

**NEW LEAF: LIVING AND LEARNING  
TOGETHER INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2015**

**SMITH, SYKES, LEEPER & TUNSTALL LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

**NEW LEAF: LIVING AND LEARNING  
TOGETHER INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2015**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of,  
New Leaf: Living and Learning Together Inc.

We have audited the accompanying financial statements of **New Leaf: Living and Learning Together Inc.**, which comprise the statement of financial position as at **March 31, 2015** and the statements of changes in net assets, operations 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 auditors' 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 auditors consider 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 audit opinion.

### **Basis for Qualified Opinion**

The accounting policies presently in use, as disclosed in Note 2 to the financial statements, have not been altered retroactively to comply with the Canadian Accounting Standards for Not-for-Profit organizations as they are considered appropriate for the purpose of the subsidizing Ministry of the Province of Ontario who is the primary user of the financial statements. In addition, as disclosed in Note 2 there were some capital expenditures incurred which were expensed.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **New Leaf: Living and Learning Together Inc.** as at **March 31, 2015** and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit organizations.

Newmarket, Ontario.  
July 27, 2015.

*Smith, Sykes, Leeper & Tunstall LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants**

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2015**

	<b>2015</b>	<b>2014</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash (Note 4)	\$ 1,049,463	\$ 1,003,218
Short-term investments (Note 5)	467,365	463,655
Accounts receivable	87,128	68,309
Prepaid expenses	37,250	250
HST receivable	<u>127,401</u>	<u>150,236</u>
	<b>1,768,607</b>	<b>1,685,668</b>
Restricted short-term investments (Note 5)	516,389	512,291
Capital assets (Note 6)	<u>4,879,986</u>	<u>5,250,396</u>
	<b>\$ 7,164,982</b>	<b>\$ 7,448,355</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,000,875	\$ 956,973
Government remittances payable	90,259	81,886
Current portion of mortgages payable (Note 7)	<u>1,745,543</u>	<u>445,384</u>
	<b>2,836,677</b>	<b>1,484,243</b>
Mortgages payable (Note 7)	715,308	2,214,842
Deferred revenue (Note 8)	306,831	304,461
Deferred contributions related to capital assets (Note 9)	<u>1,467,139</u>	<u>1,531,225</u>
	<b>5,325,955</b>	<b>5,534,771</b>
<b><u>NET ASSETS (Note 10)</u></b>		
Future capital replacement fund	228,292	216,030
Net investment in capital assets	951,991	1,058,941
Accumulated surplus	<u>658,744</u>	<u>638,613</u>
	<b>1,839,027</b>	<b>1,913,584</b>
	<b>\$ 7,164,982</b>	<b>\$ 7,448,355</b>

Approved on Behalf of the Board of Directors,

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

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

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015</b>			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 216,030	\$ 1,058,941	\$ 638,613	\$ 1,913,584
Appropriation from operations	10,534	0	0	10,534
Interest earned	1,728	0	0	1,728
Excess of (expenses over revenue) revenue over expenses (Note 11)	0	(106,950)	20,131	(86,819)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 228,292</b>	<b>\$ 951,991</b>	<b>\$ 658,744</b>	<b>\$ 1,839,027</b>

	<b>2014</b>			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 203,265	\$ 1,127,597	\$ 603,847	\$ 1,934,709
Appropriation from operations	10,534	0	0	10,534
Interest earned	2,231	0	0	2,231
Excess of (expenses over revenue) revenue over expenses (Note 11)	0	(68,656)	34,766	(33,890)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 216,030</b>	<b>\$ 1,058,941</b>	<b>\$ 638,613</b>	<b>\$ 1,913,584</b>

