

**Community Care
Peterborough
Financial Statements**
For the year ended March 31, 2018

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Independent Auditor's Report

To the Board of Directors of Community Care Peterborough

Report on the Financial Statements

We have audited the accompanying financial statements of Community Care Peterborough, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in fund balances, reserve funds 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.

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 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many charitable organizations, the association derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Community Care Peterborough as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants
Peterborough, Ontario
June 13, 2018

Community Care Peterborough Statement of Financial Position

	LTC Funded Home Support Services	Home Support Services	Reserve Funds	Endowment Fund	Total 2018	Total 2017
Assets						
Current						
Cash and bank (Note 2)	\$ -	\$ 252,701	\$ 8,814	\$ -	\$ 261,515	\$ 181,498
Short-term investments (Note 3)	-	1,317	414,789	66,029	482,135	181,237
Accounts receivable	119,840	-	-	-	119,840	129,883
Prepaid expense	27,814	-	-	-	27,814	18,205
Due to/(from) other funds	19,205	(151,307)	132,102	-	-	-
	166,859	102,711	555,705	66,029	891,304	510,823
Long-term investments (Note 3)	-	-	273,904	-	273,904	372,310
Capital assets (Note 4)	5,571	55,019	-	-	60,590	98,440
	\$ 172,430	\$ 157,730	\$ 829,609	\$ 66,029	\$ 1,225,798	\$ 981,573
Liabilities and Fund Balances						
Current						
Accounts payable and accrued liabilities (Note 5)	\$ 131,230	\$ 13,500	\$ -	\$ -	\$ 144,730	\$ 117,476
Deferred revenue (Note 6)	35,629	-	-	-	35,629	85,824
	166,859	13,500	-	-	180,359	203,300
Deferred contributions (Note 7)	5,571	-	-	-	5,571	16,743
	172,430	13,500	-	-	185,930	220,043
Contingent Liabilities (Note 11)						
Commitments (Note 12)						
Fund Balances						
Unrestricted	-	89,211	-	-	89,211	62,533
Internally restricted (Note 8)	-	-	766,048	11,047	777,095	499,389
Externally restricted (Note 9)	-	-	63,561	54,982	118,543	117,911
Invested in capital assets	-	55,019	-	-	55,019	81,697
	-	144,230	829,609	66,029	1,039,868	761,530
	\$ 172,430	\$ 157,730	\$ 829,609	\$ 66,029	\$ 1,225,798	\$ 981,573

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements

**Community Care Peterborough
Statement of Changes in Fund Balances**

For the year ended	LTC Funded Home Support Services	Home Support Services	Reserve Funds	Endowment Fund	Total 2018	Total 2017
Balance, beginning of year	\$ -	\$ 144,230	\$ 552,056	\$ 65,244	\$ 761,530	\$ 745,799
Excess of revenue over expenses (expenses over revenue)	-	266,374	8,922	785	276,081	17,779
Interfund transfers Facilities & services development fund	-	(266,374)	266,374	-	-	-
Unrealized gains (losses) on market value adjustments	-	-	2,257	-	2,257	(2,048)
Balance, end of year	\$ -	\$ 144,230	\$ 829,609	\$ 66,029	\$ 1,039,868	\$ 761,530

