

ADDICTION SERVICES OF THAMES VALLEY
FINANCIAL STATEMENTS
MARCH 31, 2015



ADDICTION SERVICES OF THAMES VALLEY
INDEX TO AUDITED FINANCIAL STATEMENTS
MARCH 31, 2015

	Page
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4 - 5
Statement of Receipts and Disbursements	6
Statement of Receipts and Disbursements - Other Programs - Fund 3	7
Schedule 1 - Schedule of Disbursements - Substance Abuse Program	8
Schedule 2 - Schedule of Disbursements - Internet, Gaming Disorders and Problem Gambling Services	9
Schedule 3 - Schedule of Disbursements - Other Programs - Fund 3	10 - 11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 17



373 Commissioners Road West
London, ON N6J 1Y4
t. 519.673.3141 f. 519.645.1646

20 Bay Street, Suite 1100
Toronto, ON M5J 2N8
t. 416.840.8050 f. 866.492.2412



Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Directors of:
Addiction Services of Thames Valley

We have audited the accompanying financial statements of Addiction Services of Thames Valley, which comprise of the statement of financial position as at March 31, 2015 and the statement of changes in net assets, statement of receipts and disbursements, statement of receipts and disbursements - other programs - fund 3, schedules of disbursements of the substance abuse program, internet gambling disorders and problem gambling services, and other programs - fund 3 and the statement of 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 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 disclosure 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 controls 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 Qualification

In common with many not-for-profit organizations, this organization derives some of its revenue from donations and fundraising sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations and fundraising was limited to the amounts recorded in the records of the organization. Accordingly, we were unable to determine whether any adjustments for unrecorded amounts might be necessary to revenues, excess (deficit) of receipts over disbursements and net assets.

The organization changed its accounting policy effective April 1, 2008 to record tangible capital assets purchased at cost and to record amortization based on the estimated useful life of the respective tangible capital assets, on a prospective basis. Canadian accounting standards for not-for-profit organizations require that an accounting change be accounted for on a retrospective basis. The effect on these financial statements of accounting for the change in accounting policy in accordance with Canadian accounting standards for not-for-profit organizations has not been determined and we were unable to determine whether any adjustments for unrecorded amounts might be necessary to revenues, excess (deficit) of receipts over disbursements and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary had the change in accounting policy related to capital assets been applied retrospectively and had we been able to satisfy ourselves concerning the completeness of donations and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Addiction Services of Thames Valley as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario
June 16, 2015

Davis Martindale LLP

Chartered Accountants
Licensed Public Accountants



ADDICTION SERVICES OF THAMES VALLEY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

ASSETS		
	2015	2014
		(note 12)
Current Assets		
Cash	\$ 373,411	\$ 678,218
Short-term investments (note 3)	1,007,473	1,005,918
Accounts receivable	47,964	134,676
HST recoverable	49,385	42,302
Prepaid expenses	<u>7,036</u>	<u>614</u>
	1,485,269	1,861,728
Tangible Capital Assets (note 4)	<u>311,875</u>	<u>162,201</u>
	<u>\$ 1,797,144</u>	<u>\$ 2,023,929</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 314,723	\$ 304,864
Government remittances payable	43,372	35,836
Repayable to Ministry (note 5)	869,733	1,003,307
Deferred revenue (note 6)	<u>104,902</u>	<u>139,526</u>
	1,332,730	1,483,533
Deferred Contributions (note 7)	<u>311,875</u>	<u>162,201</u>
	1,644,605	1,645,734
Commitments (note 8)		
Net Assets		
Substance Abuse	169	68,169
Internet, Gaming Disorders and Problem Gambling Services	2,305	2,305
Fresh Start	31,114	33,252
Oxford/LHSC/Liuna Local 1059/Possible	68,408	37,463
CAReS	11,238	160,520
Back on Track	<u>39,305</u>	<u>76,486</u>
	<u>152,539</u>	<u>378,195</u>
	<u>\$ 1,797,144</u>	<u>\$ 2,023,929</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
<u>Substance Abuse</u>		
Balance, Beginning of Year	\$ 68,169	\$ 68,169
Interfund Transfers (note 9)	(68,000)	-
Excess of Receipts over Disbursements	<u>-</u>	<u>-</u>
Balance, End of Year	\$ <u>169</u>	\$ <u>68,169</u>
<u>Internet, Gaming Disorders and Problem Gambling Services ("IGDPGS")</u>		
Balance, Beginning of Year	\$ 2,305	\$ 2,305
Excess of Receipts over Disbursements	<u>-</u>	<u>-</u>
Balance, End of Year	\$ <u>2,305</u>	\$ <u>2,305</u>
<u>Fresh Start</u>		
Balance, Beginning of Year	\$ 33,252	\$ 7,570
Excess (Deficit) of Receipts over Disbursements	<u>(2,138)</u>	<u>25,682</u>
Balance, End of Year	\$ <u>31,114</u>	\$ <u>33,252</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY
STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
<u>Oxford/LHSC/Liuna Local 1059/Possible</u>		
Balance, Beginning of Year	\$ 37,463	\$ 12,265
Excess of Receipts over Disbursements	<u>30,945</u>	<u>25,198</u>
Balance, End of Year	\$ <u>68,408</u>	\$ <u>37,463</u>
<u>CAReS</u>		
Balance, Beginning of Year	\$ 160,520	\$ 191,877
Excess (Deficit) of Receipts over Disbursements	<u>(149,282)</u>	<u>(31,357)</u>
Balance, End of Year	\$ <u>11,238</u>	\$ <u>160,520</u>
<u>Back on Track</u>		
Balance, Beginning of Year	\$ 76,486	\$ 36,372
Interfund Transfers (note 9)	68,000	-
Excess (Deficit) of Receipts over Disbursements	<u>(105,181)</u>	<u>40,114</u>
Balance, End of Year	\$ <u>39,305</u>	\$ <u>76,486</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

