Casey House
(a not-for-profit charitable corporation,
formerly Casey House Hospice Inc.)

Financial Statements
March 31, 2017

pwc

June 13, 2017

Independent Auditor's Report

To the Directors of
Casey House

We have audited the accompanying financial statements of Casey House, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and changes in unrestricted net assets, remeasurement gains and losses and cash flows for the year then ended, and the related notes, which comprise 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 public sector accounting standards, 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 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.

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Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Casey House as at March 31, 2017 and the results of its operations and changes in unrestricted net assets, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Casey House

Statement of Financial Position

As at March 31, 2017

	2017 $	2016 $ (restated - note 16)
Assets		
Current assets		
Cash	2,093,199	1,104,157
Cash held in Trust (note 6)	32,575,938	-
Accounts and other receivables (note 6)	327,079	9,445,609
Due from Casey House Foundation (notes 4 and 6)	1,194,905	1,496,795
	36,191,121	12,046,561
Investments (note 3)	787,681	1,093,879
Property and equipment (notes 5 and 6)	41,630,427	21,490,845
	78,609,229	34,631,285
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	29,995,238	10,987,126
Mortgage payable (note 7)	34,093	32,791
	30,029,331	11,019,917
Post-retirement benefit obligations (note 12)	155,500	173,500
Mortgage payable (note 7)	508,793	542,887
Deferred contributions and grants (notes 6 and 8)	44,226,149	19,090,565
	74,919,773	30,826,869
Net Assets		
Unrestricted	3,647,522	3,747,877
Accumulated remeasurement gains	41,934	56,539
	3,689,456	3,804,416
	78,609,229	34,631,285

Contingencies and commitments (note 14)

Approved by the Board of Directors

______________________ Director ______________________ Director

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

Casey House

Statement of Operations and Changes in Unrestricted Net Assets

For the year ended March 31, 2017

	2017 $	2016 $
Revenue		
Provincial grants (notes 11 and 13)	5,455,054	4,976,254
Grants from Casey House Foundation (note 4)	996,029	1,079,490
Community Care Access Centre billings (note 10)	50,616	93,525
Investment income	16,026	49,408
Other	165,669	165,707
Amortization of deferred contributions and grants	136,303	135,542
Realized investment gain	38,035	394
	6,857,732	6,500,320
Expenditures		
Salaries and benefits (note 9)	5,279,920	5,027,386
General and administrative	657,140	485,626
Interest	35,460	38,558
Pharmaceuticals	311,698	389,925
Resident/client care	190,850	224,857
Building and maintenance	176,765	159,708
Amortization of property and equipment	306,254	272,864
	6,958,087	6,598,924
Deficiency of revenue over expenditures for the year	(100,355)	(98,604)
Unrestricted net assets - Beginning of year, as previously stated	3,747,877	4,110,677
Prior period adjustment - writeoff of building (note 16)	-	(264,196)
Unrestricted net assets - Beginning of year, as restated	3,747,877	3,846,481
Unrestricted net assets - End of year	3,647,522	3,747,877

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

Casey House

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2017

	2017 $	2016 $
Accumulated opening remeasurement gains	56,539	79,405
Unrealized gains (losses) attributable to investments for the year	23,430	(22,472)
Realized gains reclassified to statement of operations and changes in unrestricted net assets	(38,035)	(394)
Net remeasurement losses for the year	(14,605)	(22,866)
Accumulated closing remeasurement gains	41,934	56,539