The accompanying notes are an integral part of these financial statements

Community Care Peterborough Statement of Operations

For the year ended	<u>Restricted Fund</u> LTC Funded Home Support Services		<u>General Fund</u> Home Support Services			Reserve Funds	Endowment Fund	Total 2018	Total 2017
	2018	2017							
Revenue									
Provincial operating subsidy	\$ 918,156	\$ 927,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,156	\$ 927,348
Supported referral funding	75,000	75,750	-	-	-	-	-	75,000	75,750
Exercise and falls prevention funding	249,492	251,987	-	-	-	-	-	249,492	251,987
LHIN one-time	124,086	-	-	-	-	-	-	124,086	-
Access to Primary Care funding	48,438	11,562	-	-	-	-	-	48,438	11,562
LHIN Personal Support Worker subsidy	4,200	4,242	-	-	-	-	-	4,200	4,242
Ontario Trillium funding	-	-	38,035	-	-	-	-	38,035	22,065
Home At Last paymaster funding	128,760	128,758	-	-	-	-	-	128,760	128,758
Home First paymaster funding	118,944	118,936	-	-	-	-	-	118,944	118,936
United Way allocation and designations	55,112	52,488	821	-	-	-	-	55,933	54,850
County of Peterborough subsidy and gas tax funding	77,425	107,672	-	-	-	-	-	77,425	107,672
Client fees:									
- foot clinic revenue	-	-	21,565	-	-	-	-	21,565	21,580
- meal revenue	236,321	219,158	-	-	-	-	-	236,321	219,158
- P.D.A. revenue	74,726	76,660	-	-	-	-	-	74,726	76,660
- CCP Van revenue	10,955	9,626	-	-	-	-	-	10,955	9,626
- Caremobile revenue	25,627	24,280	-	-	-	-	-	25,627	24,280
The Thread advertising	-	-	3,000	-	-	-	-	3,000	3,000
Investment income	2	1	-	9,450	785	-	-	10,237	12,281
Donations and fundraising (Note 10)	107,647	156,373	559,779	-	-	-	-	667,426	328,154
Township grants	20,629	28,033	-	-	-	-	-	20,629	28,033
City of Peterborough grant	47,309	53,494	-	-	-	-	-	47,309	53,494
Seniors community grant	6,144	-	-	-	-	-	-	6,144	-
Other income	131,623	94,071	-	-	-	-	-	131,623	94,071
	2,460,596	2,340,439	623,200	9,450	785	3,094,031	2,573,507		

The accompanying notes are an integral part of these financial statements

**Community Care Peterborough
Statement of Operations**

For the year ended	<u>Restricted Fund</u> LTC Funded Home Support Services		<u>General Fund</u> Home Support Services			Endowment Fund	Total 2018	Total 2017
	2018	2017	Reserve Funds	Reserve Funds	Reserve Funds			
Expenses								
Salaries	1,205,833	1,156,540	251,951	-	-	-	1,457,784	1,293,941
Benefits	177,286	187,912	35,058	-	-	-	212,344	210,237
Staff, volunteer and Board training and recognition	28,859	21,040	-	-	-	-	28,859	21,040
Travel	53,910	33,793	-	-	-	-	53,910	33,793
Building occupancy	130,202	132,717	13,409	-	-	-	143,611	146,519
Office expenses	288,912	333,339	-	-	-	-	288,912	333,339
P.D.A. expenses	47,883	47,279	-	-	-	-	47,883	47,279
Meal expenses	270,732	247,085	-	528	-	-	271,260	249,085
CCP Van expenses	7,169	5,807	-	-	-	-	7,169	5,807
Caremobile expenses	77,775	79,098	470	-	-	-	78,245	79,098
Foot clinic expenses	-	-	1,527	-	-	-	1,527	1,605
The Thread expenses	-	-	24,243	-	-	-	24,243	16,408
Other operating expenses	172,035	95,829	3,490	-	-	-	175,525	99,899
	2,460,596	2,340,439	330,148	528	-	-	2,791,272	2,538,050
Excess of revenue over expenses (expenses over revenue) before amortization	-	-	293,052	8,922	785	-	302,759	35,457
Amortization of deferred contributions (Note 7)	11,172	11,172	-	-	-	-	11,172	11,172
Amortization of capital assets	(11,172)	(11,172)	(26,678)	-	-	-	(37,850)	(28,850)
Excess of revenue over expenses for the year	\$ -	\$ -	\$ 266,374	\$ 8,922	\$ 785	\$ -	\$ 276,081	\$ 17,779