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
<b>REVENUE</b>		
Government subsidies	\$10,279,703	\$10,231,084
Client contributions	1,199,005	1,185,029
Other revenue (Note 12)	283,265	126,705
Amortization of deferred capital contributions	64,086	64,086
Fundraising activities	29,115	39,601
	<b>11,855,174</b>	<b>11,646,505</b>
<b>OPERATING EXPENSES</b>		
Wages, employees' benefits and staff related costs	9,151,122	8,656,421
Repairs and maintenance	970,130	1,125,650
Amortization	404,523	378,749
Groceries and household supplies	341,359	337,959
Occupancy costs	271,724	322,721
Vehicle	186,555	197,252
Office and general	120,925	121,274
Insurance	105,970	97,552
Professional fees	74,762	106,969
Day program costs	70,640	86,123
Interest on mortgages payable	62,757	68,785
Telephone	53,315	50,949
Equipment, furniture and fixtures	49,701	59,652
Residents personal needs	47,083	37,853
Purchased services - client	20,893	21,952
Appropriation of future capital replacements fund	10,534	10,534
	<b>11,941,993</b>	<b>11,680,395</b>
<b>EXCESS (EXPENSES OVER REVENUE)</b>	<b>\$ (86,819)</b>	<b>\$ (33,890)</b>

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATIONS</b>		
Excess of (expenses over revenue) for the year	\$ (86,819)	\$ (33,890)
Items not requiring an outlay of cash:		
Amortization	404,523	378,749
Amortization of deferred capital contributions	<u>(64,086)</u>	<u>(64,086)</u>
	<b>253,618</b>	<b>280,773</b>
<b>Changes in operating working capital</b>		
Short-term investments	(3,708)	15,199
Accounts receivable	(18,819)	24,641
Accounts payable and accrued liabilities	43,899	28,766
Government remittances payable	8,373	(5,497)
Prepaid expenses	(37,000)	0
Future capital replacement fund	12,262	12,765
HST receivable	<u>22,835</u>	<u>19,582</u>
	<u><b>27,842</b></u>	<u><b>95,456</b></u>
<b>CASH PROVIDED BY OPERATIONS</b>	<b>281,460</b>	<b>376,229</b>
<b>FINANCING</b>		
Deferred revenue	2,370	2,933
(Repayment of) mortgages payable	<u>(199,374)</u>	<u>(194,073)</u>
<b>CASH (USED FOR) FINANCING</b>	<b>(197,004)</b>	<b>(191,140)</b>
<b>INVESTING</b>		
(Increase) in Restricted short-term investments	(4,098)	(15,698)
Additions to capital assets	(39,996)	(66,934)
Proceeds on disposal of capital assets	<u>5,883</u>	<u>15,000</u>
<b>CASH (USED FOR) INVESTING</b>	<b>(38,211)</b>	<b>(67,632)</b>
<b>NET CHANGE IN CASH POSITION</b>	<b>46,245</b>	<b>117,457</b>
Cash position, beginning of the year	1,003,218	885,761
<b>CASH POSITION, END OF THE YEAR</b>	<b>\$ 1,049,463</b>	<b>\$ 1,003,218</b>

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

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**1. THE ORGANIZATION**

New Leaf: Living and Learning Together Inc. is a non-profit corporation without share capital incorporated under the laws of Ontario. It is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes. It was formed to provide residential, social and vocational services for dual diagnosed developmentally disabled adults, to co-operate with social service agencies engaged in related work and to promote further study, research and development in the field of care for this segment of the society. The organization's operations are funded by the Ministry of Community and Social Services of the Province of Ontario under agreement, by donations from the public and by its own fundraising activities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) and include the following significant accounting policies:

**Estimates and assumptions -**

The preparation of financial statements in accordance with Canadian Accounting Standards for Non-For-Profit Organizations requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of contributions and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets; and the valuation of accruals. Actual results could differ from those estimates.

**Cash and short-term investments -**

Cash consists of cash on hand. Short-term investments consist of GIC's maturing within 1 year.

**Financial instruments -**

The organization recognizes and measures financial assets and financial liabilities on the statement of financial position when they become a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, financial assets including cash on hand, accounts receivable and HST receivable are measured at amortized cost on a straight-line basis. The measurement of GIC's maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments. In subsequent periods financial liabilities measured at amortized cost on a straight-line basis include the accounts payable and accrued liabilities, current portion of mortgages payable and mortgages payable.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**2. ACCOUNTING POLICIES (Continued)**

**Revenues recognition -**

Revenues and expenses are accounted for under the accrual basis. Operating and minor capital subsidies and related expenditures are recognized in the period received in accordance with subsidizing ministry approvals.

