

**Community Living Sarnia-Lambton**  
**Financial Statements**  
For the year ended March 31, 2017

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**Financial Statements**  
For the year ended March 31, 2017

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Tel: 519 336 9900  
Fax: 519 332 4828  
www.bdo.ca

BDO Canada LLP  
Kenwick Place, 250 Christina Street N  
PO Box 730  
Sarnia ON N7T 7J7 Canada

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## Independent Auditor's Report

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### To the Directors of Community Living Sarnia-Lambton

We have audited the accompanying financial statements of Community Living Sarnia-Lambton, which comprise the balance sheet as at March 31, 2017 and the statements of changes in net assets, operations and cash flow 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 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 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 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 presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Living Sarnia-Lambton as at March 31, 2017, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Sarnia, Ontario  
June 29, 2017

**Community Living Sarnia-Lambton**  
**Balance Sheet**

March 31 2017 2016

**Assets**

**Current**

Cash (Note 2)	\$ 422,318	\$ 679,539
Short term investments (Note 3)	100,000	526,728
Grants receivable	20,076	24,370
Accounts receivable	301,222	269,914
Inventories (Note 4)	80,858	121,585
Prepaid expenses	55,305	51,861
	<b>979,779</b>	<b>1,673,997</b>

Long-term investments (Note 5) 749,461 196,801

Capital assets (Note 6) 5,266,891 5,094,670

**\$ 6,996,131 \$ 6,965,468**

**Liabilities and Net Assets**

**Current**

Accounts payable (Note 8)	\$ 1,285,591	\$ 1,224,114
Unearned revenue	51,915	33,403
Current portion of long-term debt (Note 9)	984,252	1,422,359
	<b>2,321,758</b>	<b>2,679,876</b>

Long-term debt (Note 9) 1,324,105 883,573

Deferred contributions (Note 10) 11,720 188,290

Deferred contributions related to capital assets (Note 11) 1,769,640 1,708,891

**1,781,360 1,897,181**

**5,427,223 5,460,630**

Contingent liabilities (Note 12)



Commitments (Note 13)

**Net Assets**

Invested in capital assets	1,510,437	1,398,659
Internally restricted for future periods	176,716	136,647
Unrestricted	(118,245)	(30,468)
	<b>1,568,908</b>	<b>1,504,838</b>

**\$ 6,996,131 \$ 6,965,468**

Approved on behalf of the Board:

 Director  
 Director

**Community Living Sarnia-Lambton  
Statement of Changes in Net Assets**

**For the year ended March 31, 2017**

	Invested in Capital Assets	Internally Restricted for Future Periods	Unrestricted	Total 2017	Total 2016
Balance, beginning of year	\$1,398,659	\$ 136,647	\$ (30,468)	\$1,504,838	\$ 1,449,690
Excess (deficiency) of revenue over expenses	(237,532)	-	301,602	64,070	55,148
Investment in capital assets	349,310	-	(349,310)	-	-
Transfer from restricted and unrestricted net assets	-	40,069	(40,069)	-	-
Balance, end of year	<b>\$1,510,437</b>	<b>\$ 176,716</b>	<b>\$ (118,245)</b>	<b>\$1,568,908</b>	<b>\$ 1,504,838</b>

The accompanying notes are an integral part of these financial statements.