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

Casey House

Statement of Cash Flows

For the year ended March 31, 2017

	2017 $	2016 $
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenditures for the year	(100,355)	(98,604)
Adjustments		
Amortization of property and equipment	306,254	272,864
Amortization of deferred contributions and grants	(136,303)	(135,542)
Realized investment gain	(38,035)	(394)
Net post-employment benefits cost	(18,000)	(12,200)
	13,561	26,124
Changes in net working capital		
Accounts and other receivables	9,118,530	1,284,675
Accounts payable and accrued liabilities	303,757	(1,263,188)
Due from Casey House Foundation	301,890	(227,372)
	9,737,738	(179,761)
Capital activities		
Purchase of property and equipment - net of accounts payable and accrued liabilities related to purchase of property and equipment	(1,741,481)	(1,986,418)
Investing activities		
Proceeds on sale of investments	338,559	4,342
Purchase of investments	(8,931)	(36,185)
Cash held in trust	(32,575,938)	-
	(32,246,310)	(31,843)
Financing activities		
Net repayment of mortgage principal	(32,792)	(31,539)
Deferred contributions and grants received	25,271,887	2,785,665
	25,239,095	2,754,126
Increase in cash during the year	989,042	556,104
Cash - Beginning of year	1,104,157	548,053
Cash - End of year	2,093,199	1,104,157
Supplemental disclosure		
Interest paid	35,460	38,558
Property and equipment included in accounts payable and accrued liabilities	18,704,355	7,923,612

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

1 Organization

Casey House was incorporated as Casey House Hospice Inc. without share capital on October 28, 1986 under the Ontario Corporations Act to operate a not-for-profit hospice providing palliative and supportive care to people living with HIV/AIDS. On April 29, 2016, an application for supplementary letters patent was approved, changing the name of the organization to Casey House and redefining the object of the corporation as the establishment, maintenance and provision of a comprehensive program for the care, comfort, support and counselling of persons with HIV/AIDS. Casey House is registered as a charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes provided certain requirements of the Income Tax Act are met. Casey House was affiliated with St. Michael's Hospital under an original agreement dated January 15, 1988 and dissolved on April 30, 2017.

2 Summary of significant accounting policies

Basis of presentation

The financial statements of Casey House are prepared in accordance with Canadian public sector accounting standards (PSAS), including accounting standards that apply to government not-for-profit organizations.

These financial statements include the assets, liabilities and activities of Casey House. The financial statements do not include the activities of Casey House Foundation, which is a non-controlled not-for-profit entity.

Revenue recognition

Under the Health Insurance Act (Ontario) and the regulations thereto, Casey House is funded primarily by the Province of Ontario in accordance with funding arrangements established by the Ministry of Health and Long-Term Care (the Ministry) and the Local Health Integration Network (LHIN). These financial statements reflect agreed funding arrangements by the Ministry and the LHIN with respect to the year ended March 31, 2017.

Casey House follows the deferral method of accounting for contributions, which includes donations, grants from Casey House Foundation, and government grants.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Amounts received for property and equipment are amortized into income on the same basis as the associated property and equipment.

Contributions received in the form of donations and grants for specific capital expenditures are initially deferred and recorded as deferred capital contributions. These deferred capital contributions are realized into income on the same basis as the amortization of the cost of the related property and equipment.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Commencing in the year of acquisition, amortization is provided for on a straight-line basis over the estimated useful lives of the various classes of assets as follows:

Buildings	40 years
Building improvements	10 to 40 years
Furniture, fixtures and equipment	3 to 5 years

Artwork includes various prints and paintings donated to Casey House. Artwork is not amortized and the value of any new works donated is not included on the statement of financial position.

Casey House reviews the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate the asset no longer has any long-term service potential to Casey House. The impairment loss, if any, is the excess of the carrying value over any residual value. Writedowns are not reversed.

Construction-in-progress

Construction-in-progress comprises direct construction and development costs. No amortization is recorded until construction is substantially complete and the assets are ready for use.

Contributed materials and services

A number of volunteers contribute their services to Casey House each year. Since these services are not normally purchased by Casey House and because of the difficulty in determining the fair value, these contributed services are not recognized or disclosed in the notes to the financial statements. Contributed materials are recorded, when received, at fair value.

Leases

Operating lease costs are recognized as an expense on a straight-line basis over the life of the lease.

