

**NEW LEAF: LIVING AND LEARNING
TOGETHER INC.
FINANCIAL STATEMENTS
MARCH 31, 2018**

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



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**NEW LEAF: LIVING AND LEARNING
TOGETHER INC.
FINANCIAL STATEMENTS
MARCH 31, 2018**

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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, 2018** 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, 2018** 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.
August 1, 2018.

Smith, Sykes, Leeper & Tunstall LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

**NEW LEAF: LIVING AND LEARNING TOGETHER INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018**

	2018	2017
<u>ASSETS</u>		
CURRENT ASSETS		
Cash (Note 4)	\$ 1,255,258	\$ 984,859
Short-term investments (Note 5)	475,118	472,755
Accounts receivable	122,862	314,068
Prepaid expenses	48,286	49,518
HST receivable	<u>116,766</u>	<u>101,523</u>
	2,018,290	1,922,723
Restricted short-term investments (Note 5)	587,089	552,724
Capital assets (Note 6)	<u>4,045,335</u>	<u>4,352,647</u>
	\$ 6,650,714	\$ 6,828,094
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,189,874	\$ 1,104,717
Government remittances payable	85,010	175,749
Current portion of mortgages payable (Note 7)	<u>374,962</u>	<u>444,041</u>
	1,649,846	1,724,507
Mortgages payable (Note 7)	1,436,629	1,590,212
Deferred revenue (Note 8)	311,785	310,275
Deferred contributions related to capital assets (Note 9)	<u>1,274,881</u>	<u>1,338,967</u>
	4,673,141	4,963,961
<u>NET ASSETS (Note 10)</u>		
Future capital replacement fund	272,970	261,183
Net investment in capital assets	958,860	979,424
Accumulated surplus	<u>745,743</u>	<u>623,526</u>
	1,977,573	1,864,133
	\$ 6,650,714	\$ 6,828,094

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, 2018**

	2018			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 261,183	\$ 979,424	\$ 623,526	\$ 1,864,133
Appropriation from operations	10,534	0	0	10,534
Interest earned	1,253	0	0	1,253
Excess of revenue over expenses (Note 11)	0	(20,564)	122,217	101,653
BALANCE, END OF THE YEAR	\$ 272,970	\$ 958,860	\$ 745,743	\$ 1,977,573

	2017			
	Future Capital Replacement Fund	Invested in Capital Assets	Accumulated Surplus from Operations	Total
Balance, beginning of the year	\$ 250,458	\$ 944,182	\$ 498,468	\$ 1,693,108
Appropriation from operations	10,534	0	0	10,534
Interest earned	191	0	0	191
Excess of (expenses over revenue) (Note 11)	0	35,242	125,058	160,300
BALANCE, END OF THE YEAR	\$ 261,183	\$ 979,424	\$ 623,526	\$ 1,864,133

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, 2018

	2018	2017
REVENUE		
Government subsidies	\$10,018,895	\$10,177,421
Client contributions	1,238,169	1,245,322
Other revenue (Note 12)	482,150	424,316
Amortization of deferred capital contributions	64,086	64,086
Fundraising activities	42,393	40,363
	11,845,693	11,951,508
OPERATING EXPENSES		
Wages, employees' benefits and staff related costs	9,403,690	9,213,513
Repairs and maintenance	583,562	694,799
Amortization	421,647	434,055
Groceries and household supplies	291,486	347,478
Occupancy costs	270,728	324,643
Vehicle	181,905	186,637
Insurance	123,427	123,319
Office and general	122,401	123,100
Equipment, furniture and fixtures	75,163	60,576
Day program costs	60,471	60,999
Residents personal needs	58,980	66,789
Telephone	47,039	50,759
Professional fees	45,121	39,117
Interest on mortgages payable	27,114	32,104
Purchased services - client	20,772	22,786
Appropriation of future capital replacements fund	10,534	10,534
	11,744,040	11,791,208
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 101,653	\$ 160,300