**Community Living Sarnia-Lambton  
Statement of Operations**

**For the year ended March 31, 2017**

	Developmental Services	Out-of-home Respite	Supported Housing	Total MCSS MCYS	Other (Schedule 1)	Total 2017	Total 2016
<b>Revenues</b>							
Client contributions	\$ 836,131	\$ 590	\$ 19,321	\$ 856,042	\$ -	\$ 856,042	\$ 852,335
Donations	43,094	-	-	43,094	6,668	49,762	57,763
Fundraising	33,279	-	-	33,279	1,464	34,743	43,335
Government grants, federal	81,900	-	-	81,900	103,707	185,607	221,133
Government grants (annual) (Note 14)	7,756,971	189,677	60,866	8,007,514	-	8,007,514	7,966,630
Government grants (fiscal) (Note 14)	400,124	250	4,722	405,096	139,845	544,941	554,453
Government grants, other provincial	83,307	-	-	83,307	117,501	200,808	245,290
Interest and investment revenue	-	-	-	-	34,982	34,982	16,695
Other revenue	89,282	-	-	89,282	169,345	258,627	207,070
Sales	540,411	-	-	540,411	-	540,411	606,019
Third party government grants	622,501	17,020	-	639,521	-	639,521	592,883
United Way	-	-	-	-	45,000	45,000	65,000
Deferred contributions	42,490	-	1,253	43,743	18,524	62,267	120,967
	10,529,490	207,537	86,162	10,823,189	637,036	11,460,225	11,549,573
<b>Expenditures</b>							
Administration	775,368	18,768	-	794,136	-	794,136	791,807
Advertising	16,855	-	-	16,855	9,640	26,495	24,309
Communication	48,744	1,464	-	50,208	4,812	55,020	62,604
Insurance	21,661	1,296	1,942	24,899	161	25,060	25,525
Other transactions - materials (Note 15)	279,605	-	-	279,605	-	279,605	293,095
Other transactions - misc	109,834	-	-	109,834	-	109,834	124,423
Rent, lease and mortgage interest	342,276	9,304	8,303	359,883	70,604	430,487	445,532
Salaries and benefits	7,272,914	136,377	11,004	7,420,295	260,752	7,681,047	7,640,022
Services, client	65,006	-	-	65,006	-	65,006	71,977
Services, other	35,664	359	524	36,547	2,398	38,945	34,019
Services, professional/contracted out	101,665	-	1,013	102,678	6,212	108,890	71,855
Services, related to IT	25,246	3,506	-	28,752	1,905	30,657	28,272
Services, repairs and maintenance	424,249	8,016	19,512	451,777	19,849	471,626	758,740
Staff training	31,186	-	-	31,186	3,712	34,898	28,192
Supplies, equipment related to repairs & maintenance	22,707	370	57	23,134	-	23,134	20,101
Supplies, equipment, other	589,212	22,466	-	611,678	354,283	965,961	682,481
Supplies, related to IT	11,686	-	-	11,686	21,507	33,193	19,279
Travel	242,981	1,514	-	244,495	2,998	247,493	238,216
Utilities	124,426	4,400	18,063	146,889	-	146,889	135,314
	10,541,285	207,840	60,418	10,809,543	758,833	11,568,376	11,495,763
<b>Operating surplus (deficit) (Note 17)</b>	(11,795)	(303)	25,744	13,646	(121,797)	(108,151)	53,810
add: capital assets purchased	171,468	-	-	171,468	300,552	472,020	522,147
less: amortization	(225,423)	(4,836)	(1,252)	(231,511)	(68,288)	(299,799)	(520,809)
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (65,750)	\$ (5,139)	\$ 24,492	\$ (46,397)	\$ 110,467	\$ 64,070	\$ 55,148

The accompanying notes are an integral part of these financial statements.

## Community Living Sarnia-Lambton Statement of Cash Flow

For the year ended March 31, 2017	2017	2016
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 64,070	\$ 55,148
Items not involving cash		
Amortization	299,799	520,809
Amortization of deferred contributions related to capital assets	<u>(62,267)</u>	<u>(120,967)</u>
	301,602	454,990
Net change in non-cash working capital balances (Note 18)	<u>516,986</u>	<u>(220,364)</u>
	<u>818,588</u>	<u>234,626</u>
<b>Investing activities</b>		
Purchase of capital assets	(472,020)	(522,147)
Decrease (increase) in long-term investments, net	<u>(552,660)</u>	<u>249,321</u>
	<u>(1,024,680)</u>	<u>(272,826)</u>
<b>Financing activities</b>		
Increase in deferred contributions	(176,570)	69,933
Increase in deferred contributions related to capital assets	123,016	244,493
Increase (decrease) in long-term debt, net	<u>2,425</u>	<u>(120,729)</u>
	<u>(51,129)</u>	<u>193,697</u>
<b>Increase (decrease) in cash</b>	<b>(257,221)</b>	<b>155,497</b>
Cash, beginning of year	<u>679,539</u>	<u>524,042</u>
<b>Cash, end of year</b>	<b>\$ 422,318</b>	<b>\$ 679,539</b>

The accompanying notes are an integral part of these financial statements.

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# Community Living Sarnia-Lambton

## Notes to Financial Statements

March 31, 2017

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### 1. Nature of Operations and Summary of Significant Accounting Policies

#### a. Nature and Purpose of Organization

The Association is a corporation without share capital, created under the laws of Ontario to promote the education, training and support of those with developmental disabilities or other handicapping conditions; to assist them in becoming self-sufficient and self-supporting; to support their families and caregivers; and to improve the services available in the community through education and advocacy.