	Substance Abuse Program	IGDPGS	Other Programs Fund 3	2015	2014 (note 12)
Receipts					
Local Health Integration					
Network	\$ 2,952,300	\$ 404,930	\$ -	\$ 3,357,230	\$ 3,042,806
City of London	-	-	1,051,088	1,051,088	768,485
CAMH	-	-	139,930	139,930	154,258
United Way	-	-	110,000	110,000	67,000
Oxford/LHSC/Liuna Local 1059/Possible	-	-	264,490	264,490	174,800
Amortization of deferred contributions	53,063	565	41,588	95,216	60,901
Grants	53,297	-	-	53,297	10,172
Other	13,285	-	33,105	46,390	19,837
Sessional fees	30,666	-	-	30,666	16,220
Fundraising	-	6,272	-	6,272	24,982
Health Canada	2,243	-	-	2,243	-
	<u>3,104,854</u>	<u>411,767</u>	<u>1,640,201</u>	<u>5,156,822</u>	<u>4,339,461</u>
Disbursements					
Salaries	1,887,740	236,780	1,353,215	3,477,735	2,628,758
Benefits	371,149	42,760	193,926	607,835	443,254
Supplies and other (Schedule 1 and 2)	274,883	59,171	235,719	569,773	408,275
Building occupancy	154,990	60,297	41,409	256,696	262,200
	<u>2,688,762</u>	<u>399,008</u>	<u>1,824,269</u>	<u>4,912,039</u>	<u>3,742,487</u>
Excess (Deficit) of Receipts over Disbursements before Amortization	416,092	12,759	(184,068)	244,783	596,974
Amortization	<u>53,063</u>	<u>565</u>	<u>41,588</u>	<u>95,216</u>	<u>60,901</u>
Excess (Deficit) of Receipts over Disbursements before Funding Repayable	363,029	12,194	(225,656)	149,567	536,073
Repayable to Ministry	<u>363,029</u>	<u>12,194</u>	<u>-</u>	<u>375,223</u>	<u>476,436</u>
Excess (Deficit) of Receipts over Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (225,656)</u>	<u>\$ (225,656)</u>	<u>\$ 59,637</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY
STATEMENT OF RECEIPTS AND DISBURSEMENTS

