u>
	<u>1,338,830</u>	<u>1,348,929</u>	<u>1,356,460</u>
<b>EXPENDITURES:</b>			
Wages and salaries	886,994	796,896	891,536
Employee benefits	157,549	145,887	146,985
Staff travel	18,700	13,616	15,768
Supplies	13,270	13,288	14,158
Vehicle operation	42,690	26,151	34,176
Utilities and taxes	34,012	31,502	33,915
Purchased services	19,097	45,601	23,243
Insurance	6,063	10,505	9,539
Food	2,160	2,040	2,040
New furnishings and equipment	13,450	24,892	7,953
Advertising and promotion	267	116	157
Repairs and maintenance	10,792	48,378	5,521
Staff training and conferences	2,642	3,956	4,294
Rental	50,646	49,614	49,541
Personal needs	-	2,233	-
Central administration - general (reallocation)	22,359	27,371	27,333
- staffing	58,139	58,846	64,840
	<u>1,338,830</u>	<u>1,300,892</u>	<u>1,330,999</u>
<b>EXCESS OF REVENUES OVER</b>			
<b>EXPENDITURES BEFORE AMORTIZATION</b>	-	48,037	25,461
Amortization	-	33,691	33,451
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ 14,346	\$ (7,990)

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - GROUP HOMES**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 7,321,274	\$ 7,321,274	\$ 6,464,540
<b>REVENUE:</b>			
Rent	763,800	771,520	720,030
Children's Aid Society	105,000	105,000	57,079
	<u>868,800</u>	<u>876,520</u>	<u>777,109</u>
<b>SUPPORT:</b>			
Amortization of Deferred Contributions (Note 8)	-	87,446	92,610
	<u>8,190,074</u>	<u>8,285,240</u>	<u>7,334,259</u>
<b>EXPENDITURES:</b>			
Wages and salaries	5,721,664	5,603,487	4,721,732
Employee benefits	1,029,257	983,699	873,616
Staff travel	47,950	36,007	36,836
Supplies	36,700	48,320	44,503
Vehicle operation	46,310	48,498	40,944
Utilities and taxes	118,810	117,772	121,404
Purchased services	85,406	158,228	174,307
Insurance	43,388	43,691	40,741
Food	194,004	193,827	184,657
Personal needs	66,820	69,913	55,347
New furnishings and equipment	23,000	57,962	128,988
Advertising and promotion	1,909	829	929
Repairs and maintenance	64,753	96,662	75,518
Staff training and conferences	18,903	16,194	19,615
Rental	115,260	70,028	65,657
Central administration - general (reallocation)	159,967	190,834	163,358
- staffing	415,973	409,296	385,510
	<u>8,190,074</u>	<u>8,145,247</u>	<u>7,133,662</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
<b>BEFORE AMORTIZATION</b>	-	139,993	200,597
Amortization	-	193,940	201,613
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ (53,947)	\$ (1,016)

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - COMBINED SUPPORTED INDEPENDENT LIVING**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 775,625	\$ 775,625	\$ 596,885
<b>REVENUE:</b>			
Other funding	25,800	27,875	23,908
	<u>801,425</u>	<u>803,500</u>	<u>620,793</u>
<b>EXPENDITURES:</b>			
Wages and salaries	562,200	562,853	453,245
Employee benefits	104,500	99,996	72,726
Staff travel	16,300	12,154	11,708
Supplies	1,550	2,701	1,895
Insurance	4,493	4,300	3,431
Utilities and taxes	1,194	1,665	1,256
Advertising and promotion	198	86	79
Staff training and conferences	1,957	1,991	1,553
Rental	27,972	13,102	13,871
Repairs and maintenance	5,396	16,671	2,897
Personal needs	-	345	85
New furnishings and equipment	20,550	7,381	2,816
Purchased services	2,255	8,436	6,142
Vehicle operation (recovery)	(6,780)	(6,649)	(6,696)
Central administration - general (reallocation)	16,565	19,308	13,391
- staffing	43,075	41,325	32,058
	<u>801,425</u>	<u>785,665</u>	<u>610,457</u>
<b>EXCESS OF REVENUE OVER</b>			
<b>EXPENDITURES BEFORE AMORTIZATION</b>	-	17,835	10,336
Amortization	-	24,683	23,980
<b>EXCESS (DEFICIENCY) OF REVENUE</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ (6,848)	\$ (13,644)