Donations and fundraising activities are recorded on a cash basis, and when donated materials or services are received. Revenue from donations and fundraising activities which are appropriated to specific capital projects are deferred until the related capital costs are incurred.

The organization follows the deferral method of accounting for contributions and capital subsidies. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and pledges are recognized as revenue when received. Deferred contribution revenue is amortized on a straight line basis at the same rate as the capital assets to which it relates.

Revenue from fees and other contracts are recognized when the services are provided.

**Unearned revenue -**

Unearned revenue includes payments received in advance. The amounts will be recognized as revenue according to the revenue recognition policies adopted by the Organization.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**2. ACCOUNTING POLICIES (Continued)**

**Capital assets -**

Land and buildings which have been financed are recorded at cost, which includes carrying, development and construction costs incurred to the statement of financial position date which are capitalized until construction is completed and the operations of the property are funded by the Ministry. Land and buildings which are financed are amortized annually in an equal amount to the repayment of principal on their related mortgages payable, as required by the subsidizing Ministry.

Land and buildings which have been fully subsidized by the Ministry of Community and Social Services during the year are recorded at cost, which includes carrying, development and construction costs incurred to the statement of financial position date which are capitalized until construction is completed and the operations of the property are funded by the Ministry. Land and buildings are amortized over a 35-year period, on a straight line basis.

Land and buildings which were fully subsidized in 1997 and prior years have been written off fully in the year the subsidy was received.

For the past three years, the Organization has incurred capital expenditures on the purchase and installation of sprinkler systems and have elected to expense the total costs of \$467,339 - 2015 (\$593,690 - 2014, \$239,077 - 2013).

The cost of other capital assets purchased with operating funds are recorded in the Investment in Capital Assets fund.

Land and buildings which have been financed internally are amortized over a 35-year period, on a straight line basis.

Vehicles are amortized over a 5 year period, on a straight line basis.

Equipment is amortized over a 8 year period, on a straight line basis.

Computer software is amortized over a 2 year period, on a straight line basis.

Gain on disposals of capital assets were netted against amortization expense due to there insignificant nature.

**Contributed services and materials -**

Contributed services and materials are not recognized in the financial statements because of the difficulty of determining their fair value.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Organization is exposed to the following risks related to its financial assets and liabilities:

**Liquidity risk -**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued expenses and long-term debt. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period

**Credit risk -**

Credit risk arises from the possibility that the entities to which the Organization services may experience financial difficulty and be unable to fulfill their contractual obligations. The Organization is mainly exposed to credit risk through other income which is a small portion of overall contributions. Actual exposure to credit losses has been minimal in prior years. There has been no change in the risk assessment from the prior period.

**Market risk -**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. Currently the Organization is not exposed to foreign currency risk.

**Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Organization is mainly exposed to interest rate risk through it's mortgages which are based on fixed-rate obligations. The exposure to this risk increases as mortgages come due. The risk exposure has not changed from the prior period..

**Other price risk -**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to significant other price risk.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**4. CASH**

Cash consists of the following:

	<u>2015</u>	<u>2014</u>
General cash balance	\$ 794,940	\$ 765,467
Cash from fundraising activities	<u>254,523</u>	<u>237,751</u>
Total cash	<u>\$ 1,049,463</u>	<u>\$ 1,003,218</u>

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**5. SHORT TERM INVESTMENTS**

Short term investments consist of several GIC's presented at their fair value with an interest rate of 0.65% per annum maturing on March 27, 2016.

**Restricted Short term investments -**

Included in restricted short term investments is \$217,758 (2014 - \$216,030) in funding received from the Ministry of Community and Social Services for future capital replacements. Also, included in restricted short term investments is \$298,631 (2014 - \$296,261) in funds dedicated towards future operations expenditures.