The accompanying notes are an integral part of these financial statements

Community Care Peterborough Statement of Cash Flows

For the year ended	LTC Funded Home Support Services	Home Support Services	Reserve Funds	Endowment Fund	Total 2018	Total 2017
Cash provided (used in)						
Operating activities						
Excess revenues over expenses	\$ -	\$ 266,374	\$ 8,922	\$ 785	276,081	\$ 17,779
Items not involving cash:						
Amortization of deferred contributions	(11,172)	-	-	-	(11,172)	(11,172)
Amortization of capital assets	11,172	26,678	-	-	37,850	28,850
	-	293,052	8,922	785	302,759	35,457
Change in non-cash working capital balances						
Accounts receivable	10,043	-	-	-	10,043	36,066
Prepaid expenses	(9,609)	-	-	-	(9,609)	3,557
Accounts payable and accrued liabilities	13,754	13,500	-	-	27,254	(44,027)
Deferred revenue	(50,195)	-	-	-	(50,195)	28,602
Due to/from fund	36,007	40,839	(76,846)	-	-	-
	-	347,391	(67,924)	785	280,252	59,655
Investing activities						
Reserve and Endowment fund investments	-	-	(201,707)	(785)	(202,492)	34,774
Unrealized gains on investments	-	-	2,257	-	2,257	(2,048)
Purchase of capital assets	-	-	-	-	-	(53,857)
Transfers	-	(266,374)	266,374	-	-	-
	-	(266,374)	66,924	(785)	(200,235)	(21,131)
Increase (decrease) in cash during the year	-	81,017	(1,000)	-	80,017	38,524
Cash and bank, beginning of year	-	171,684	9,814	-	181,498	142,974
Cash and bank, end of year	\$ -	\$ 252,701	\$ 8,814	\$ -	\$ 261,515	\$ 181,498

The accompanying notes are an integral part of these financial statements

**Community Care Peterborough
Statement of Reserve Funds**

For the year ended	Facilities & Development Fund	Services Financial Stability Reserve Fund	Transportation Fund	Special Contribution Fund	Restricted Contribution Fund	Total 2018	Total 2017
Balance, beginning of year	\$ -	\$ 353,965	\$ 131,538	\$ 3,624	\$ 62,929	\$ 552,056	\$ 603,496
Client subsidy	-	-	-	-	(528)	(528)	(2,195)
Investment income	-	6,161	2,289	63	937	9,450	11,529
Unrealized gains (losses) on market value adjustments	-	1,472	547	15	223	2,257	(2,048)
	-	361,598	134,374	3,702	63,561	563,235	610,782
Interfund transfers	<u>266,374</u>	-	-	-	-	<u>266,374</u>	<u>(58,726)</u>
Balance, end of year	<u>266,374</u>	<u>\$ 361,598</u>	<u>\$ 134,374</u>	<u>\$ 3,702</u>	<u>\$ 63,561</u>	<u>\$ 829,609</u>	<u>\$ 552,056</u>

The accompanying notes are an integral part of these financial statements

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies

a) Nature of the Organization

Community Care Peterborough (previously, Senior Citizens Council Peterborough) was formed on April 1, 1993 by Letters Patent of Amalgamation under the Ontario Corporations Act to amalgamate Peterborough Senior Citizens Council and Peterborough County Community Care Inc. The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Powered by Volunteers and Staff, Community Care Peterborough supports the health and wellbeing of individuals, caregivers and communities. As a trusted health care partner, their high-quality programs allow people across their rural and urban region to maintain their independence and dignity.

The corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the corporation shall be used in promoting its objects.

b) Basis of Accounting

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

c) Fund Accounting

Community Care Peterborough maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

The Restricted Fund accounts for the home support services funded by the Ministry of Health and Long-Term Care for Ontario. On April 1, 2007, the Local Health Integration Networks (LHINS) assumed full responsibility as managers of the local health system.

The General Fund accounts for the organization's operating activities with respect to unrestricted resources and restricted operating grants.