Investments

Casey House invests in pooled funds, money market funds and redeemable investment certificates. The investments are recorded at the quoted fair values of securities held by the funds. Transaction costs related to investments are expensed as incurred.

Changes in the fair value of investments are recorded in the statement of remeasurement gains and losses until the financial instrument is settled. Transaction costs are expensed as incurred. Interest and dividends attributable to the investments are reported in the statement of operations and changes in unrestricted net assets.

On settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations and changes in unrestricted net assets.

All investment transactions are recorded on a trade date basis.

Employee future benefits

Employee future benefits relate to life insurance, health and dental benefits paid to employees post-employment with Casey House. The plan is unfunded. The accrued benefit obligation and the current service cost were actuarially determined using the projected benefit method pro-rated on service and based on management's best estimates of salary escalation, retirement ages of employees, and health-care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to Casey House's cost of borrowing consistent with the specific rates of interest and periods committed to by Casey House on amounts borrowed. Actuarial gains and losses are amortized over the remaining service lives of the employees. Past service costs are expensed when incurred.

Sick days that accumulate, but do not vest, are accrued for as an employee benefit.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent 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 those estimates. Accounts requiring significant estimates include collectibility of accounts and other receivables, accounts payable and accrued liabilities and employee future benefits.

3 Investments

	2017 $	2016 $
Redeemable investment certificate	494,853	494,853
Money Market Fund	116,170	116,033
Canadian Bond Fund	176,658	482,993
	787,681	1,093,879

4 Economic interest - Casey House Foundation

Casey House has an economic interest in Casey House Foundation (the Foundation). The Foundation was established to provide financial support for the capital and operating expenditures of Casey House that are not otherwise funded. The Foundation is registered as a charitable foundation within the meaning of the Income Tax Act (Canada). Fees and funding provided by the Foundation to Casey House during the year are as follows:

	2017 $	2016 $
Operating grant	853,176	945,968
One-time project grant for the Day Health Program Start-up	142,853	133,522
	996,029	1,079,490
Administrative service fees	30,000	30,000
Redevelopment grants	2,840,494	1,388,729
Capital grants	32,791	31,539

The amount due from the Foundation of $1,194,905 (2016 - $1,496,795) represents grants awarded but not received as at the year-end date.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by both parties.

5 Property and equipment

	Land $	Buildings $	Building improvements $	Furniture, fixtures and equipment $	Artwork $	Construction-in-progress $	Total $
Cost of purchases							
As at March 31, 2016 - restated	2,141,466	2,308,061	3,103,226	1,037,967	42,167	17,041,806	25,674,693
Additions	-	-	-	150,105	-	20,295,731	20,445,836
Writedown	-	-	-	(824,925)	-	-	(824,925)
As at March 31, 2017	2,141,466	2,308,061	3,103,226	363,147	42,167	37,337,537	45,295,604
Accumulated amortization							
As at March 31, 2016 - restated	-	1,264,760	1,950,341	968,747	-	-	4,183,848
Amortization	-	69,165	167,493	67,712	-	-	304,370
Writedown	-	-	-	(823,041)	-	-	(823,041)
As at March 31, 2017	-	1,333,925	2,117,834	213,418	-	-	3,665,177
Net book value							
As at March 31, 2017	2,141,466	974,136	985,392	149,729	42,167	37,337,537	41,630,427

Construction-in-progress consists primarily of the amounts incurred in relation to the expansion of the building (note 6).

