

THE GOOD COMPANIONS

FINANCIAL STATEMENTS

MARCH 31, 2017



1.

INDEPENDENT AUDITORS' REPORT

To the Members of
The Good Companions

Report on the Financial Statements

We have audited the accompanying financial statements of The Good Companions, which comprise the statement of financial position as at March 31, 2017 and the statements of fund balances, operations and cash flows for the year then ended March 31, 2017 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 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.

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INDEPENDENT AUDITORS' REPORT

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 Corporation derives revenue from the general public in the form of donor contributions and fundraising, 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 Corporation and we were not able to determine whether any adjustments might be necessary to revenue from donor contributions and fundraising, net revenue (expenses) for each fund for the years ended March 31, 2017 and March 31, 2016 or current assets and fund balances as at March 31, 2017 and March 31, 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible 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 The Good Companions as at March 31, 2017 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.

Report on Other Legal and Regulatory Requirements

As required by the Ontario Corporations Act, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
May 31, 2017.

**THE GOOD COMPANIONS
STATEMENTS OF FINANCIAL POSITION**

AS AT MARCH 31, 2017

	<u>Operating Fund</u>		<u>Property Fund</u>		<u>Special Projects Fund</u>		<u>Total</u>	
	2017	2016	2017	2016	2017	2016	2017	2016
CURRENT ASSETS								
Cash	\$ 3,530	\$ 14,927	\$ 245,475	\$ 104,659	\$ 33,253	\$ 48,249	\$ 282,258	\$ 167,835
Short-term investments	-	-	84,510	160,513	-	-	84,510	160,513
Accounts receivable	50,057	30,549	7,379	10,964	199	5,008	57,635	46,521
Due from (due to) funds	2,517	5,101	(2,517)	(5,101)	-	-	-	-
Prepaid expenses	13,816	4,400	-	-	-	-	13,816	4,400
TOTAL CURRENT ASSETS	69,920	54,977	334,847	271,035	33,452	53,257	438,219	379,269
LONG-TERM INVESTMENTS								
CAPITAL (note 5)	-	-	305,907	82,780	-	-	305,907	82,780
	-	-	1,830,993	1,852,655	-	-	1,830,993	1,852,655
TOTAL ASSETS	\$ 69,920	\$ 54,977	\$ 2,471,747	\$ 2,206,470	\$ 33,452	\$ 53,257	\$ 2,575,119	\$ 2,314,704
CURRENT LIABILITIES								
Accounts payable and accrued liabilities	\$ 62,167	\$ 51,905	-	\$ 1,293	\$ 912	\$ 7,051	\$ 63,079	\$ 60,249
Deferred capital contributions (note 6)	-	-	89,282	99,202	-	-	89,282	99,202
Deferred grant revenue (note 7)	-	-	-	-	31,602	45,283	31,602	45,283
Deferred revenue	21,835	17,157	1,612	1,612	-	-	23,447	18,769
TOTAL CURRENT LIABILITIES	84,002	69,062	90,894	102,107	32,514	52,334	207,410	223,503
FUND BALANCES								
Equity invested in capital assets (note 5)	-	-	1,830,993	1,852,655	-	-	1,830,993	1,852,655
Fund balance (note 9)	(14,082)	(14,085)	549,860	251,708	938	923	536,716	238,546
TOTAL FUND BALANCES	(14,082)	(14,085)	2,380,853	2,104,363	938	923	2,367,709	2,091,201
TOTAL LIABILITIES AND FUND BALANCES	\$ 69,920	\$ 54,977	\$ 2,471,747	\$ 2,206,470	\$ 33,452	\$ 53,257	\$ 2,575,119	\$ 2,314,704

Approved on behalf of the Board:


Director


Director

THE GOOD COMPANIONS

STATEMENT OF FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2017

	<u>Operating Fund</u>	<u>Property Fund</u>	<u>Special Projects Fund</u>	<u>Total</u>
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>
FUND BALANCES - BEGINNING OF YEAR	\$(14,085)	\$ 251,708	\$ 231,133	\$ 238,546
Net revenue (expenses) for the year	3	276,490	15	276,508
Allocated from equity invested in capital assets (note 5)	-	21,662	-	21,662
FUND BALANCES - END OF YEAR	<u>\$(14,082)</u>	<u>\$ 549,860</u>	<u>\$ 938</u>	<u>\$ 536,716</u>

THE GOOD COMPANIONS

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	Operating Fund (Schedule A)		Property Fund (Schedule B)		Special Projects Fund (Schedule C)		Total
	2017	2016	2017	2016	2017	2016	2017
REVENUE	\$ 1,853,290	\$ 1,794,224	\$ 439,328	\$ 187,490	\$ 125,476	\$ 160,276	\$ 2,418,094
EXPENSES	<u>1,853,287</u>	<u>1,794,219</u>	<u>162,838</u>	<u>212,213</u>	<u>125,461</u>	<u>160,238</u>	<u>2,141,586</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 3</u>	<u>\$ 5</u>	<u>\$ 276,490</u>	<u>\$ (24,723)</u>	<u>\$ 15</u>	<u>\$ 38</u>	<u>\$ (24,680)</u>