The Reserve Funds account for contributions and fundraising revenues which are subject to the restrictions on use of case resources imposed from within the organization by resolution of the Board of Directors.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or General Funds depending on the nature of any restrictions imposed by contributors of funds for endowment.

d) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

e) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods cash and bank and investments are reported at fair value. 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. Unless otherwise noted, management does not believe the organization is subject to significant credit, liquidity or interest rate risks.

f) Government Financial Assistance

The Home Support Program is eligible for funding based upon a Community Accountability Planning Submission (CAPS) and a budget submitted to, and approved by, the Minister of Health and Long-Term Care for Ontario and managed by the Central East Local Health Integration Network (CE LHIN). The Ministry of Health, pursuant to a Multi-Sectoral Accountability Agreement, has agreed to fund the Approved Agency (Community Care Peterborough) to provide or ensure the provision of the Services as set out in the schedules of the Service Accountability Agreement and the Budget. Community Care Peterborough has agreed to provide or ensure the provision of the Services in accordance with the terms of the Agreement.

g) Capital Assets

Purchased capital assets are recorded at acquisition cost. Amortization is provided on a straight line basis as follows:

Vehicles	- 4 years
Furniture and equipment	- 10 years
Computers	- 3 years
Telephone system	- 5 years
Leaseholds	- Over the term of the lease

In the year of acquisition, amortization is provided using the half year method.

Deferred contributions relating to capital assets are amortized using the same rate as the related assets.

h) Contributed Materials and Services

Volunteers contribute significant hours each year to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, these services are not recognized in the financial statements.

Contributed materials and services which are used in the normal course of the organizations operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

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. The principal estimate used in the preparation of these financial statements is the determination of the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

2. Cash and Bank

The organization's bank accounts are held at two chartered banks.

The organization has secured overdraft protection with its bank, to a maximum of \$5,000, secured by a general security agreement. At March 31, 2018 no amounts have been drawn on this facility (2017 - Nil).

3. Investments

	Reserve Fund	Endowment Fund	2018	2017
Cash	\$ 1,096	\$ 19	\$ 1,115	\$ 47
Fixed income	625,995	66,010	692,005	503,396
Money Market	61,602	-	61,602	48,787
	688,693	66,029	754,722	552,230
Less short term	414,789	66,029	480,818	179,920
Long term	\$ 273,904	\$ -	\$ 273,904	\$ 372,310

Reserve fixed income securities consist of guaranteed investment certificates and bonds bearing interest rates ranging from 1.46% to 2.60% and maturity dates from September 2018 to June 2022.

Endowment fixed income securities consist of a guaranteed investment certificate bearing an interest rate of 1.55% and maturity date of February 2019.

Home support services short-term investments are held in a guaranteed investment certificate bearing an interest rate of 0.40% and maturity date of April 2018.

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

4. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Vehicles	\$ 44,673	\$ (39,102)	\$ 44,673	\$ (27,930)
Furniture and equipment	23,441	(10,107)	23,441	(7,763)
Leasehold improvements	23,294	(10,378)	23,294	(7,848)
Computer equipment	53,857	(27,000)	53,857	(9,000)
Telephone system	19,031	(17,119)	19,031	(13,315)
	\$ 164,296	\$ (103,706)	\$ 164,296	\$ (65,856)
Net book value		\$ 60,590		\$ 98,440

5. Account Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances amounting to \$11,176 (2017 - \$7,402).

6. Deferred Revenue

Deferred revenue is comprised of amounts received for services to be provided, events to occur, and expenses to be incurred in the subsequent fiscal period. The availability of these funds in future periods is ultimately dependant upon the various funding bodies and as a result amounts included in deferred revenue may become repayable to the funder.

7. Deferred Contributions

Deferred contributions relate to funding that was provided specifically to purchase capital assets. These restricted contributions are amortized into revenues over the life of the capital assets that they purchased. The changes for the year in the deferred contributions balance reported are as follows:

	2018	2017
Balance, beginning of year	\$ 16,743	\$ 27,915
Revenue recognized in the year related to capital assets	(11,172)	(11,172)
Balance, end of year	\$ 5,571	\$ 16,743

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

8. Internally Restricted Fund Balances

The Internally Restricted Reserve funds aggregating \$766,048 (2017 - \$489,127) have been internally restricted by the Board of Directors for the following purposes. The restriction on the use of these cash resources has been imposed from within the corporation by resolution of the Board of Directors. These funds are not available for other purposes without approval of the Board of Directors.