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, 2018

	2018	2017
CASH PROVIDED BY (USED FOR) OPERATIONS		
Excess of (expenses over revenue) for the year	\$ 101,653	\$ 160,300
Items not requiring an outlay of cash:		
Amortization	421,647	434,055
Amortization of deferred capital contributions	<u>(64,086)</u>	<u>(64,086)</u>
	459,214	530,269
Changes in operating working capital		
Short-term investments	(2,363)	(2,352)
Accounts receivable	191,207	(187,654)
Accounts payable and accrued liabilities	85,157	10,668
Government remittances payable	(90,739)	111,013
Prepaid expenses	1,232	(11,908)
MCSS repayable	0	(832)
Future capital replacement fund	11,787	10,725
HST receivable	<u>(15,243)</u>	<u>6,569</u>
	181,038	(63,771)
CASH PROVIDED BY OPERATIONS	640,252	466,498
FINANCING		
Deferred revenue	1,510	1,503
(Repayment of) mortgages payable	<u>(222,662)</u>	<u>(217,439)</u>
CASH (USED FOR) FINANCING	(221,152)	(215,936)
INVESTING		
(Increase) in Restricted short-term investments	(34,366)	(11,838)
Additions to capital assets	<u>(114,335)</u>	<u>(187,772)</u>
CASH (USED FOR) INVESTING	(148,701)	(199,610)
NET CHANGE IN CASH POSITION	270,399	50,952
Cash position, beginning of the year	984,859	933,907
CASH POSITION, END OF THE YEAR	\$ 1,255,258	\$ 984,859

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, 2018

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, current portion of mortgages payable and mortgages payable.

NEW LEAF: LIVING AND LEARNING TOGETHER INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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, 2018

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, 2018

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 due to having no foreign transactions and interest rate risk due to the nature of the Ministry funded Dedicated Housing Support program.

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, 2018

4. CASH

Cash consists of the following:

	<u>2018</u>	<u>2017</u>
General cash balance	\$ 923,659	\$ 686,433
Cash from fundraising activities	<u>331,599</u>	<u>298,426</u>
Total cash	<u>\$ 1,255,258</u>	<u>\$ 984,859</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 May 26, 2018 and March 27, 2019.

Restricted Short term investments -

Included in restricted short term investments is \$272,970 (2017 - \$250,649) in funding received from the Ministry of Community and Social Services for future capital replacements. Also, included in restricted short term investments is \$314,119 (2017 - \$302,075) in funds dedicated towards future operations expenditures.

NEW LEAF: LIVING AND LEARNING TOGETHER INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

6. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Financed by subsidy after 1997				
Part lots 23 and 24, concession 5 Town of East Gwillimbury (Elms)	\$ 855,979	\$ 440,220	\$ 415,756	\$ 440,216
Part lot 14 concession 3, Town of East Gwillimbury (Aspens)	407,009	191,879	215,130	226,759
Part lot 21, concession 6, Town of East Gwillimbury (Tamaracks)	499,995	171,432	328,563	342,849
Part Lot 1, Concession 4, 5639 Smith Blvd., Town of Georgina (Lindens)	480,000	164,568	315,432	329,146
Financed by mortgages payable				
Lots 14 and 15, concession 3, Town of East Gwillimbury (Drake Will and Farm)	3,130,159	2,040,328	1,089,831	1,229,924
Part lot 1, concession 5, Plan 65R- 503 Town of Georgina (Willows)	560,687	338,204	222,483	247,142
Part lot 31, concession 4, Town of Whitchurch-Stouffville (Cedars)	472,631	298,387	174,244	195,392
Part lots 23 and 24, concession 2, Part 2, Plan 65R-958, Town of East Gwillimbury (Pines)	447,729	257,594	190,135	209,182
Part lot 27, concession 2, Town of East Gwillimbury (Birches)	369,875	235,005	134,870	152,612
Financed internally				
Pool & Recreation Centre	767,595	219,310	548,285	570,217
Other capital assets				
Vehicles	836,085	554,418	281,667	276,610
Equipment	272,946	144,007	128,939	132,598
Computer Software	<u>21,412</u>	<u>21,412</u>	<u>0</u>	<u>0</u>
	<u>\$ 9,122,102</u>	<u>\$ 5,076,764</u>	<u>\$ 4,045,335</u>	<u>\$ 4,352,647</u>