THE GOOD COMPANIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$ 276,508	\$(24,680)
Item not involving cash		
- amortization	<u>44,799</u>	<u>45,298</u>
	321,307	20,618
Changes in non-cash working capital		
- accounts receivable	(11,114)	8,861
- prepaid expenses	(9,416)	242
- accounts payable and accrued liabilities	2,830	(13,704)
- deferred capital contributions	(9,920)	(11,061)
- deferred revenue	4,678	(4,886)
- deferred grant revenue	<u>(13,681)</u>	<u>(19,772)</u>
	<u>(36,623)</u>	<u>(40,320)</u>
	284,684	(19,702)
INVESTING ACTIVITIES		
Purchase of capital assets	(23,137)	-
Change in short and long-term investments	<u>(147,124)</u>	<u>(4,991)</u>
	<u>(170,261)</u>	<u>(4,991)</u>
CHANGE IN CASH DURING THE YEAR	114,423	(24,693)
Cash - beginning of year	<u>167,835</u>	<u>192,528</u>
CASH - END OF YEAR	<u>\$ 282,258</u>	<u>\$ 167,835</u>

THE GOOD COMPANIONS**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2017****1. ORGANIZATION**

The Good Companions (the "Corporation") is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

Mission Statement

The Good Companions offers programs and services in partnership with volunteers, to promote, enhance and support the well-being, independence and zest for living of both seniors and adults with physical disabilities in the Ottawa area.

2. DESCRIPTION OF FUNDS**(a) Operating Fund**

The Operating Fund accounts for the Corporation's delivery of programs and administrative activities. This fund reports restricted operating grants and unrestricted revenue.

(b) Property Fund

The Property Fund reports the assets, revenues and expenses related to The Good Companions' capital assets. All amounts reported in the Property Fund are either subject to restrictions or relate to capital assets purchased using externally or internally restricted resources. Revenues and expenses related to fundraising activities, unrestricted bequests, repairs and maintenance and unrestricted memorial donations are also reported in the Property Fund.

The Board of Directors has determined a need to accumulate funds in a "Special Reserve Fund" for future needs which may be necessary but for which funding may not be available. Such needs might be for special expenses such as major emergency repairs, major building upgrading or unexpected costs. Considering the size and nature of the activities of the Corporation and the total value of its assets, it would be considered imprudent not to have a modest reserve fund.

(c) Special Projects Fund

The Special Projects Fund was established to reflect the expenditure of designated grant funding.

THE GOOD COMPANIONS**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2017****3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Corporation's significant accounting policies are as follows:

(a) Revenue Recognition

The Corporation follows the restricted fund method of accounting for contributions. Restricted contributions, related to a particular fund are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no related restricted fund are deferred and recognized as revenue of the operating fund when the related restrictions have been met.

Unrestricted contributions, grants, fees and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Financial Instruments

The Corporation's financial instruments consist of cash, short-term investments, accounts receivable, long-term investments and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Corporation subsequently measures its financial instruments as follows:

Cash, accounts receivable, and accounts payable and accrued liabilities are subsequently measured at amortized cost.

Short-term and long-term investments are subsequently measured at fair value. Changes in fair value are recognized in net revenue (expenses).

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down or subsequent recovery is recognized in net revenue (expenses).

THE GOOD COMPANIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(c) Capital Assets and Amortization

The Property Fund records all significant property additions. Minor capital expenditures are charged to current operations as incurred. Equipment paid for from designated contributions is expensed to the fund which received the contribution.

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on the reducing balance basis as follows:

Building	2.5%
Computers	30%
Furniture and equipment	10%
Parking lot	10%

One-half of the above rates are recorded in the year of acquisition.

(d) Contributions

Grants and contributions from government funding agencies are subject to specific terms and conditions regarding the expenditure of the funds. The Corporation's accounting records are subject to audit by these government funding agencies to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to the government funding agency. Adjustments to prior years' contributions are recorded in the year in which the government funding agency requests the adjustment.

(e) Volunteer Services

The Corporation receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

(g) Employee Future Benefits

The Corporation has a defined benefit plan providing pension for its salaried employees. The cost of the defined benefit plan is recognized based on the contributions required to be made during the year.

THE GOOD COMPANIONS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

4. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Corporation is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from 2016.