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - RESPITE PROGRAM**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 977,873	\$ 977,873	\$ 1,076,950
<b>REVENUE:</b>			
Respite	43,000	42,753	39,850
United Way	39,699	39,700	39,699
	<u>82,699</u>	<u>82,453</u>	<u>79,549</u>
	<u>1,060,572</u>	<u>1,060,326</u>	<u>1,156,499</u>
<b>EXPENDITURES:</b>			
Wages and salaries	711,571	696,918	736,244
Employee benefits	135,549	134,908	134,606
Staff travel	5,700	5,912	6,782
Supplies	9,200	8,376	8,834
Vehicle operation	12,080	10,319	10,007
Utilities and taxes	15,869	13,625	14,129
Purchased services	20,001	26,929	18,949
Insurance	5,900	5,960	6,417
Food	23,916	23,928	22,897
New furnishings and equipment	4,475	5,147	26,341
Advertising and promotion	260	113	145
Repairs and maintenance	10,792	12,216	10,926
Staff training and conferences	2,571	1,989	2,984
Rental	23,460	27,840	27,475
Personal needs	912	949	912
Central administration - general (reallocation)	21,752	26,434	25,495
- staffing	56,564	56,791	59,366
	<u>1,060,572</u>	<u>1,058,354</u>	<u>1,112,509</u>
<b>EXCESS OF REVENUES OVER</b>			
<b>EXPENDITURES BEFORE AMORTIZATION</b>	-	1,972	43,990
Amortization	-	9,524	9,369
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ (7,552)	\$ 34,621

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - HOST FAMILY**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 26,223	\$ 26,223	\$ 79,970
<b>REVENUE:</b>			
Rent	8,100	8,262	9,383
	<u>34,323</u>	<u>34,485</u>	<u>89,353</u>
<b>EXPENDITURES:</b>			
Wages and salaries	5,380	5,888	56,613
Employee benefits	1,048	1,286	5,455
Staff travel	-	505	-
Supplies	200	53	56
Vehicle operation	-	(240)	(80)
Purchased services	23,145	23,636	23,040
Insurance	207	205	257
Personal needs	1,000	187	296
New furnishings and equipment	500	14	48
Advertising and promotion	9	4	5
Staff training and conferences	90	67	102
Central administration - general (reallocation)	762	910	1,115
- staffing	1,982	1,955	2,425
	<u>34,323</u>	<u>34,470</u>	<u>89,332</u>
<b>EXCESS OF REVENUES OVER</b>			
<b>EXPENDITURES BEFORE AMORTIZATION</b>	-	15	21
Amortization	-	2,704	9,018
<b>EXCESS (DEFICIENCY) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ (2,689)	\$ (8,997)

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - INTENSIVE SUPPORT**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 647,872	\$ 647,872	\$ 633,582
<b>REVENUES:</b>			
Other funding	6,000	6,000	6,000
Rent	30,336	30,620	28,241
	<u>36,336</u>	<u>36,620</u>	<u>34,241</u>
	<u>684,208</u>	<u>684,492</u>	<u>667,823</u>
<b>EXPENDITURES:</b>			
Wages and salaries	455,160	440,963	414,219
Employee benefits	88,756	82,611	80,734
Staff travel	6,700	3,719	4,602
Supplies	3,560	2,107	3,882
Insurance	3,629	3,637	3,709
Purchased services	11,517	18,167	20,503
Repairs and maintenance	5,396	14,141	7,667
Staff training and conferences	1,581	1,363	1,787
Advertising and promotion	159	69	85
Utilities and taxes	13,962	12,409	11,883
New furnishings and equipment	2,250	10,755	25,161
Vehicle operation	5,940	5,945	5,376
Personal needs	3,000	2,931	2,487
Food	19,428	19,566	19,676
Rental	15,000	15,000	15,000
Central administration - general (reallocation)	13,379	16,157	15,139
- staffing	34,791	34,694	35,637
	<u>684,208</u>	<u>684,234</u>	<u>667,547</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	\$ -	\$ 258	\$ 276