The Association is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

#### b. Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

#### c. Revenue Recognition

The Association 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.

Revenue from participant fees is recognized when it is earned, specifically when the services are provided to the participants. Revenue from sales is recognized when the order has been shipped.

#### d. Inventories

- Inventories comprise raw materials, work in progress and finished goods and are stated at the lower of cost and net realizable value, with cost being determined generally on a first-in, first-out basis.

#### e. Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which is 40 years for buildings, 1 to 7 years for leasehold improvements and 4 to 10 years for equipment and vehicles.



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# Community Living Sarnia-Lambton

## Notes to Financial Statements

March 31, 2017

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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

**e. Capital Assets (continued)**

The estimated useful lives of capital assets are reviewed whenever events or circumstances indicate a change in useful life. Estimated useful lives of capital assets are based on management's best estimate and the actual useful lives may be different. During the year, management revised the useful life of buildings. Revision to the estimated useful lives of capital assets constitutes a change in accounting estimate and is accounted for prospectively by amortizing the cumulative changes over the remaining estimated useful life of the related assets. The impact of this change in accounting estimate resulted in a decrease in amortization expense of \$192,355 for the year ended March 31, 2017. This change also impacted the recognition of deferred contributions related to the purchase of buildings. The impact resulted in a decrease to the deferred contributions of \$68,153 for the year ended March 31, 2017.

**f. Donated Services**

The Association does not record the value of donated services in its financial statements.

**g. Net Assets Internally Restricted for Future Periods**

Part of the Association's net assets have been restricted as approved by the Association's Board of Directors. Transfers among net asset categories are recorded when approved by the Board of Directors.

**h. Financial Instruments**

Financial Instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those measured at fair value and charged to the financial instrument for those measured at amortized cost.

**i. 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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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# Community Living Sarnia-Lambton

## Notes to Financial Statements

March 31, 2017

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1. Nature of Operations and Summary of Significant Accounting Policies (continued)

j. Allocation of Administration Expense

The Association engages in developmental services, out-of-home respite, supported housing, employment projects, special projects and capital programs. The costs of each project include the costs of personnel and other expenses that are directly related to operating the services. The Association also incurs a number of administration costs associated with governing and operating the organization.

The Association allocates its administration costs based on what is allowable within each of its funding agreements.

The Ministry of Community and Social Services (MCSS) and the Ministry of Children and Youth Services (MCYS) allow for administration costs up to 10% of its annualized government grants. For the year ended March 31, 2017, the administration costs for the Association are 7.35% of all expenditures incurred to deliver the combined MCSS and MCYS services.

The Employment Projects reported on Schedule 1 include projects funded by Service Canada, the MCSS Developmental Services Employment and Modernization Fund and the Ontario Disability Supports Program - Employment Supports (OSDP-ES), of which only Service Canada allows administration costs of up to 5%. Special Projects funded by United Way do not allow for administration costs.

The Association's total administration costs for the fiscal year ending March 31, 2017 are 6.86% of its total expenditures.

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2. Cash

	<u>2017</u>	<u>2016</u>
Cash and bank	\$ 336,996	\$ 629,260
RBC Investment Savings Account	85,322	50,279
	<u>\$ 422,318</u>	<u>\$ 679,539</u>

The Association's bank accounts are maintained at one chartered bank. The bank accounts earn interest from bank prime less 2.5% to bank prime less 3.0% based on account balance.

**Community Living Sarnia-Lambton**  
**Notes to Financial Statements**

**March 31, 2017**

**3. Short-term Investments**

	2017	2016
CDN Western Trust GIC, maturing June 2017 with a fixed interest rate of 1.95%	\$ 100,000	\$ -
State Bank of India GIC, maturing April 2016 with a fixed interest rate of 1.46%	-	80,606
Home Trust Company GIC, maturing April 2016 with a fixed interest rate of 1.9%	-	51,106
CDN Western Bank GIC, maturing April 2016 with a fixed interest rate of 1.95%	-	75,000
Bank of Nova Scotia GIC, maturing June 2016 with a fixed interest rate of 2%	-	20,000
Montreal Trust CDA, maturing June 2016 with a fixed interest rate of 2%	-	20,000
Laurentian Bank GIC, maturing June 2016 with a fixed interest rate of 2%	-	25,000
Home Trust Company GIC, maturing October 2016 with a fixed interest rate of 2.05%	-	50,000
Korean Exchange Bank GIC, maturing October 2016 with a fixed interest rate of 2.1%	-	105,000
Tangerine Bank GIC, maturing October 2016 with a fixed interest rate of 2%	-	100,016
	<b>\$ 100,000</b>	<b>\$ 526,728</b>