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**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**6. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2015</u>	<u>Net 2014</u>
Financed by subsidy after 1997				
Part lots 23 and 24, concession 5 Town of East Gwillimbury (Elms)	\$ 855,979	\$ 366,849	\$ 489,130	\$ 513,587
Part lot 14 concession 3, Town of East Gwillimbury (Aspens)	407,009	156,992	250,017	261,646
Part lot 21, concession 6, Town of East Gwillimbury (Tamaracks)	499,995	128,574	371,421	385,707
Part Lot 1, Concession 4, 5639 Smith Blvd., Town of Georgina (Lindens)	480,000	123,426	356,574	370,288
Financed by mortgages payable				
Lots 14 and 15, concession 3, Town of East Gwillimbury (Drake Will and Farm)	3,130,159	1,633,203	1,496,956	1,620,926
Part lot 1, concession 5, Plan 65R- 503 Town of Georgina (Willows)	560,687	265,603	295,084	318,339
Part lot 31, concession 4, Town of Whitchurch-Stouffville (Cedars)	472,631	236,290	236,341	255,967
Part lots 23 and 24, concession 2, Part 2, Plan 65R-958, Town of East Gwillimbury (Pines)	447,729	201,710	246,019	262,820
Part lot 27, concession 2, Town of East Gwillimbury (Birches)	369,875	183,422	186,453	202,175
Financed internally				
Pool & Recreation Centre	767,595	153,517	614,078	636,008
Other capital assets				
Vehicles	720,024	527,386	192,638	249,037
Equipment	228,964	105,101	123,863	152,484
Computer Software	<u>71,437</u>	<u>50,025</u>	<u>21,412</u>	<u>21,412</u>
	<u>\$ 9,012,084</u>	<u>\$ 4,132,098</u>	<u>\$ 4,879,986</u>	<u>\$ 5,250,396</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**7. MORTGAGES PAYABLE**

Mortgages payable are secured by some of the organization's real estate holdings, as follows:

	<u>2015</u>	<u>2014</u>
Lots 14 and 15, Concession 3 Town of East Gwillimbury - 2.400%, with a renewal date of October 1, 2015, repayable in blended monthly payments of \$13,445, secured by the land and building with a carrying value of \$1,495,955 (Drake Will and Farm)	\$ 1,496,955	\$ 1,620,926
Part Lot 1, Concession 5, Plan 65R-503 Town of Georgina - 2.245%, due October 1, 2017, repayable in blended monthly payments of \$2,507, secured by the land and building with a carrying value of \$295,084 (Willows)	295,084	318,338
Part Lot 31, Concession 4, Town of Whitchurch - Stouffville - 2.435%, due April 1, 2019, repayable in blended monthly payments of \$2,141, secured by the land and building with a carrying value of \$236,307 (Cedars)	236,307	255,967
Part of Lots 23 and 24, Concession 2, Part 2, Plan 65R-958, Town of East Gwillimbury - 2.2560%, due February 1, 2020, repayable in blended monthly payments of \$1,962, secured by the land and building with a carrying value of \$246,019 (Pines)	246,053	262,820
Part Lot 27, Concession 2, Town of East Gwillimbury - 2.400%, with a renewal date of October 1, 2015, repayable in blended monthly payments of \$1,698, secured by the land and building with a carrying value of \$186,452 (Birches)	<u>186,452</u>	<u>202,175</u>
	2,460,851	2,660,226
Less: current portion	<u>1,745,543</u>	<u>445,384</u>
	<u>\$ 715,308</u>	<u>\$ 2,214,842</u>

The Drake Will and Farm and Birches mortgages are with a payment structure for 25 years. It is the Organization's intention to renew the loan at the renewal date.

The minimum annual payments over the next five years with respect to the mortgage payables are as follows:

2016	\$ 1,745,543
2017	310,658
2018	40,238
2019	193,723
2020	<u>170,689</u>
	<u>\$ 2,460,851</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**8. DEFERRED REVENUE**

Deferred revenue represents proceeds from the sale of assets and expenditure recoveries. These are dedicated towards future operations expenditures. These will be recorded as revenue when the expenditures have been made. Due to the restrictions placed on these funds, the annual interest earned of \$2,370 (2014 - \$2,933) has been added to the balance.