	Land $	Buildings $	Building improvements $	Furniture, fixtures and equipment $	Artwork $	Construction-in-progress $	Total $
Cost of purchases							
As at March 31, 2015 - restated	2,141,466	2,308,061	3,087,143	1,014,888	42,167	4,644,562	13,238,287
Additions	-	-	16,083	23,079	-	12,397,244	12,436,406
As at March 31, 2016	2,141,466	2,308,061	3,103,226	1,037,967	42,167	17,041,806	25,674,693
Accumulated amortization							
As at March 31, 2015 - restated	-	1,195,594	1,784,324	931,066	-	-	3,910,984
Amortization	-	69,166	166,017	37,681	-	-	272,864
As at March 31, 2016	-	1,264,760	1,950,341	968,747	-	-	4,183,848
Net book value							
As at March 31, 2016	2,141,466	1,043,301	1,152,885	69,220	42,167	17,041,806	21,490,845

6 Redevelopment project

Casey House is undertaking a project to redevelop the site at 119 Isabella Street to provide a 58,000 square foot health centre that will include the current in-patient and home care programs and a new day health program.

In 2015, Casey House awarded the project contract for the redevelopment project. As at March 31, 2017, the project was nearing substantial completion and Casey House transferred Ministry and Foundation funds of $28,873,273 and $3,702,665, respectively, into a trust account pursuant to the agreement with the general contractor, totalling $32,575,938.

The estimated remaining commitments under the redevelopment project as at March 31, 2017 total approximately $3,037,304. The constructions costs related to the redevelopment project are to be funded by the Ministry and the Foundation. Financing is for two purposes. $3,600,000 relates to HST recoveries (for project costs) that will be received subsequent to filing with the Canada Revenue Agency and will be immediately repaid to the lender. $1,920,000 relates to MOHLTC funds held back and reconciled once the completed project has been audited. The financing bears interest at prime plus 1%. Casey House is required to pay interest on the principal for the first two years. The remaining principal balance after two years is required to be repaid on an 18-year amortization period.

Work completed as at March 31, 2017 is valued at $28,997,983 (2016 - $10,387,291) and has been recognized as construction-in-progress within property and equipment and a corresponding payable has been recorded that is included in accounts payable and accrued liabilities. In addition, receivables owing from the Ministry in the amount of $nil (2016 - $9,348,562) and the Foundation in the amount of $nil (2016 - $1,038,729) have been recognized and included in accounts and other receivables and due from the Foundation, respectively, as at March 31, 2017.

7 Mortgage payable

The mortgage with a major financial institution is secured by the property at 571 Jarvis Street and has been guaranteed by the Foundation. The mortgage bears interest at a rate of 3.9% with blended monthly payments of $4,555. The mortgage matures on November 30, 2019 and is open for repayment of up to 10% of the original principal on each anniversary date.

Principal repayments on the mortgage are as follows:

	$
2018	34,093
2019	35,448
2020	473,345
	542,886

8 Deferred contributions and grants

	2017 $	2016 $
Balance - Beginning of year - restated	19,090,565	6,053,151
Contributions received and grants approved during the year		
Ministry of Health PCOP grant	785,000	-
Casey House Foundation redevelopment grant	2,840,494	1,388,729
Ministry of Health redevelopment grant	21,584,631	11,360,476
Others	46,174	472,941
Grant revenue earned in the year	(14,413)	(49,190)
Amortized to revenue during the year	(106,302)	(135,542)
Balance - End of year	44,226,149	19,090,565

Included in the deferred grants above is $37,466 (2016 - $3,417) of unspent grants from Casey House Infrastructure Renewal Fund (HIRF) for minor capital projects that extend the useful life of the facility or improve the facility's quality or functionality.

	2017 $	2016 $
Unspent HIRF grant - Beginning of year	3,417	78,095
Grants received during the year	46,800	19,500
Unspent grants returned	(3,417)	(78,095)
Grants spent on approved projects	(9,334)	(16,083)
Unspent HIRF grant - End of year	37,466	3,417

9 Pension plan

Substantially all of the employees of Casey House are members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer final average pay contributory pension plan. HOOPP is accounted for as a defined contribution plan. Contributions made to HOOPP during the year are included in salaries and benefits in the statement of operations and changes in unrestricted net assets and amounted to $303,453 (2016 - $334,075).