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - PASSPORTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
<b>OMCSS - operating</b>	\$ -	\$ -	\$ 63,412
<b>Other funding</b>	-	-	<u>15,435</u>
	<u>-</u>	<u>-</u>	<u>78,847</u>
<b>EXPENDITURES:</b>			
<b>Wages and salaries</b>	-	-	70,702
<b>Purchased services</b>	-	-	<u>8,145</u>
	<u>-</u>	<u>-</u>	<u>78,847</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
<b>BEFORE AMORTIZATION</b>	-	-	-
<b>Amortization</b>	-	-	<u>23</u>
<b>EXCESS OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	\$ -	\$ -	<u><u>(23)</u></u>



**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ -	\$ -	\$ 7,900
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Repairs and maintenance	-	-	7,900
	<hr/>	<hr/>	<hr/>
<b>EXCESS OF REVENUES</b>	\$ -	\$ -	\$ -
<b>OVER EXPENDITURES</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**COMMUNITY LIVING DURHAM NORTH**

**STATEMENT OF OPERATIONS - DS TEMPORARY SUPPORTS**

**FOR THE YEAR ENDED MARCH 31, 2015**

	<b><u>BUDGET</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2015</u></b>	<b><u>ACTUAL</u></b> <b><u>2014</u></b>
<b>SUPPORT:</b>			
OMCSS - operating	\$ 26,233	\$ 26,233	\$ 20,906
<b>EXPENDITURES:</b>			
Wages and salaries	17,826	24,854	20,906
Employee benefits	6,683	1,380	-
Staff travel	1,724	-	-
	<u>26,233</u>	<u>26,234</u>	<u>20,906</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ (1)	\$ -

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**1. Status and Nature of Activities**

**Community Living Durham North is a registered charity which provides services, accommodation and education to individuals who are intellectually disabled in the Scugog, Brock and Uxbridge Townships.**

**2. Summary of 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) Basis of Presentation**

**These financial statements present the financial position and results of operations of Community Living Durham North.**

**The statements have been departmentalized in accordance with the funding and budgeting requirements prescribed by the Ontario Ministry of Community and Social Services (OMCSS).**

**(b) Donated Materials and 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.**

**(d) Tax Status**

**The organization is a registered charity under the provisions of the Income Tax Act.**

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**2. Summary of Significant Accounting Policies - continued**

**(e) Capital Assets**

Capital assets are stated at cost. Amortization charges are calculated on a straight-line basis at the following rates:

Buildings	5%
Equipment	10%
Computers	15%
Furniture and fixtures	10%
Vehicles	15%

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

**(f) Revenue Recognition**

Community Living Durham North 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.

**(g) Use of Estimates**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**2. Summary of Significant Accounting Policies - continued**

**(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 accounts receivable.**

**Financial liabilities measured at amortized cost include accounts payable and accrued charges, mortgages payable and term loans payable.**

**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.**

**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.**

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**2. Summary of Significant Accounting Policies - continued**

**(i) Allocation of Expenses**

The organization provides various programs on behalf of the Ontario Ministry of Community and Social Services (OMCSS). 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.

**3. Accounts Receivable**

Accounts receivable are represented by taxes recoverable, community supports and rent receivables.

**4. Deferred Revenue**

Revenues earned are recognized as the expenses relating to these funds are incurred. The unearned portion of these funds are recorded on the Statement of Financial Position as deferred revenue.

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**5. Mortgages Payable**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Royal Bank of Canada, bearing interest at 3.95%, repayable in monthly payments of principal and interest of \$2,580, due April 2, 2015	\$ 2,555	\$ 32,763
Royal Bank of Canada, bearing interest at 4.46%, repayable in monthly payments of principal and interest of \$2,187, due July 4, 2023	380,146	389,258
Royal Bank of Canada, bearing interest at 3.40%, repayable in monthly payments of principal and interest of \$1,006, due November 16, 2019	173,010	178,711
Royal Bank of Canada, bearing interest at 3.05% repayable in monthly payments of principal and interest of \$1,764, due October 22, 2017	345,237	355,735
	<u>\$ 900,948</u>	<u>\$ 956,467</u>

Principal repayments in the next five years are as follows assuming the mortgage is refinanced when it matures:

2016	\$ 29,343
2017	27,771
2018	28,790
2019	29,849
2020	30,948
	<u>\$ 146,701</u>

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**6. Bank Credit Facility**

The organization has entered into an agreement with the Royal Bank of Canada. The details of this agreement are as follows:

- a) A demand operating loan in the amount of \$750,000. This loan bears interest at the Royal Bank Prime rate. As at March 31, 2015, there was \$49,000 outstanding on this loan.