OTHER PROGRAMS - FUND 3

FOR THE YEAR ENDED MARCH 31, 2015

	Fresh Start	CAReS	Back on Track	Oxford/LHSC /Liuna Local 1059/Possible	2015
Receipts					
City of London	\$ 225,036	\$ 826,052	\$ -	\$ -	\$ 1,051,088
Oxford/LHSC/Liuna Local 1059/Possible	-	-	-	264,490	264,490
CAMH	-	-	139,930	-	139,930
United Way	-	110,000	-	-	110,000
Amortization of deferred contributions	4,976	36,612	-	-	41,588
Other	<u>16,453</u>	<u>15,533</u>	<u>1,119</u>	<u>-</u>	<u>33,105</u>
	246,465	988,197	141,049	264,490	1,640,201
Disbursements					
Salaries	168,315	915,752	86,400	182,748	1,353,215
Benefits	39,619	130,482	-	23,825	193,926
Supplies and other (Schedule 3)	18,596	54,633	135,518	26,972	235,719
Building occupancy	<u>17,097</u>	<u>-</u>	<u>24,312</u>	<u>-</u>	<u>41,409</u>
	<u>243,627</u>	<u>1,100,867</u>	<u>246,230</u>	<u>233,545</u>	<u>1,824,269</u>
Excess (Deficit) of Receipts over Disbursements before Amortization	2,838	(112,670)	(105,181)	30,945	(184,068)
Amortization	<u>4,976</u>	<u>36,612</u>	<u>-</u>	<u>-</u>	<u>41,588</u>
Excess (Deficit) of Receipts over Disbursements	<u>\$ (2,138)</u>	<u>\$ (149,282)</u>	<u>\$ (105,181)</u>	<u>\$ 30,945</u>	<u>\$ (225,656)</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

SCHEDULE OF DISBURSEMENTS

Schedule 1

SUBSTANCE ABUSE PROGRAM

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
Supplies and Other		
Advertising and promotion	\$ 15,740	\$ 33,039
Audit	15,489	15,878
Bank charges	2,721	1,891
Computer maintenance	40,932	46,291
Equipment lease and service	14,697	12,146
Insurance	6,599	6,223
Postage, office supplies and meeting	24,654	11,790
Professional fees	4,489	9,694
Program expenses	44,289	31,344
Sessional fees	30,666	16,220
Staff education	18,900	13,838
Staff recruitment	4,833	3,636
Telephone and internet	30,366	21,027
Travel	19,428	23,546
Volunteer training	<u>1,080</u>	<u>1,053</u>
	<u>\$ 274,883</u>	<u>\$ 247,616</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

SCHEDULE OF DISBURSEMENTS

Schedule 2

INTERNET, GAMING DISORDERS AND PROBLEM GAMBLING SERVICES

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
Supplies and Other		
Administrative - allocated	\$ -	\$ 250
Advertising and promotion	12,534	5,924
Audit	2,604	2,850
Computer maintenance	8,400	9,000
Equipment lease and service	2,880	2,400
Insurance	3,000	-
Postage, office supplies and meeting	3,315	5,171
Professional fees	42	-
Program expenses	4,994	5,122
Staff education	6,588	5,810
Staff recruitment	-	465
Telephone and internet	5,326	7,194
Travel	9,236	8,426
Volunteer training	252	-
	<u>\$ 59,171</u>	<u>\$ 52,612</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

SCHEDULE OF DISBURSEMENTS

Schedule 3

OTHER PROGRAMS - FUND 3

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
<u>Fresh Start Program</u>		
Supplies and Other		
Advertising and promotion	\$ 63	\$ -
Computer maintenance	2,400	2,400
Equipment lease and service	1,200	1,200
Insurance	2,000	-
Postage, office supplies and meeting	4,561	7,318
Professional fees	2,219	2,615
Program expenses	1,200	996
Staff education	2,720	1,475
Telephone and internet	1,483	2,044
Travel	498	1,982
Volunteer training	252	-
	<u>\$ 18,596</u>	<u>\$ 20,030</u>

Oxford/LHSC/Liuna Local 1059/Possible

Supplies and Other		
Advertising and promotion	\$ 17,869	\$ -
Computer maintenance	840	-
Professional fees	800	437
Program expenses	5,690	-
Staff education	934	-
Telephone	714	572
Travel	125	584
	<u>\$ 26,972</u>	<u>\$ 1,593</u>

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.



ADDICTION SERVICES OF THAMES VALLEY

SCHEDULE OF DISBURSEMENTS

Schedule 3

OTHER PROGRAMS - FUND 3

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
<u>CAReS</u>		
Supplies and Other		
Administrative - allocated	\$ 252	\$ -
Advertising and promotion	920	-
Insurance	3,358	2,760
Postage, office supplies and meeting	2,742	368
Professional fees	4,504	4,850
Program expenses	8,506	8,700
Staff education	10,134	33,765
Staff recruitment	1,069	-
Travel	<u>23,148</u>	<u>17,356</u>
	<u>\$ 54,633</u>	<u>\$ 67,799</u>
 <u>Back on Track</u>		
Supplies and Other		
Bank charges	\$ 45	\$ 231
Donation	129,273	-
Equipment lease and service	500	250
Postage and office supplies	2,679	12,698
Professional fees	3,021	4,950
Telephone and internet	<u>-</u>	<u>496</u>
	<u>\$ 135,518</u>	<u>\$ 18,625</u>

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.