**4. Inventories**

	2017	2016
Gaskets	\$ 73,347	\$ 101,436
Sewing	-	12,461
Contracts	7,511	7,688
	<b>\$ 80,858</b>	<b>\$ 121,585</b>

## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

### 5. Long-term Investments

The carrying amounts of the investments are comprised of the following:

	2017	2016
Amortized cost:		
Guaranteed investment certificates, maturing April 2018 through April 2021 with interest rates of 1.72% to 2.18%	\$ 493,958	\$ 100,000
At fair value:		
Portfolio of marketable securities (cost \$239,252)	\$ 255,503	\$ 96,801
	\$ 749,461	\$ 196,801

### 6. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 731,613	\$ -	\$ 711,613	\$ -
Buildings	7,343,720	3,258,881	7,042,082	3,133,870
Leasehold improvements	693,511	634,329	674,424	586,654
Equipment and vehicles	2,100,738	1,709,481	1,975,119	1,588,044
	\$ 10,869,582	\$ 5,602,691	\$ 10,403,238	\$ 5,308,568
Net book value		\$ 5,266,891		\$ 5,094,670

### 7. Bank Indebtedness

The Association has an operating line of credit of \$700,000 of which \$700,000 was available at March 31, 2017. The line of credit bears interest at the bank's prime rate and is secured by a general security agreement covering all assets except real property.

### 8. Accounts Payable

Included in accounts payable is \$99,651 (2016 - \$105,465) in government remittances payable.

## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

### 9. Long-term Debt

	2017	2016
3.73% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 1091 Wellington Street, repayable in blended monthly payments of principal and interest of \$5,774, maturing November 2020	\$ 658,504	\$ 702,327
1.85% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 144 and 146 Essex Street and 1057 Finch Drive, repayable in blended monthly payments of principal and interest of \$2,699, maturing May 2021	401,469	426,026
2.6% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 131 Tom Hodgson Court, repayable in blended monthly payments of \$1,529 maturing September 2017	298,149	308,622
0% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 140 North Euphemia Street, repayable in blended monthly payments of \$980, maturing March 2034	199,720	211,480
2.48% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 1157 Murphy Road, repayable in blended monthly payments of principal and interest of \$1,404, maturing October 2017	198,250	209,925
2.4% mortgage, secured by land, buildings assignment of leases and general assignment of rents at 144 Augusta Blvd., repayable in blended monthly payments of principal and interest of \$1,044, maturing October 2017	170,637	178,834
2.4% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 911 McCaw Street, repayable in blended monthly payments of principal and interest of \$767, maturing September 2017	113,593	119,876
2.73% mortgage, secured by land, buildings, assignment of leases and general assignment of rents at 1222 Colborne Road, repayable in blended monthly payments of principal and interest of \$762, maturing June 2017	111,366	117,383
4.29% vehicle loan, secured by 2014 Dodge Caravan, principal repaid in blended monthly installments of \$611, maturing December 2020	25,358	31,459
3.54% mortgage, secured by land, buildings, assignments , of leases general assignment of rents at 667 Stacy Court, repayable in blended monthly payments of \$669, maturing September 2021	131,311	-
	2,308,357	2,305,932
Less current portion	984,252	1,422,359
	\$ 1,324,105	\$ 883,573

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## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

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### 9. Long-term Debt (continued)

Principal payments required on long-term debt for the next five years are estimated as follows:

Year	Amount
2018	\$ 984,252
2019	94,855
2020	97,543
2021	564,379
2022	426,408
Thereafter	<u>140,920</u>
	<u>\$ 2,308,357</u>

Long-term debt is secured by land, buildings, building improvements and a vehicle with a book value of \$4,834,882.

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### 10. Deferred Contributions

Deferred contributions represent unspent, externally restricted grants and donations that relate to operating expenditures in subsequent years.