**9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets represent the contributed capital assets and restricted contributions with which four of the Organization's buildings (Elms, Aspens, Tamaracks and Lindens) were originally purchased. The changes in the deferred contributions balance for the year are as follows:

	<u>2015</u>	<u>2014</u>
Beginning balance	\$ 1,531,225	\$ 1,595,311
Amounts amortized to revenue	<u>(64,086)</u>	<u>(64,086)</u>
Ending balance	<u>\$ 1,467,139</u>	<u>\$ 1,531,225</u>

**10. NET ASSETS**

Future capital replacement fund represents funds received under the terms of the Ministry of Community and Social Services, Dedicated Supportive Housing annual subsidy and are restricted to cover the costs of any major repairs.

Net assets invested in capital assets represents the amount of the Organization's surplus that is not available for other purposes as it has been invested in capital assets described in Note 6.

The accumulated surplus represents the amount by which the accumulated surplus of the Organization exceeds net assets invested in capital assets and future capital replacement fund.

**11. INVESTED IN CAPITAL ASSETS**

The excess of expenses over revenue in this fund balance consist of the following:

Amortization expense	\$ 404,523
Less: amount related to capital assets purchased with restricted contributions	(64,086)
Less: amount related to capital asset financing subsidized by the Ministry	(199,374)
Less: additions to capital assets	(39,996)
Add: proceeds on disposal of capital assets	<u>5,883</u>
Net decrease in net assets invested in capital assets	<u>\$ 106,950</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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**12. OTHER REVENUE**

Other revenue consists of the following:

	<u>2015</u>	<u>2014</u>
Cost recovery	\$ 199,904	\$ 28,524
Rental Revenue - Telus and Rogers	39,600	37,283
Miscellaneous	17,626	5,249
Day Program Revenue	11,230	8,774
Solar Revenue	10,418	10,062
Interest Income	4,487	6,813
CAMH - External Projects	<u>0</u>	<u>30,000</u>
	<u>\$ 283,265</u>	<u>\$ 126,705</u>

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**13. LEASE COMMITMENTS**

The Organization has entered into a lease for its office equipment with minimum aggregate annual payments for the next five years as follows:

2016	\$ 9,227
2017	9,037
2018	8,847
2019	8,847
2020	2,949

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## INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

To the Directors of,  
New Leaf: Living and Learning Together Inc.

We have audited the segmented information for each program funded by the Ministry of Community and Social Services for New Leaf: Living and Learning Together Inc. as at March 31, 2015. This financial information was prepared using Canadian accounting standards for Not-for-Profit organizations except that additions to capital assets have been expensed rather than capitalized and amortized, and related funding has not been deferred and amortized. This financial information is the responsibility of the organization's management. Our responsibility is to express an opinion on this financial information based on our audit

### **Management's Responsibility for the Segmented information**

Management is responsible for the preparation and fair presentation of this segmented information and for such internal control as management determines is necessary to enable the preparation of the segmented information that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the segmented information 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 information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the segmented information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the segmented information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation of the segmented information 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 organization'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 segmented information. 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, these schedules presents fairly, in all material respects in accordance with the basis of accounting described in paragraph 1, the segmented information for each Ministry of Community and Social Services program as at March 31, 2015.

### **Restriction on Distribution and Use**

This report is intended solely for use in connection with the reporting requirements of Ministry of Community and Social Services and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our express written consent.

Newmarket, Ontario.  
July 27, 2015.