5. CAPITAL ASSETS

	<u>2017</u>			<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 620,905	\$ -	\$ 620,905	\$ 620,905
Building	4,674,961	2,018,587	2,656,374	2,724,486
Computers	90,554	84,800	5,754	4,600
Furniture and equipment	435,398	361,155	74,243	61,891
Parking lot	<u>124,291</u>	<u>38,213</u>	<u>86,078</u>	<u>95,642</u>
	5,946,109	2,502,755	3,443,354	3,507,524
Deferred capital contribution	<u>(2,915,899)</u>	<u>(1,303,538)</u>	<u>(1,612,361)</u>	<u>(1,654,869)</u>
	<u>\$ 3,030,210</u>	<u>\$ 1,199,217</u>	<u>\$ 1,830,993</u>	<u>\$ 1,852,655</u>

The following schedule shows the net change of equity invested in capital assets:

	<u>2017</u>	<u>2016</u>
EQUITY INVESTED IN CAPITAL ASSETS		
BALANCE - BEGINNING OF YEAR	\$ 1,852,655	\$ 1,897,953
Purchase of capital assets	23,137	-
Amortization	<u>(44,799)</u>	<u>(45,298)</u>
Allocated from (to) equity invested in capital assets	<u>(21,662)</u>	<u>(45,298)</u>
BALANCE - END OF YEAR	<u>\$ 1,830,993</u>	<u>\$ 1,852,655</u>

THE GOOD COMPANIONS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

6. DEFERRED CAPITAL CONTRIBUTIONS

Funding received for specified capital purchases is deferred and recognized as revenue in subsequent periods as the specified asset is amortized.

The summary of deferred capital contributions is as follows:

	<u>Balance - Beginning of Year</u>	<u>Less: Amounts Amortized</u>	<u>Plus: Contri- butions Received</u>	<u>Balance - End of Year</u>
Ontario Trillium Foundation	\$ 56,250	\$(5,625)	\$ -	\$ 50,625
City of Ottawa	37,344	(3,734)	-	33,610
HOPE	<u>5,608</u>	<u>(561)</u>	<u>-</u>	<u>5,047</u>
Total	<u>\$ 99,202</u>	<u>\$(9,920)</u>	<u>\$ -</u>	<u>\$ 89,282</u>

7. DEFERRED GRANT REVENUE

	<u>Balance - Beginning of Year</u>	<u>Amounts Received</u>	<u>Less: Revenue Recognized</u>	<u>Balance - End of Year</u>
Ontario Trillium Foundation	\$ 44,491	\$ 61,000	\$ 73,889	\$ 31,602
Ottawa Community Foundation	<u>792</u>	<u>-</u>	<u>792</u>	<u>-</u>
Total	<u>\$ 45,283</u>	<u>\$ 61,000</u>	<u>\$ 74,681</u>	<u>\$ 31,602</u>

8. LINE OF CREDIT

The line of credit is payable on demand, with interest charged at bank prime rate plus 2.5% per annum. The operating line is secured by a general security agreement. As at March 31, 2017, the limit on the loan was \$100,000, none of which was utilized.

THE GOOD COMPANIONS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

9. PROPERTY FUND

As referred to in note 2(b), the Board of Directors has created a special reserve fund within the Property Fund. The balance of the Property Fund consists of the following:

	<u>2017</u>	<u>2016</u>
SPECIAL RESERVE FUND		
BALANCE - BEGINNING OF YEAR	\$ 298,469	\$ 290,814
Addition during the year	<u>177,741</u>	<u>7,655</u>
BALANCE - END OF YEAR	476,210	298,469
UNAPPROPRIATED PROPERTY FUND		
	<u>73,650</u>	(46,761)
	549,860	251,708
EQUITY INVESTED IN CAPITAL ASSETS	<u>1,830,993</u>	<u>1,852,655</u>
BALANCE - END OF YEAR	<u>\$ 2,380,853</u>	<u>\$ 2,104,363</u>

10. PENSION PLAN

The Corporation participates in the Ottawa-Carleton Community Agencies Pension Plan. This multi-employer defined benefit pension plan covers employees of the Corporation and employees of all other participating organizations.

The Corporation has adopted defined contribution plan accounting principles for this pension plan as sufficient information is not available to use defined benefit plan accounting.

As at December 31, 2015, the aggregate pension plan surplus was \$2,033,673. During the year, the Corporation contributed and expensed \$68,683 (2015 - \$75,821) to the plan. No significant changes were made to the contractual elements of the plan during the year.