Changes in the deferred contributions during the year are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 188,290	\$ 118,357
Revenue recognized in the year	(212,204)	(250,571)
Contributions received	<u>35,634</u>	<u>320,504</u>
Balance, end of year	<u>\$ 11,720</u>	<u>\$ 188,290</u>

# Community Living Sarnia-Lambton

## Notes to Financial Statements

March 31, 2017

### 11. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized amount and the unspent amount of donations and grants received for the purchase of capital assets.

Deferred contributions related to capital assets consists of the following:

	2017	2016
Balance, beginning of year	\$ 1,708,891	\$ 1,585,365
Contributions received	123,016	244,493
Less amounts amortized to revenue	(62,267)	(120,967)
Balance, end of year	\$ 1,769,640	\$ 1,708,891

The balance of unamortized capital contributions related to capital assets consists of the following:

	2017	2016
Unamortized contributions used to purchase assets	\$ 1,448,097	\$ 1,390,079
Unspent contributions	321,543	318,812
Balance, end of year	\$ 1,769,640	\$ 1,708,891

### 12. Contingent Liabilities

The union representing certain employees of the Association has filed multiple grievances. The outcome of these grievances is not determinable at this time and consequently no amounts have been recorded in these financial statements.

Community Living Sarnia-Lambton is a defendant in a legal action. No provision has been made in these financial statements with respect to any possible effect that may arise from this matter.

### 13. Commitments

The Association has leased certain realty and equipment. The minimum annual lease payments under these leases for the next five fiscal years are as follows:

Year	Amount
2018	\$ 183,760
2019	\$ 171,343
2020	\$ 154,955
2021	\$ 57,657
2022	\$ 10,480

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## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

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### 14. Government Grants

A substantial portion of the Association's revenue is received from grants provided by the Ministry of Community and Social Services (MCSS) and from the Ministry of Children's and Youth Services (MCYS).

Government grants shown in the statement of operations as annual represent funding of programs on an on-going basis. Government grants shown as fiscal represent non-recurring funding of selected portions of programs or one-time projects and funding received based on services provided.

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### 15. Materials

	2017	2016
Inventories, beginning of year	\$ 121,585	\$ 120,296
Purchases	238,878	294,384
Inventories, end of year	<u>(80,858)</u>	<u>(121,585)</u>
	<u>\$ 279,605</u>	<u>\$ 293,095</u>

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### 16. Financial Instrument Risk

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the operating line of credit and the value of its mortgage payable.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

#### Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable, accrued liabilities, long-term debt and the operating line of credit.



## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

### 17. Service Contracts/CFSA Approval with the Ministry of Community and/or Social Services and the Ministry of Children's Services

Community Living Sarnia-Lambton has a Service Contract/CFSA Approval with the Ministry of Community and Social Services (MCSS) and the Ministry of Children and Youth Services (MCYS).

A reconciliation report summarizes, by ministry detail code, all revenues and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

A review of this report shows the following project codes to be in an operating surplus or deficit position as at March 31, 2017.

Detail Code	Service Name	Surplus (Deficit) per MCSS-MCYS	Contributions		Loan Pmts	Surplus (Deficit) per statement
			Deferred	Recognized		
8745	Residential Intervenor Services	\$ (106)	\$ -	\$ -	\$ -	\$ (106)
8847	DS Supported Group Living Residences	(3,657)	-	-	6,101	2,444
8871	DS Employment Supports	(10)	-	-	-	(10)
8915	Partner Facility Renewal	(407)	(55,534)	42,490	-	(13,451)
8917	Partner Facility Renewal-Fire Code Retrofit	-	-	-	-	-
9111	DS - Host Family Residences	(35)	-	-	-	(35)
9112	DS Supported Independent Living	(238)	-	-	-	(238)
9130	DS Caregiver Respite Services and Supports	(325)	-	-	-	(325)
9131	DS Community Participation Services and Supports	(8)	-	-	-	(8)
9255	Respite Support Children - Out of Home Supports	(66)	-	-	-	(66)
A351	In & Out of Home Respite	(13)	-	-	-	(13)
A510	Out of Home Respite Services	(40)	-	-	-	(40)
A596	Other ASD Supports	(250)	-	-	-	(250)
		(5,155)	(55,534)	42,490	6,101	(12,098)
8849	Dedicated Supportive Housing	24,491	-	1,253	-	25,744
		<u>\$ 19,336</u>	<u>\$ (55,534)</u>	<u>\$ 43,743</u>	<u>\$ 6,101</u>	<u>\$ 13,646</u>

