

Financial statements of

**Community Living -
Grimsby, Lincoln and West
Lincoln**

March 31, 2017

Community Living – Grimsby, Lincoln and West Lincoln
March 31, 2017

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Independent Auditor's Report

To the Directors of
Community Living -- Grimsby, Lincoln and West Lincoln

We have audited the accompanying financial statements of the Community Living - Grimsby, Lincoln and West Lincoln, which comprise the statement of financial position as at March 31, 2017, and the related 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 financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Community Living - Grimsby, Lincoln and West Lincoln, derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these receipts from these sources was limited to a comparison of bank deposits with the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditure, assets and net assets.

Note 2 describes the fixed assets and amortization accounting policies of Community Living – Grimsby, Lincoln and West Lincoln. Land, buildings and vehicles are recorded as assets on the statement of financial position. Amortization on the buildings and vehicles is recorded annually to the extent that the principal portion of the debt financing the acquisition is repaid. All expenditures which are eligible for subsidy including vehicles, furniture and equipment and building renovations are expensed in the year of purchase. Canadian accounting standards for not-for-profit organizations require that fixed assets should be capitalized and amortized over their estimated useful lives. Furthermore, the policy should be applied on a retroactive basis. The effects of not following Canada accounting standards for not-for-profit organizations could not be reasonably determined and as a result we are unable to determine the effect on expenditure, excess of revenue over expenditure, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of Community Living - Grimsby, Lincoln and West Lincoln as at March 31, 2017 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The financial statements of Community Living – Grimsby, Lincoln and West Lincoln for the year end March 31, 2016 were audited by another auditor who expressed a modified opinion on those statements on June 1, 2016.

Furby Cycle LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
Fonthill, ON
June 1, 2017

Community Living - Grimsby, Lincoln and West Lincoln

Statement of financial position

as at March 31, 2017

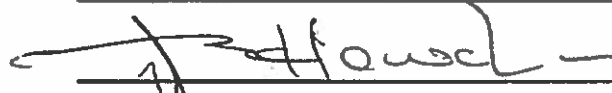
(In Canadian dollars)

	note	Operating Fund \$	Capital Fund \$	March 31, 2017 \$	March 31, 2016 \$
ASSETS					
Current assets					
Cash and cash equivalents		20,989	273	21,262	350,125
Accounts receivable		259,967	-	259,967	255,706
Sales tax recoverable		89,624	-	89,624	76,228
Prepaid expenses		68,178	-	68,178	38,034
Government subsidies receivable		37,146	-	37,146	51,215
		475,904	273	476,177	771,308
Property and equipment	3	-	6,174,436	6,174,436	6,332,427
		475,904	6,174,709	6,650,613	7,103,735
LIABILITIES					
Current Liabilities					
Line of credit	6	15,000	-	15,000	-
Accounts payable and accrued liabilities		748,139	-	748,139	962,013
Deferred revenue		50,417	-	50,417	5,000
Due to Community Living - Grimsby, Lincoln and West Lincoln Foundation	8	36,656	-	36,656	23,893
Current portion of mortgages payable	5	-	38,507	38,507	36,544
Current portion of loans payable	6	-	92,906	92,906	109,622
		850,212	131,413	981,625	1,137,072
Mortgages payable	5	-	415,852	415,852	454,358
Loans payable	6	-	1,506,561	1,506,561	1,599,467
Due to the Ministry of Community and Social Services	4	-	2,192,101	2,192,101	2,192,101
		850,212	4,245,927	5,096,139	5,382,998
Commitments and contingencies	7				
NET ASSETS					
Unrestricted surplus (deficit)		(426,703)	1,928,782	1,502,079	1,698,437
Internally Restricted Children's Residential Program reserve		52,395	-	52,395	22,300
		(374,308)	1,928,782	1,554,474	1,720,737
		475,904	6,174,709	6,650,613	7,103,735

See accompanying notes to the financial statements.

Approved on behalf of the Board:


Chair


Director

Community Living - Grimsby, Lincoln and West Lincoln

Statement of operations
year ended March 31, 2017
(in Canadian dollars)

	note	Operating Fund \$	Capital Fund \$	2017 \$	2016 \$
Revenue					
Province of Ontario Grants					
Ministry of Community and Social Services		8,326,721	-	8,326,721	8,200,673
Ministry of Children's and Youth Services		26,431	-	26,431	26,431
Third party fee for service					
Children's Housing Program		640,935	-	640,935	629,450
Passport flow-through funding	13	271,070	-	271,070	271,476
Other		12,625	-	12,625	17,056
United Way grants		29,500	-	29,500	29,500
Program revenues	9	1,503,141	-	1,503,141	1,487,718
Other grants, donations and membership fees	10	69,893	-	69,893	77,988
Interest income		3,302	-	3,302	4,263
Fundraising and other income		-	445	445	8,747
Gain on sale of property		-	-	-	1,286
		10,883,618	445	10,884,063	10,754,588
Expenditures					
Administration		156,930	-	156,930	96,678
Amortization		-	157,991	157,991	190,997
Contracts		323,601	-	323,601	338,602
Client participation wages		60,753	-	60,753	63,872
Homeshare and support fees		390,094	-	390,094	374,569
Insurance		77,482	-	77,482	76,468
Interest		69,706	-	69,706	74,957
Occupancy costs, repairs and maintenance		1,184,955	-	1,184,955	991,887
Program costs		300,674	-	300,674	346,905
Purchased services		383,765	-	383,765	286,501
Respite fees		108,679	-	108,679	104,530
Salaries and benefits		7,541,542	-	7,541,542	7,705,030
Staff training		48,715	-	48,715	34,863
Vehicle operation and travel		245,439	-	245,439	210,452
		10,892,335	157,991	11,050,326	10,896,311
Deficiency of revenue over expenditures		(8,717)	(157,546)	(166,263)	(141,723)

See accompanying notes to the financial statements.

Community Living - Grimsby, Lincoln and West Lincoln

Statement of changes in net assets

year ended March 31, 2017

(in Canadian dollars)

Unrestricted surplus	note	Operating Fund \$	Capital Fund \$	2017 \$	2016 \$
Net assets, beginning of year		27,837	1,670,600	1,698,437	1,852,310
Deficiency of revenue over expenditures		(8,717)	(157,546)	(166,263)	(141,723)
Transfer out to Internally Restricted Children's Program reserve		(30,095)	-	(30,095)	(12,150)
Transfers between funds	12	(415,728)	415,728	-	-
		(454,540)	258,182	(196,358)	(153,873)
Net assets, end of year		(426,703)	1,928,782	1,502,079	1,698,437

Internally Restricted Children's Residential Program Reserve		Operating Fund \$	Capital Fund \$	2017 \$	2016 \$
Net assets, beginning of year		22,300	-	22,300	10,150
Transfer in from unrestricted surplus		30,095	-	30,095	12,150
		30,095	-	30,095	12,150
Net assets, end of year		52,395	-	52,395	22,300

See accompanying notes to the financial statements

