

**Central West Specialized
Developmental Services
Financial Statements
For the year ended March 31, 2015**

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Financial Statements
For the year ended March 31, 2015

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Independent Auditor's Report

To the Board of Directors of Central West Specialized Developmental Services

We have audited the accompanying financial statements of Central West Specialized Developmental Services (the "Organization"), which comprise the statements of financial position of the Operating Fund, Charitable Donation Fund and Residents' Trust Fund as at March 31, 2015, and the statements of revenue and expenditures and deficit of the Operating Fund, revenue and expenditures and net assets of the Charitable Donation Fund 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 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 financial statements.

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

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Central West Specialized Developmental Services as at March 31, 2015 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
June 2, 2015

**Central West Specialized Developmental Services
Statement of Financial Position
Operating Fund**

March 31 2015 2014

Assets

Current

Cash (Note 2)	\$ 3,023,075		\$ 2,344,718
Accounts receivable	489,043		500,944
Due from Province of Ontario	899,185		-
Due from Charitable Donation Fund	4,817		314
	\$ 4,416,120		\$ 2,845,976

Liabilities and Deficit

Current

Accounts payable and accrued liabilities	\$ 4,417,198		\$ 2,509,658
Due to Province of Ontario	-		337,503
	4,417,198		2,847,161

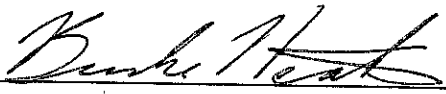
Recoverable by Province of Ontario


	1,007		900
	4,418,205		2,848,061

Deficit

	(2,085)		(2,085)
	\$ 4,416,120		\$ 2,845,976

On behalf of the Board:

 Chair

 Treasurer

**Central West Specialized Developmental Services
Statements of Financial Position**

March 31 2015 2014

Charitable Donation Fund

Asset

Cash \$ 117,539 \$ 114,329

Liability and Net Assets

Due to Operating Fund \$ 4,817 \$ 314

Net assets

Restricted net assets 74,305 65,683
Unrestricted net assets 38,417 48,332

112,722 114,015

\$ 117,539 \$ 114,329

Residents' Trust Fund


Asset

Cash \$ 277,280 \$ 240,084

Liability

Trust liability \$ 277,280 \$ 240,084

On behalf of the Board:



Chair



Treasurer

**Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Deficit
Operating Fund**

For the year ended March 31	2015	2014
Revenue		
Base funding	\$ 17,879,244	\$ 16,742,211
Capital grant	-	1,000,000
Ontario Disability Support Program	925,448	886,711
Fiscal funding – Passport	22,862,292	18,182,300
Fiscal funding - Other	6,829,689	4,091,457
Repairs and maintenance funding	150,000	15,000
Bank loan funding (Note 3)	-	(576,799)
	<u>48,646,673</u>	<u>40,340,880</u>
Expenditures		
Administration	813,918	986,993
Building and property	1,153,321	812,377
Community Homes	1,793,542	1,125,687
Community Network of Specialized Care	462,651	546,856
Complex Treatment Homes	9,832,513	8,323,392
Dual Diagnosis Services	1,660,675	1,654,420
Halton Support Services	3,327,071	2,625,988
Passport	22,862,293	17,086,362
Residential	5,982,963	6,443,084
Respite	764,123	742,271
	<u>48,653,070</u>	<u>40,347,430</u>
Deficiency of revenue over expenditures before interest revenue	(6,397)	(6,550)
Interest revenue	<u>7,404</u>	<u>7,450</u>
Excess of revenue over expenditures for the year	1,007	900
Recoverable by Province of Ontario	(1,007)	(900)
Deficit, beginning of year	<u>(2,085)</u>	<u>(2,085)</u>
Deficit, end of year	<u>\$ (2,085)</u>	<u>\$ (2,085)</u>

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

**Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Net Assets
Charitable Donation Fund**

For the year ended March 31

	Restricted Net Assets	Unrestricted Net Assets	2015 Total	2014 Total
Revenue				
Donations	\$ 31,241	\$ 321	\$ 31,562	\$ 55,339
Expenditures				
Equipment	8,402	8,886	17,288	-
Purchase of Service	4,682	-	4,682	-
Recreation	9,535	1,350	10,885	13,141
	<u>22,619</u>	<u>10,236</u>	<u>32,855</u>	<u>13,141</u>
Excess (deficiency) of revenue over expenditures for the year	8,622	(9,915)	(1,293)	42,198
Balance, beginning of year	65,683	48,332	114,015	71,817
Balance, end of year	\$ 74,305	\$ 38,417	\$ 112,722	\$ 114,015