*Smith, Sykes, Leeper & Tunstall LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**Licensed Public Accountants**

NEW LEAF: LIVING AND LEARNING TOGETHER INC.  
 SCHEDULE OF REVENUES AND EXPENDITURES BY PROGRAM  
 FOR THE YEAR ENDED MARCH 31, 2015

	MCSS - TORONTO REGION				MCSS - CENTRAL REGION				8849	TOTAL			
	8847	9131	8915	8917	8847	9131	ALLOCATED CENTRAL ADMIN	MCSS CENTRAL REGION					
REVENUE	SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	PARTNER FACILITY RENEWAL-CAPITAL	PARTNER FACILITY RENEWAL-FIRE CODE RETROFIT	ALLOCATED CENTRAL ADMIN	MCSS TORONTO REGION	SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	ALLOCATED CENTRAL ADMIN	MCSS CENTRAL REGION	DEDICATED HOUSING SUPPORTS	FUNDING AND OTHER ACTIVITIES	
Subsidies from MCSS	6,738,502	1,457,670	209,804	467,344	-	8,873,320	677,708	246,107	-	923,815	482,568	-	10,279,703
Client Contribution	1,212,872	-	-	-	-	1,212,872	86,400	-	-	86,400	96,192	64,951	1,364,223
Offset Intercompany revenue	(96,192)	-	-	-	-	(96,192)	-	-	-	-	-	-	-
Deferred contribution revenue	50,372	-	-	-	-	50,372	13,714	-	-	13,714	-	1,543	64,086
Other Revenues	57,226	65,161	-	-	-	122,387	-	-	-	-	-	29,115	123,930
Fundraising Revenues	7,962,780	1,522,831	209,804	467,344	-	10,162,759	777,822	246,107	-	1,023,929	578,760	95,609	11,861,057
EXPENDITURES													
Wages	5,360,165	998,405	-	-	495,376	6,853,946	520,201	162,238	47,929	730,369	112,888	45,085	7,742,288
Employee benefits	956,452	179,937	-	-	88,178	1,224,567	94,791	29,484	8,542	132,818	20,391	-	1,377,776
Travel	28,587	-	-	-	6,670	37,257	34	-	781	815	187	-	38,259
Communication	38,396	3,278	-	-	9,632	51,306	2,893	-	1,215	4,108	474	-	55,888
Mortgage Cost	141,424	-	-	-	-	141,424	-	-	-	-	216,900	-	358,324
Utilities	107,472	58,088	-	-	9,166	174,726	10,676	342	1,018	11,694	85,303	-	271,723
Training	21,644	1,570	-	-	4,271	23,214	2,082	-	382	2,424	370	-	25,638
Advertising and Promotion	127,375	15,015	201,715	328,740	279	673,124	11,259	4,076	11,226	15,335	66,443	-	754,902
Services related to R&M	15,718	-	-	-	99,401	99,401	5,175	-	400	5,175	4,768	-	115,395
Professional/Contracted Services	48,821	16,279	-	-	3,220	69,320	6,000	4,500	2,005	10,900	25,750	-	105,970
Purchased Services - Client	5,600	1,1019	-	-	20,859	37,478	268	1,768	2,005	4,041	1,943	-	43,462
Insurance	103,938	12,431	8,087	138,599	11,283	263,055	6,366	272	1,254	6,638	35,820	1,644	307,157
Other Services	91	-	-	-	5,326	5,417	47,117	25,626	296	73,039	7,521	27,631	126,228
Supplies and Equipment related to R&M	432,275	90,790	-	-	-	523,065	13,714	-	(75,049)	13,714	-	-	636,582
IT Supplies and Equipment	(96,192)	-	-	-	-	(96,192)	57,246	17,802	-	-	-	-	(96,192)
Other Supplies and Equipment	50,372	-	-	-	-	50,372	-	-	-	-	-	-	64,086
Offset Intercompany expenses	619,642	136,019	-	-	(755,661)	-	-	-	-	-	-	1,125	1,125
Amortization-building	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocated Admin	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPCESS OF REVENUES OVER EXPENDITURES	7,962,780	1,522,831	209,802	467,339	-	10,162,752	777,821	246,109	-	1,023,930	578,758	75,485	11,840,926
(EXPENDITURES OVER REVENUES)	(0)	0	2	5	0	7	1	(2)	0	(1)	2	20,124	20,131