ADDICTION SERVICES OF THAMES VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014 (note 12)
Cash Flows from Operating Activities		
Excess (deficit) of receipts over disbursements	\$ (225,656)	\$ 59,637
Items not requiring an outlay of cash:		
Amortization	95,216	60,901
Amortization of deferred contributions	<u>(95,216)</u>	<u>(60,901)</u>
	(225,656)	59,637
Changes in non-cash working capital:		
Short-term investments	(1,553)	(503,849)
Accounts receivable	86,712	(60,870)
HST recoverable	(7,083)	(11,027)
Prepaid expenses	(6,422)	61
Accounts payable and accrued liabilities	9,857	102,155
Government remittances payable	7,536	(14,716)
Repayable to Ministry	(133,574)	460,492
Deferred revenue	<u>(34,624)</u>	<u>(137,721)</u>
	<u>(79,151)</u>	<u>(165,475)</u>
Net Cash Used in Operating Activities	(304,807)	(105,838)
Cash Flows from Investing Activities		
Additions to capital assets	(244,890)	(111,467)
Increase in deferred contributions	<u>244,890</u>	<u>111,467</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>
Net Decrease in Cash	(304,807)	(105,838)
Cash, Beginning of Year	<u>678,218</u>	<u>784,056</u>
Cash, End of Year	\$ <u>373,411</u>	\$ <u>678,218</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

1. Nature of the Business

Addiction Services of Thames Valley ("ADSTV"), as outlined in its mission statement, is engaged in providing quality services in response to the unique needs of individuals and families, of all ages, affected by substance abuse and/or gambling. ADSTV is incorporated under the laws of the Province of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant Accounting Policies

The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Those policies that are considered to be particularly significant are outlined below:

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash and term deposits with a maturity period of three months or less from the date of acquisition.

(b) Short-term Investments

The organization's short-term investments consist of guaranteed investment certificates ("GICs"), which are initially recognized at fair value and subsequently measured at amortized cost. When the investment is measured at amortized cost, any premium paid or discount received relative to the face amount of the investment, is amortized over the expected life of the item and recognized in net income. Transaction costs that are directly attributable to the acquisition of these investments are an adjustment to the fair value when initially recognized.

(c) Tangible Capital Assets and Amortization

Tangible capital assets purchased by ADSTV are recorded at cost. Amortization is recorded in the accounts on the declining-balance method using the annual rates described in note 4.

Leasehold improvements are recorded at cost and amortization is recorded using the straight line basis over the term of the lease plus one option period.

Assets under development are not amortized until they are ready for use.

(d) Donated Tangible Capital Assets

Items of a capital nature which are donated to the organization are capitalized in an amount equal to the estimated fair market value of the tangible capital assets and recorded as donation revenue in the capital fund.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

2. Significant Accounting Policies (continued)

(e) Revenue Recognition

ADSTV follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions, if any, are recognized as direct increases in net assets.

(f) Contributed Services

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

(g) Impairment of Long-lived Assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(h) Inter-Program Revenue/Expenditures and Transfers

The organization's policy is to operate and account for its various programs and activities on a stand-alone basis wherever possible. Accordingly, certain inter-program revenue/expenditures and transfers are recorded in the accounts to reflect services rendered between programs. These transactions are identified and eliminated in the summary statement of receipts and disbursements to arrive at the organization's combined net funding and expenditures for the year.

(i) Use of Estimates

The preparation of the financial statements of the organization 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 and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

2. Significant Accounting Policies (continued)

(j) Financial Instruments

The organization's financial instruments consist of cash, investments, accounts receivable, HST recoverable, accounts payable and accrued liabilities, and government remittances payable. The organization initially recognizes these financial instruments at fair value and subsequently, except for investments, at amortized cost. Investments are subsequently measured at fair value. Changes in fair value are recognized in net income.