THE GOOD COMPANIONS

OPERATING FUND

SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Grants - LHIN	\$ 849,750	\$ 824,366
- City of Ottawa	207,977	215,352
- United Way/Centraide Ottawa	63,117	90,144
- Ontario Seniors' Secretariat	46,200	46,200
User fees	531,403	481,584
Membership fees	28,221	30,673
Contributions	31,922	24,208
Rent, parking and other revenue	<u>94,700</u>	<u>81,697</u>
	1,853,290	1,794,224
EXPENSES		
Salaries - administration	146,311	158,646
- clerical	122,991	111,056
- food services and maintenance	189,211	179,416
- program	468,349	482,535
Employee benefits	226,853	220,554
Program - dining room supplies	174,372	150,988
- community support services	27,523	31,919
- recreation and crafts	132,179	94,882
- transportation services	22,145	23,913
Occupancy - building and ground maintenance	40,220	36,960
- cleaning and laundry	39,175	39,245
- equipment purchases and repairs	8,519	11,907
- insurance and regional services	20,054	20,032
- parking lot maintenance and interest	10,077	6,922
- utilities	104,011	108,789
Administration - office equipment and repairs	44,336	55,738
- office supplies	8,306	6,538
- postage	8,385	7,466
- professional fees and bank charges	20,786	18,654
- telephone	7,775	8,251
Other - organization dues	4,877	960
- public relations	5,276	2,189
- employee and volunteer development	<u>21,556</u>	<u>16,659</u>
	<u>1,853,287</u>	<u>1,794,219</u>
NET REVENUE FOR THE YEAR	<u>\$ 3</u>	<u>\$ 5</u>

THE GOOD COMPANIONS
PROPERTY FUND
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Bequests	\$ 283,885	\$ 5,000
Fundraising - events	56,712	61,176
Fundraising - donation	43,066	20,935
Rental revenue	29,634	33,953
Capital asset contributions recognized as revenue	9,920	11,061
Ontario Seniors' Secretariat - one time funding	8,911	11,546
Champlain Local Health Integration Network - one time funding	7,200	10,200
New Horizons grant	-	25,000
HOPE	-	8,619
	<u>439,328</u>	<u>187,490</u>
EXPENSES		
Amortization	44,799	45,298
Bazaar expenses	3,437	3,141
Fundraising costs	53,123	64,496
Computer expenses	9,099	5,628
Repairs and maintenance	32,017	60,287
Events	<u>20,363</u>	<u>33,363</u>
	<u>162,838</u>	<u>212,213</u>
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 276,490</u>	<u>\$ (24,723)</u>

THE GOOD COMPANIONS
SPECIAL PROJECTS FUND
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Grants - Carefor	\$ 44,368	\$ 45,447
- Ontario Trillium Foundation (note 7)	73,889	58,736
- Community Foundation of Ottawa (note 7)	792	2,417
- Federal Career Placement (Summer Employment)	3,557	4,350
- Ottawa Community Care Access Centre - PSW Training	2,870	-
- LHIN (PSW)	<u>-</u>	<u>49,326</u>
	125,476	160,276
EXPENSES		
Regional Transportation Program (Carefor)	19,250	20,306
GEM funding (Carefor)	25,103	25,103
Senior Centre Without Walls (Trillium)	73,889	58,736
Community Foundation of Ottawa	792	2,417
Federal Career Placement (Summer Employment)	3,557	4,350
Ottawa Community Care Access Centre - PSW Training	2,870	-
PSW expenses	<u>-</u>	<u>49,326</u>
	<u>125,461</u>	<u>160,238</u>
NET REVENUE FOR THE YEAR	<u>\$ 15</u>	<u>\$ 38</u>

THE GOOD COMPANIONS - SUMMARY FINANCIAL INFORMATION
 (The following summary financial information is taken from the audited financial statements for the year ended March 31, 2017, copies of which are available upon request.)

COMBINED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	2017	2016
CURRENT ASSETS		
Cash and short-term investments	\$ 366,768	\$ 328,348
Accounts receivable	57,635	46,521
Prepaid expenses	13,816	4,400
	438,219	379,269
LONG-TERM INVESTMENTS	305,907	82,780
CAPITAL		
Historical cost \$3,030,210 less accumulated amortization of \$1,199,217	1,830,993	1,852,655
TOTAL ASSETS	\$ 2,575,119	\$ 2,314,704
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 63,079	\$ 60,249
Deferred revenue	144,331	163,254
	207,410	223,503
FUND BALANCES - END OF YEAR	2,367,709	2,091,201
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,575,119	\$ 2,314,704

STATEMENT OF OPERATIONS

OPERATING FUND

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Grants - LHIN	\$ 849,750	\$ 824,366
- City of Ottawa	207,977	215,352
- United Way/Centraide Ottawa	63,117	90,144
- Ontario Seniors' Secretariat	46,200	46,200
User fees	531,403	481,584
Other	154,843	136,578
	1,853,290	1,794,224
EXPENSES		
Salaries and benefits	1,153,715	1,152,207
Program	356,219	301,701
Occupancy	222,056	223,856
Administration	89,588	96,647
Other	31,709	19,808
	1,853,287	1,794,219
NET REVENUE FOR THE YEAR	\$ 3	\$ 5