### 18. Changes in Non-Cash Working Capital Balances

	2017	2016
Short-term investments	\$ 426,728	\$ (252,257)
Assets held for resale	-	175,624
Grants receivable	4,294	30,039
Accounts receivable	(31,308)	204,135
Inventories	40,727	(1,289)
Prepaid expenses	(3,444)	37,099
Accounts payable	61,477	(433,650)
Unearned revenue	18,512	19,935
Net change in non-cash working capital balances	<u>\$ 516,986</u>	<u>\$ (220,364)</u>

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## Community Living Sarnia-Lambton Notes to Financial Statements

March 31, 2017

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### 19. Pension Agreement

The bargaining unit for certain employees of the Association is the Canadian Union of Public Employees Local 4370. It participates in a Multi-Sector Pension Plan (MSPP) which operates as the Nursing Homes and Related Industries Pension Plan (NHRIPP). NHRIPP is a multi-employer pension plan which provides a certain targeted level of benefits. Unlike most multi-employer pension plans, the Trustees of the NHRIPP are all appointed by the unions which represent plan members in collective bargaining.

Contributions to the NHRIPP are fixed by collective agreement, therefore, the level of benefits is not guaranteed. If the plan suffers sustained investment losses or other factors that cause the NHRIPP to have a funding shortfall, pensions and the accrued benefits of members may be reduced. The contribution rates of employers contributing to the plan are set by the terms of the applicable collective agreement. The employers' only obligations are to provide those contributions and the information required by the trustees to administer the plan. Employers are not responsible for the funding of any funding shortfalls. The company therefore accounts for the plan as a defined contribution plan.

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### 20. Subsequent Event

During 2017/2018 Community Living Sarnia-Lambton will cease its sheltered work activity in accordance with the new policy directive of the Ministry of Community and Social Services. Therefore the Association will no longer be in receipt of the net proceeds from the sheltered work activity. The final financial effect of this change is still unknown. The Ministry of Community and Social Services has reiterated its ongoing commitment to fund alternative supports and services for the individuals impacted by this change.

**Community Living Sarnia-Lambton**  
**Schedule 1 - Statement of Revenues and Expenditures - Other**

**For the year ended March 31, 2017**

	Employment Projects	Special Projects	Capital	Total Other
<b>Revenues</b>				
Donations	\$ -	\$ -	\$ 6,668	\$ 6,668
Fundraising	-	500	964	1,464
Government grants - federal	103,707	-	-	103,707
Government grants - MCSS/MCYS fiscal	139,845	-	-	139,845
Government grants - other provincial	117,501	-	-	117,501
Interest and investment revenue	-	-	34,982	34,982
Other revenue	-	-	169,345	169,345
United Way	-	45,000	-	45,000
Deferred contributions	137	-	18,387	18,524
	<u>361,190</u>	<u>45,500</u>	<u>230,346</u>	<u>637,036</u>
<b>Expenditures</b>				
Advertising	3,635	976	5,029	9,640
Communication	4,006	806	-	4,812
Insurance	161	-	-	161
Building occupancy costs	13,690	1,893	55,021	70,604
Salaries and benefits	222,051	38,701	-	260,752
Services, other	(58)	80	2,376	2,398
Services, professional/contracted out	3,971	-	2,241	6,212
Services, related to IT	1,905	-	-	1,905
Services, repairs and maintenance	-	-	19,849	19,849
Staff training	3,256	456	-	3,712
Supplies, equipment, other	52,814	766	300,703	354,283
Supplies related to IT	21,242	265	-	21,507
Travel	1,382	1,616	-	2,998
	<u>328,055</u>	<u>45,559</u>	<u>385,219</u>	<u>758,833</u>
<b>Operating surplus (deficit)</b>	<b>33,135</b>	<b>(59)</b>	<b>(154,873)</b>	<b>(121,797)</b>
<b>add: capital assets purchased</b>	<b>-</b>	<b>-</b>	<b>300,552</b>	<b>300,552</b>
<b>less: amortization</b>	<b>(2,399)</b>	<b>-</b>	<b>(65,889)</b>	<b>(68,288)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 30,736</b>	<b>\$ (59)</b>	<b>\$ 79,790</b>	<b>\$ 110,467</b>

