

**NEW LEAF: LIVING AND LEARNING  
TOGETHER INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2016**

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

**NEW LEAF: LIVING AND LEARNING  
TOGETHER INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2016**

**CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 14
<b>INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION</b>	15
Schedule of Revenues and Expenditures by Program	16

## 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, 2016** 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, 2016** and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit organizations.

*Smith, Sykes, Leeper & Tunstall LLP*

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

Newmarket, Ontario.  
July 26, 2016.

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash (Note 4)	\$ 933,907	\$ 1,049,463
Short-term investments (Note 5)	470,403	467,365
Accounts receivable	126,414	87,128
Prepaid expenses	37,609	37,250
HST receivable	<u>108,091</u>	<u>127,401</u>
	<b>1,676,424</b>	<b>1,768,607</b>
Restricted short-term investments (Note 5)	540,886	516,389
Capital assets (Note 6)	4,598,930	4,879,986
	<b>\$ 6,816,240</b>	<b>\$ 7,164,982</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,094,047	\$ 1,000,875
Government remittances payable	64,736	90,259
MCSS repayable	832	0
Current portion of mortgages payable (Note 7)	<u>218,620</u>	<u>1,745,543</u>
	<b>1,378,235</b>	<b>2,836,677</b>
Mortgages payable (Note 7)	2,033,072	715,308
Deferred revenue (Note 8)	308,772	306,831
Deferred contributions related to capital assets (Note 9)	<u>1,403,053</u>	<u>1,467,139</u>
	<b>5,123,132</b>	<b>5,325,955</b>
<b><u>NET ASSETS (Note 10)</u></b>		
Future capital replacement fund	250,458	228,292
Net investment in capital assets	944,182	951,991
Accumulated surplus	<u>498,468</u>	<u>658,744</u>
	<b>1,693,108</b>	<b>1,839,027</b>
	<b>\$ 6,816,240</b>	<b>\$ 7,164,982</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, 2016**

	2016			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 228,292	\$ 951,991	\$ 658,744	\$ 1,839,027
Appropriation from operations	20,678	0	0	20,678
Interest earned	1,488	0	0	1,488
Excess of (expenses over revenue) revenue over expenses (Note 11)	0	(7,809)	(160,276)	(168,085)
<b>BALANCE, END OF THE YEAR</b>	<b>\$ 250,458</b>	<b>\$ 944,182</b>	<b>\$ 498,468</b>	<b>\$ 1,693,108</b>

	2015			
	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>

*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, 2016**

	2016	2015
<b>REVENUE</b>		
Government subsidies	\$10,272,108	\$10,279,703
Client contributions	1,249,885	1,199,005
Other revenue (Note 12)	222,912	283,265
Amortization of deferred capital contributions	64,086	64,086
Fundraising activities	43,211	29,115
Provincial funding repayable	(832)	0
	<b>11,851,370</b>	<b>11,855,174</b>
<b>OPERATING EXPENSES</b>		
Wages, employees' benefits and staff related costs	9,526,213	9,151,122
Repairs and maintenance	691,603	970,130
Amortization	397,512	404,523
Groceries and household supplies	345,399	341,359
Occupancy costs	288,362	271,724
Vehicle	183,202	186,555
Insurance	121,443	105,970
Office and general	120,763	120,925
Day program costs	63,644	70,640
Equipment, furniture and fixtures	61,352	49,701
Residents personal needs	50,707	47,083
Telephone	47,586	53,315
Interest on mortgages payable	46,137	62,757
Professional fees	35,250	74,762
Appropriation of future capital replacements fund	20,678	10,534
Purchased services - client	19,604	20,893
	<b>12,019,455</b>	<b>11,941,993</b>
<b>EXCESS OF (EXPENSES OVER REVENUE)</b>		
<b>FOR THE YEAR</b>	<b>\$ (168,085)</b>	<b>\$ (86,819)</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, 2016**

	2016	2015
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATIONS</b>		
Excess of (expenses over revenue) for the year	\$ (168,085)	\$ (86,819)
Items not requiring an outlay of cash:		
Amortization	397,512	404,523
Amortization of deferred capital contributions	<u>(64,086)</u>	<u>(64,086)</u>
	<b>165,341</b>	<b>253,618</b>
<b>Changes in operating working capital</b>		
Short-term investments	(3,037)	(3,709)
Accounts receivable	(39,286)	(18,819)
Accounts payable and accrued liabilities	93,174	43,900
Government remittances payable	(25,523)	8,373
Prepaid expenses	(359)	(37,000)
MCSS repayable	832	0
Future capital replacement fund	22,166	12,262
HST receivable	<u>19,309</u>	<u>22,835</u>
	<u>67,276</u>	<u>27,842</u>
<b>CASH PROVIDED BY OPERATIONS</b>	<b>232,617</b>	<b>281,460</b>
<b>FINANCING</b>		
Deferred revenue	1,941	2,370
(Repayment of) mortgages payable	<u>(209,159)</u>	<u>(199,374)</u>
<b>CASH (USED FOR) FINANCING</b>	<b>(207,218)</b>	<b>(197,004)</b>
<b>INVESTING</b>		
(Increase) in Restricted short-term investments	(24,497)	(4,098)
Additions to capital assets	(159,593)	(39,996)
Proceeds on disposal of capital assets	<u>43,135</u>	<u>5,883</u>
<b>CASH (USED FOR) INVESTING</b>	<b>(140,955)</b>	<b>(38,211)</b>
<b>NET CHANGE IN CASH POSITION</b>	<b>(115,556)</b>	<b>46,245</b>
Cash position, beginning of the year	1,049,463	1,003,218
<b>CASH POSITION, END OF THE YEAR</b>	<b>\$ 933,907</b>	<b>\$ 1,049,463</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, 2016**

---

**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.

---

**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, short-term investments, accounts receivable and HST receivable are measured at amortized cost. In subsequent periods financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, government remittances payable, MCSS repayable, current portion of mortgages payable and mortgages payable.