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

Central West Specialized Developmental Services Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ (1,293)	\$ 42,198
Adjustments to reconcile excess (deficiency) of revenue over expenditures to net cash provided by operating activities		
Changes in non-cash working capital balances		
Accounts receivable	11,901	(194,839)
Accounts payable and accrued liabilities	1,907,540	247,504
Residents' Trust Fund – Trust liability	37,196	35,728
Due to/from Province of Ontario	(1,236,581)	108,868
Increase in cash during the year	718,763	239,459
Cash, beginning of year	2,699,131	2,459,672
Cash, end of year	\$ 3,417,894	\$ 2,699,131
Represented by		
Cash – Operating Fund	\$ 3,023,075	\$ 2,344,718
Cash – Charitable Donation Fund	117,539	114,329
Cash – Residents' Trust Fund	277,280	240,084
	\$ 3,417,894	\$ 2,699,131

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

Central West Specialized Developmental Services Notes to Financial Statements

March 31, 2015

1. Significant Accounting Policies

Nature of Organization

By Application for Supplementary Letters Patent dated June 22, 2007, the Organization, formerly known as Oaklands Regional Centre, changed its name to Central West Specialized Developmental Services (the "Organization" or "Central West").

Central West is a not-for-profit organization, incorporated without share capital under the laws of Ontario, which provides residential and community-based support programs to individuals with developmental disabilities and to their families.

Central West is a registered charity under the Income Tax Act.

Basis of Accounting

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

Revenue Recognition

Central West follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions of the Operating Fund are recognized in the year in which the related expenses are incurred. Restricted contributions of the Charitable Donation Fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized on the accrual basis. Donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Central West is funded by the Province of Ontario through the Ministry of Community and Social Services and the Ministry of Children and Youth Services on the basis of subsidies for approved expenditures.

Fund Accounting

The Operating Fund accounts for the operations of all programs and contracts administered by Central West.

The Charitable Donation Fund accounts for restricted and unrestricted contributions. The donor-restricted funds are to be used for purposes specified by the donor. The unrestricted funds consist of donation income.

The Residents' Trust Fund accounts for the assets belonging to the residents.

Capital Assets

On the basis of Section 14 of the Agreements between the Province of Ontario and Central West Specialized Developmental Services dated November 30, 1975 and January 29, 2008, it is management's position that Central West has no title or residual interest in the assets acquired for the main facility or the newly acquired/constructed homes.

Central West Specialized Developmental Services

Notes to Financial Statements

March 31, 2015

1. Significant Accounting Policies (Continued)

Contributed Goods and Services

Volunteers contribute significant amounts of time to assist Central West in carrying out its service delivery activities. Central West also, from time to time, receives donations of goods. Because of the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

Included in cash is \$645,076 (2014 - \$637,340) held in a high-interest savings account.

Central West has an unused \$100,000 operating credit facility bearing interest at the bank's prime rate. The credit facility is secured by a general security agreement.

3. Bank Loan Funding

During the previous year, Central West repaid their bank loan bearing interest at the bank's prime rate plus 1.40%. Funding from the Ministry of Community and Social Services for repayment of the bank loan was included in project funding revenue. The bank loan funding represents the amount of cash received from the Ministry of Community and Social Services during the previous year for the repayment of the bank loan that was previously recognized as revenue in years prior to 2014.

Central West Specialized Developmental Services Notes to Financial Statements

March 31, 2015

4. Special Services at Home Program

During the year, Central West received \$762,700 (2014 - \$604,160) fiscal funding to administer the Special Services at Home Program. The Special Services at Home contracts totalled \$830,069 (2014 - \$597,456). The funding for this program is not included in the Ministry Service Contract and has not been included in the statement of revenue and expenditures and deficit on page 5 of these statements.

5. Contingent Liabilities

Central West has been named as a defendant/co-defendant in litigation that was outstanding as at March 31, 2015. Management believes that Central West has a valid defence and appropriate insurance coverage in place. As a result, Central West has not made any provision in the accounts.

6. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. Central West is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instruments defaults on their financial obligation. Central West's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable balances. This risk has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that Central West encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Central West will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from Central West's accounts payable and accrued liabilities. This risk has not changed from the prior year.

7. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.