NEW LEAF: LIVING AND LEARNING TOGETHER INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

7. MORTGAGES PAYABLE

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

	<u>2018</u>	<u>2017</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 \$1,089,831 (Drake Will and Farm)	\$ 1,089,831	\$ 1,229,924
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 \$222,513 (Willows)	222,513	247,144
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 \$174,244 (Cedars)	174,244	195,391
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 \$190,135 (Pines)	190,135	209,182
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 \$134,869 (Birches)	<u>134,869</u>	<u>152,612</u>
	1,811,591	2,034,253
Less: current portion	<u>374,962</u>	<u>444,041</u>
	<u>\$ 1,436,629</u>	<u>\$ 1,590,212</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:

2019	\$ 374,962
2020	354,153
2021	930,617
2022	24,804
2023	<u>127,055</u>
	<u>\$ 1,811,591</u>

NEW LEAF: LIVING AND LEARNING TOGETHER INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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 \$1,510 (2017 - \$1,503) 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>2018</u>	<u>2017</u>
Beginning balance	\$ 1,338,967	\$ 1,403,053
Amounts amortized to revenue	<u>(64,086)</u>	<u>(64,086)</u>
Ending balance	<u>\$ 1,274,881</u>	<u>\$ 1,338,967</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 revenue over expenses in this fund balance consist of the following:

Amortization expense	\$ 421,647
Less: amount related to capital assets purchased with restricted contributions	(64,086)
Less: amount related to capital asset financing subsidized by the Ministry	(222,662)
Less: additions to capital assets	<u>(114,335)</u>
Net decrease in net assets invested in capital assets	<u>\$ 20,564</u>

NEW LEAF: LIVING AND LEARNING TOGETHER INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

12. OTHER REVENUE

Other revenue consists of the following:

	<u>2018</u>	<u>2017</u>
Cost recovery	\$ 411,925	\$ 262,773
Trillium Funding	0	69,400
Rental Revenue - Telus and Rogers	43,260	39,780
Miscellaneous	8,836	9,728
Solar Revenue	8,474	11,330
Day Program Revenue	4,670	7,133
Proceeds from Sale of Capital Assets	3,625	22,717
Interest Income	<u>1,360</u>	<u>1,455</u>
	<u>\$ 482,150</u>	<u>\$ 424,316</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:

2019	\$ 8,847
2020	8,847
2021	8,847
2022	8,847

14. SUBSEQUENT EVENT

Subsequent to the year end, the Organization purchased a new property for \$820,000. The Organization received funds of \$1,000,000 from a charitable foundation to help fund the purchase. The remaining funds will be used towards expenditures to retrofit the property.

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, 2018. 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 present 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, 2018.

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.
August 1, 2018.

Smith, Sykes, Leeper & Tunstall LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