---



**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

---

**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.

---

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

---

**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.

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.

**Contributed services and materials -**

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

---

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

---

**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.

---

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

---

**4. CASH**

Cash consists of the following:

	<u>2016</u>	<u>2015</u>
General cash balance	\$ 660,487	\$ 794,940
Cash from fundraising activities	<u>273,420</u>	<u>254,523</u>
Total cash	<u>\$ 933,907</u>	<u>\$ 1,049,463</u>

---

**5. SHORT TERM INVESTMENTS**

Short term investments consist of several GIC's presented at cost with an interest rate of 0.50% per annum maturing on March 27, 2017.

**Restricted Short term investments -**

Included in restricted short term investments is \$240,314 (2015 - \$217,758) in funding received from the Ministry of Community and Social Services for future capital replacements. Also, included in restricted short term investments is \$300,572 (2015 - \$298,631) in funds dedicated towards future operations expenditures.

---



**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**6. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2016</u>	<u>Net 2015</u>
Financed by subsidy after 1997				
Part lots 23 and 24, concession 5 Town of East Gwillimbury (Elms)	\$ 855,979	\$ 391,306	\$ 464,673	\$ 489,130
Part lot 14 concession 3, Town of East Gwillimbury (Aspens)	407,009	168,621	238,388	250,017
Part lot 21, concession 6, Town of East Gwillimbury (Tamaracks)	499,995	142,860	357,135	371,421
Part Lot 1, Concession 4, 5639 Smith Blvd., Town of Georgina (Lindens)	480,000	137,140	342,860	356,574
Financed by mortgages payable				
Lots 14 and 15, concession 3, Town of East Gwillimbury (Drake Will and Farm)	3,130,159	1,763,712	1,366,447	1,496,956
Part lot 1, concession 5, Plan 65R- 503 Town of Georgina (Willows)	560,687	289,277	271,410	295,084
Part lot 31, concession 4, Town of Whitchurch-Stouffville (Cedars)	472,631	256,513	216,118	236,341
Part lots 23 and 24, concession 2, Part 2, Plan 65R-958, Town of East Gwillimbury (Pines)	447,729	219,922	227,807	246,019
Part lot 27, concession 2, Town of East Gwillimbury (Birches)	369,875	199,966	169,909	186,453
Financed internally				
Pool & Recreation Centre	767,595	175,447	592,148	614,078
Other capital assets				
Vehicles	706,549	505,907	200,642	192,638
Equipment	247,075	106,388	140,687	123,863
Computer Software	<u>21,412</u>	<u>10,706</u>	<u>10,706</u>	<u>21,412</u>
	<u>\$ 8,966,695</u>	<u>\$ 4,367,765</u>	<u>\$ 4,598,930</u>	<u>\$ 4,879,986</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**7. MORTGAGES PAYABLE**

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

	<u>2016</u>	<u>2015</u>
Lots 14 and 15, Concession 3 Town of East Gwillimbury - 1.04%, with a renewal date of October 1, 2020, repayable in blended monthly payments of \$12,592 secured by the land and building with a carrying value of \$1,366,447 (Drake Will and Farm)	\$ 1,366,447	\$ 1,496,955
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 \$271,411 (Willows)	271,411	295,084
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 \$216,118 (Cedars)	216,118	236,307
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 \$227,807 (Pines)	227,807	246,053
Part Lot 27, Concession 2, Town of East Gwillimbury - 1.04%, with a renewal date of October 1, 2020, repayable in blended monthly payments of \$1,592, secured by the land and building with a carrying value of \$169,909 (Birches)	<u>169,909</u>	<u>186,452</u>
	2,251,692	2,460,851
Less: current portion	<u>218,620</u>	<u>1,745,543</u>
	<u>\$ 2,033,072</u>	<u>\$ 715,308</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:

2017	\$ 218,620
2018	444,040
2019	352,020
2020	330,607
2021	<u>906,405</u>
	<u>\$ 2,251,692</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**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 \$1,941 (2015- \$2,370) 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>2016</u>	<u>2015</u>
Beginning balance	\$ 1,467,139	\$ 1,531,225
Amounts amortized to revenue	<u>(64,086)</u>	<u>(64,086)</u>
Ending balance	<u>\$ 1,403,053</u>	<u>\$ 1,467,139</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	\$ 397,512
Less: amount related to capital assets purchased with restricted contributions	(64,086)
Less: amount related to capital asset financing subsidized by the Ministry	(209,159)
Less: additions to capital assets	(159,593)
Add: proceeds on disposal of capital assets	<u>43,135</u>
Net decrease in net assets invested in capital assets	<u>\$ 7,809</u>

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

---

**12. OTHER REVENUE**

Other revenue consists of the following:

	<u>2016</u>	<u>2015</u>
Cost recovery	\$ 131,096	\$ 199,904
Rental Revenue - Telus and Rogers	40,600	39,600
Miscellaneous	13,037	17,626
Day Program Revenue	12,123	11,230
Proceeds from Sale of Capital Assets	11,854	0
Solar Revenue	11,372	10,418
Interest Income	<u>2,830</u>	<u>4,487</u>
	<u>\$ 222,912</u>	<u>\$ 283,265</u>

---

**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:

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

---



## **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, 2016. 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, 2016.

### **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 26, 2016.

*Smith, Sykes, Leeper & Tunstall LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants**