Security pledged with the Royal Bank consists of a general security agreement constituting a first ranking security interest in all the assets of the organization except real property. In addition, the Royal Bank has collateral mortgages on 89 Victoria Drive, Uxbridge, Ontario in the amount of \$245,000, 49 South Balsam Street, Uxbridge, Ontario in the amount of \$261,000, 18500 Island Road, Port Perry, Ontario in the amount of \$200,000, 163 Maple Street, Uxbridge, Ontario for the amount of \$197,229, 3 Low Boulevard, Uxbridge, Ontario for the amount of \$370,000, and on 1040 Concession Road 13, Cannington, Ontario for the amount of \$395,000.

**7. Term Loans Payable**

	<u>2015</u>	<u>2014</u>
Royal Bank of Canada, bearing interest at 4.2% repayable in monthly payments of principal and interest of \$545, due October 29, 2016	\$ 10,036	\$ 16,019
Ford Credit, non interest bearing with monthly principal payments of \$373, maturing June 30, 2015	1,117	5,587
	<u>\$ 11,153</u>	<u>\$ 21,606</u>
Remaining principal repayments are as follows:		
2016	\$ 7,657	
2017	<u>3,496</u>	
	<u>\$ 11,153</u>	



**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**8. Deferred Contributions Related to Capital Assets**

Deferred contributions related to capital assets represents 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 on the same basis as the amortization expense related to capital assets.

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,678,889	\$ 1,771,499
Less: Amounts amortized to revenue	87,446	92,610
	<hr/>	<hr/>
Balance, end of year	\$ 1,591,443	\$ 1,678,889
	<hr/> <hr/>	<hr/> <hr/>

**9. Investment in Capital Assets**

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

	<u>2015</u>	<u>2014</u>
Capital assets	\$ 3,692,802	\$ 3,902,424
Less: Amount financed by deferred contributions	(1,591,443)	(1,678,889)
Mortgages payable	(900,948)	(956,467)
Term loans payable	(11,153)	(21,606)
	<hr/>	<hr/>
	\$ 1,189,258	\$ 1,245,462
	<hr/> <hr/>	<hr/> <hr/>

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**9. Investment in Capital Assets - continued**

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

	<u>2015</u>	<u>2014</u>
<b>Excess of revenue over expenses (expenses over revenue)</b>		
Amortization of deferred contributions	\$ 87,446	\$ 92,610
Less: Amortization of capital assets	(264,542)	(277,455)
	<u>(177,096)</u>	<u>(184,845)</u>
<b>Net change in invested in capital assets</b>		
Purchase of capital assets	54,920	586,610
Mortgages payable	55,519	(344,827)
Term loans payable	10,453	10,209
	<u>120,892</u>	<u>251,992</u>
	<u>\$ (56,204)</u>	<u>\$ 67,147</u>

**10. 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 (OMCSS) in accordance with the organization's operating agreements. As at the Auditor's Report date, the fiscal year ending March 31, 2015 has not been reviewed by OMCSS, and as a result, future adjustments may be required as a result of this review. Due to the particular requirements of OMCSS, comparative figures are not restated when these adjustments are made.

**11. Budget Figures**

The budget figures presented for comparison purposes represent the annual budget approved by the organization's Board of Directors for the year ended March 31, 2015 which have not been audited or reviewed.

**COMMUNITY LIVING DURHAM NORTH**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2015**

**12. 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, have an encumbrance on specific real properties held in the name of the organization.

**13. Lease Commitments**

The organization is committed to annual amounts under lease obligations for facilities with respect to several premises. Each location is under a separate lease. The leases expire at various times with varying terms for renewal. Future payments will total \$222,210 plus applicable taxes and include the following payments over the next 3 years:

2016	\$	120,385
2017	\$	92,305
2018	\$	9,520

**14. 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, 2015.

**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.

**Credit risk**

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The organization is subject to credit risk through its 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 their mortgages payable and term loans payable. The organization monitors the current interest rate to ensure that their interest rates do not vary much from market rate.