3. Investments

The investments consist of the following:

	Maturity Date	Interest Rate	2015 Total	2014 Total
G.I.C.	April 15, 2014	1.00%	\$ -	\$ 201,918
G.I.C.	June 27, 2014	1.00%	-	201,512
G.I.C.	July 16, 2014	1.00%	-	201,408
G.I.C.	November 4, 2014	1.00%	-	100,427
G.I.C.	December 19, 2014	1.00%	-	100,283
G.I.C.	January 6, 2015	1.00%	-	100,227
G.I.C.	February 6, 2015	1.00%	-	100,143
G.I.C.	May 2, 2015	1.00%	201,825	-
G.I.C.	June 13, 2015	1.00%	201,595	-
G.I.C.	July 2, 2015	1.00%	201,414	-
G.I.C.	July 16, 2015	1.00%	302,236	-
G.I.C.	November 4, 2015	1.00%	<u>100,403</u>	<u>-</u>
			<u>\$ 1,007,473</u>	<u>\$ 1,005,918</u>

4. Tangible Capital Assets

		Cost	Accumulated Amortization	Net 2015	Net 2014
Assets under development		\$ -	\$ -	\$ -	\$ 42,211
Computer hardware	55% D.B.	205,114	166,326	38,788	45,822
Furniture and equipment	20% D.B.	114,223	39,591	74,632	33,796
Leaseholds	6 yr S.L.	281,513	104,588	176,925	33,739
Vehicle	30% D.B.	<u>30,257</u>	<u>8,727</u>	<u>21,530</u>	<u>6,633</u>
		<u>\$ 631,107</u>	<u>\$ 319,232</u>	<u>\$ 311,875</u>	<u>\$ 162,201</u>

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

5. Repayable to Ministry

Funding received from the Local Health Integration Network ("LHIN") is refundable to the extent that it is not used for program expenditures. As at March 31, 2015, ADSTV had unused funding relating to the following programs:

Program	Repayable
Substance Abuse Program	\$ 832,779
Internet Gambling Disorders and Problem Gambling Services	<u>36,954</u>
	<u>\$ 869,733</u>

6. Deferred Revenue

Deferred revenue represents externally restricted funds received that relate to a subsequent period. As at March 31, 2015, the balance of ADSTV's deferred revenues were as follows:

Grant Donor	Program	Deferred Revenue
City of London	Fresh Start	\$ 56,259
United Way	ADSTV	33,643
Réseau franco-santé du Sud de L'Ontario	ADSTV	<u>15,000</u>
		<u>\$ 104,902</u>

7. Deferred Contributions

Deferred contributions related to tangible capital assets represent contributed tangible capital assets and restricted contributions used to purchase furniture and equipment, computer hardware and leaseholds. These contributions are being amortized into income on the same basis as the related tangible capital assets. The changes in the deferred contributions balance for the year are as follows:

	2015	2014
Balance, beginning of year	\$ 162,201	\$ 111,635
Less: amortization of deferred capital contributions	(95,216)	(60,901)
Add: increase in contributions received for capital purposes	<u>244,890</u>	<u>111,467</u>
Balance, end of year	<u>\$ 311,875</u>	<u>\$ 162,201</u>
Balance represented by:		
Unamortized contributions	<u>\$ 311,875</u>	<u>\$ 162,201</u>

Amortization of deferred capital contributions for the year totalled \$95,216 (\$60,901 in 2014).

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



ADDICTION SERVICES OF THAMES VALLEY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

8. Commitments

ADSTV has entered into a lease agreement for the land and building it occupies as well as parking space in the area. Under the terms of the lease, which expires April 30, 2018, ADSTV pays insurance, property taxes, repairs and maintenance, utilities and other like costs.

ADSTV has entered into a sublease agreement for the building it occupies. Under the terms of the sublease, which expires March 15, 2027, ADSTV pays insurance, repairs and maintenance, utilities and other like costs.

The annual base rental and parking payments for the next five years are as follows:

Year ending March 31, 2016	\$ 169,197
March 31, 2017	170,655
March 31, 2018	171,589
March 31, 2019	51,972
March 31, 2020	<u>40,141</u>
	<u>\$ 603,554</u>

9. Interfund Transfers

During the year, the organization transferred \$68,000 of the net assets reported in Substance Abuse program over to the Back on Track program. The transfer is in relation to unrestricted funding received in the fiscal year ended March 31, 2012.

10. Financial Instruments

Credit Risk

Credit risk is the risk that a counter party will fail to discharge its obligation to the program reducing the expected cash inflow from program assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. The program has assessed that there are no significant concentrations of credit risk.

It is management's opinion that ADSTV is not exposed to significant interest, or currency risks arising from the financial instruments as outlined in note 2. The fair value of these financial instruments approximates their carrying values.

11. Allocation of Expenses

General support expenses that are common to the administration of ADSTV and each of its programs have been allocated to the various programs as deemed appropriate by management and the board. The allocations have also been approved by those providing the funding.

12. Comparative Figures

Certain of the prior year figures have been reclassified to conform with the financial statement presentation adopted in the current year.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*