The Facilities and Services Development Fund is restricted to provide the organization with a reserve of cash sufficient to fund the potential purchase of property, relocation expenses, expand or enhance client services or other administrative capital purchases as approved by the Board. During the year, the Board of Directors approved a motion to change the Capital Fund to the Facilities and Services Development Fund.

The Financial Stability Reserve Fund is restricted to provide the organization with a reserve of cash sufficient to handle major operational emergencies or opportunities.

The Transportation Fund is restricted to provide an investment to fund the organization's vehicles. During the year, the Board of Directors approved a motion to change the Caremobile Fund to the Transportation Fund.

The Special Contribution Reserve Fund is restricted to hold special bequests and money from the sale of financial or non-financial assets donated to the organization.

9. Externally Restricted Fund Balance

Externally imposed restrictions on the fund balances consist of the Restricted Contribution Fund and Endowment Fund.

The Restricted Contribution Fund includes the following:

- Harvey Bequest Fund: special bequest, with a direction to the organization's Harvey Office
- Apsley Reserve Fund: special donation, with a direction to the organization's Apsley Office

The Endowment fund, named the Michelle Fund, was established by a contribution in the amount of \$54,982. The income from the Endowment fund is unrestricted and as at March 31, 2018 had aggregated to \$11,047 (2017 - \$10,262) and no unrealized gains or losses exist at year end.

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

10. Donations and Fundraising Revenue

Donation and fundraising revenue consist of the following:

	2018	2017
Donations received	\$ 163,749	\$ 193,261
Bequests received	340,000	-
Fundraising revenue	190,262	161,201
Nevada revenue	4,478	5,821
Sponsorships	28,066	-
	726,555	360,283
Fundraising expenses	55,887	28,906
Nevada expenses	3,242	3,223
	59,129	32,129
Net donations and fundraising revenues generated	\$ 667,426	\$ 328,154

Donations and fundraising activities are first allocated to the LTC Funded Home Support Services to cover any funding shortfalls and the remaining balance is allocated to the non Ministry funded programs.

The allocation of the net donations and fundraising revenue on the statement of operations is as follows:

LTC Funded - Home Support Services	\$ 107,647	\$ 156,373
General Fund - Home Support Services	559,779	171,781
	\$ 667,426	\$ 328,154

11. Contingent Liabilities

The organization's employees are eligible for sick leave credits for each month that they have worked. As at March 31, 2018, the aggregate accumulated sick leave amounts to \$67,249 (2017 - \$107,614). Under the organization's sick leave policy, no cash payment is required to be paid upon resignation, retirement, etc. The sick leave accumulation represents a liability only if the employees are on sick leave.

Community Care Peterborough Notes to the Financial Statements

March 31, 2018

12. Lease Commitments

The organization's administrative business premises and the Peterborough district office are rented pursuant to an occupancy agreement to June 30, 2023 at a rate of \$5,000 monthly, increasing to \$6,000 monthly on July 1, 2018.

The organization also leases various district offices pursuant to agreements with the following terms:

Apsley	\$725 monthly on a month to month basis
Chemung	\$400 monthly on a month to month basis
Harvey	\$350 monthly expiring March 31, 2019
Havelock	\$1,150 monthly on a month to month basis
Lakefield	\$550 monthly expiring August 31, 2019
Millbrook	\$750 monthly on a month to month basis
Norwood	\$500 monthly expiring April 30, 2020
Treasure Trove	approximately \$1,000 annually expiring December 31, 2021

13. Economic Dependence

The Organization derives a significant portion of its revenues from the Central East Local Health Integration Network (LHIN). The nature and extent of this revenue is of such significance as to affect the viability of the organization and, accordingly, the organization is economically dependent on the Government of Ontario as a source of funding.

14. 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 value of fixed income denominated investments as described in Note 3.

There have not been any changes in this risk from the prior year.

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 resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable.

There have not been any changes in this risk from the prior year.