NEW LEAF LIVING AND LEARNING TOGETHER INC.
SEGMENTED FINANCIAL INFORMATION
FOR THE YEAR ENDED MARCH 31, 2018

	MCSS - TORONTO REGION				MCSS - CENTRAL REGION				DSH 8849		TOTAL OF ALL MCSS PROGRAMS	
	8847	8815	8817	8848	SUB-TOTAL	8847	8831	SUB-TOTAL	DEDICATED SUPPORTIVE HOUSING	FEE FOR SERVICE		FUNDING AND OTHER ACTIVITIES
	SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	PARTNER FACILITY RENEWAL-CAPITAL	PARTNER FACILITY RENEWAL-FIRE MAINTENANCE-DEVELOPMENT SERVICES	ALLOCATED CENTRAL ADMIN	MCSS TORONTO REGION	SUPPORTED GROUP LIVING RESIDENCES	COMMUNITY PARTICIPATION SERVICES AND SUPPORTS	ALLOCATED CENTRAL ADMIN	MCSS CENTRAL REGION	FUNDING AND OTHER ACTIVITIES	TOTAL OF ALL MCSS PROGRAMS
REVENUE												
Subsidies from MCSS	7,025,814	1,481,724	44,000	13,700	31,760	8,606,998	698,887	256,431	-	955,298	457,718	10,020,014
Client Contribution	1,152,437	-	-	-	-	1,152,437	87,289	-	-	87,289	147,573	1,361,279
Offset intercompany revenue	(96,192)	-	-	-	-	(96,192)	13,714	-	-	13,714	-	64,086
Deferred contribution revenue	270,799	36,399	-	-	-	307,198	-	-	-	-	984	305,182
Other Revenues	-	-	-	-	-	-	-	-	-	-	42,393	42,393
Fundraising Revenues	8,403,230	1,528,123	44,000	13,700	31,760	10,020,813	799,850	256,431	-	1,056,281	42,393	11,821,854
EXPENDITURES												
Wages	5,655,072	982,548	-	-	-	6,637,620	534,258	171,839	47,913	754,010	112,082	8,111,772
Employee benefits	901,669	168,037	-	-	-	1,069,706	88,015	29,163	6,145	123,323	18,654	1,286,971
Travel	32,023	529	-	-	-	32,552	83	379	473	915	83	38,327
Communication	15,295	523	-	-	-	15,818	1,360	870	1,832	4,062	12,871	48,576
Mortgage Cost	141,574	19,573	-	-	-	161,147	21,850	751	772	23,373	204,904	345,966
Utilities	123,639	19,573	-	-	-	143,212	3,689	709	-	4,398	95,809	270,728
Training	39,957	2,680	-	-	-	42,637	3,699	709	-	4,398	480	46,895
Advertising and Promotion	286,672	66,425	-	-	-	353,097	22,020	5,148	-	27,168	52,596	406,797
Services related to R&M	17,172	-	-	-	-	17,172	-	-	-	-	3,079	569,175
Professional/Contracted Services	35,367	-	-	-	-	35,367	35,707	-	6,335	6,335	-	45,121
Professional/Contracted IT Services	17,172	-	-	-	-	17,172	18,224	-	3,126	3,126	628	57,145
Purchased Services - Client	64,062	7,975	-	-	-	72,037	3,600	-	3,600	3,600	-	20,772
Insurance	8,763	16,293	-	-	-	25,056	3,600	4,545	400	11,375	28,347	123,427
Other Services	66,948	7,975	-	-	-	74,923	6,430	730	2,348	4,030	1,950	40,838
Supplies and Equipment related to R&M	5,704	81,776	-	-	-	87,480	952	730	3,348	4,030	17,518	172,617
IT Supplies and Equipment	481,501	95,384	-	-	-	576,885	684	792	38	722	678	7,301
Other Supplies and Equipment	(96,192)	-	-	-	-	(96,192)	41,423	21,508	385	63,316	5,247	672,761
Offset intercompany expenses	50,372	-	-	-	-	50,372	13,714	-	-	13,714	-	(96,192)
Amortization-building	571,652	125,480	-	-	-	697,132	52,291	19,996	(72,287)	-	-	64,086
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	8,403,230	1,528,123	43,555	13,975	31,111	10,019,894	799,850	256,430	(0)	1,056,280	553,910	11,784,357
(EXPENDITURES OVER REVENUES)	(0)	-	445	25	649	1,119	-	1	0	0	35,483	37,597