10 Community program

Operating results for the community program, which are included in the statement of operations and changes in unrestricted net assets, are as follows:

	2017 $	2016 $
Revenue		
Grants from Casey House Foundation	750,270	728,125
Community Care Access Centre billings	50,616	93,525
	800,886	821,650
Expenditures		
Salaries and benefits	685,915	682,809
Administrative	112,506	119,863
Enhanced services (i)	2,465	18,978
	800,886	821,650
Excess of revenue over expenditures	-	-

i) Enhanced services include primarily personal support workers and complementary therapies.

11 AIDS Bureau grant for community education program

Provincial grants include funding from the AIDS Bureau to support Casey House's Community Education program.

	2017 $	2016 $
Funds received	94,512	94,512
Salaries and benefits	85,914	84,222
Supplies and other expenses	8,598	10,290
Total distribution	94,512	94,512
Funds received in excess of distributions	-	-

12 Post-retirement benefit obligations

Casey House's non-pension post-retirement benefit plans comprise medical, dental and life insurance coverage for certain groups of employees who have retired from Casey House and are between the ages of 55 and 65. The post-retirement benefit obligations are calculated based on the latest actuarial valuation performed on April 1, 2015.

As at March 31, 2017, the accrued sick leave obligation amounted to $30,777 (2016 - $33,331).

The post-retirement benefits as at March 31 include the following components:

	2017 $	2016 $
Accrued benefit obligations	104,000	108,000
Unamortized actuarial gains	51,500	65,500
Post-retirement benefit obligations recorded in the statement of financial position	155,500	173,500

The movement in the post-retirement benefit obligations during the year is as follows:

	2017 $	2016 $
Post-retirement obligations - April 1	173,500	185,700
Pension expense for the year		
Current service cost	7,000	7,600
Actuarial gains	(8,000)	(7,600)
Interest cost	2,900	2,900
	1,900	2,900
Benefits paid	(19,900)	(15,100)
Post-retirement benefit obligations - as at March 31	155,500	173,500

The significant actuarial assumptions adopted in measuring Casey House's accrued post-retirement benefit obligations are as follows:

	2017 %	2016 %
Discount rate - Beginning of year	2.75	2.50
Discount rate - End of year	2.50	2.75
Take-up rates	100	100
Attribution period	12 years	12 years
Health-care benefit cost trend - decreasing by 0.25% per annum to an ultimate rate of 4.50%	6.25	6.50
Dental benefit cost trend	3.00	3.00

13 Economic dependence

Casey House is dependent on the LHIN for the majority of its operating funds. LHIN funding to Casey House for the year was $4,979,342 (2016 - $4,881,742) or 73% (2016 - 75%) of Casey House's total revenue. In 2017, additional one-time Post-Construction Operating Plan funding from the LHIN was recognized in the amount of $381,200.

14 Contingencies and commitments

Letters of credit

Casey House has invested in two short-term investment certificates to serve as securitization for two letters of credit in favour of the City of Toronto for costs related to the redevelopment project. The letters of credit are for $400,000 and $93,864 and secure the cost of restoration work on the heritage building and site landscaping, respectively.

Development contract

In May 2017, Casey House was issued a claim for additional amounts owing in the amount of $5,973,978 in connection with the redevelopment project (note 6). Management is in the process of evaluating the merits of the claim. As a result, no amounts have been accrued in relation to this matter.

15 Financial instruments and risk management

Financial instruments

Casey House's financial instruments consist of cash, investments, due from the Foundation, accounts and other receivables, accounts payable and accrued liabilities and mortgage payable.

Casey House's financial instruments are measured as follows:

	Measurement category
Cash	amortized cost
Investments	fair value
Accounts and other receivables	amortized cost
Accounts payable and accrued liabilities	amortized cost
Mortgage payable	amortized cost
Due from the Foundation	amortized cost

Fair value measurement

The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - market based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available that are most suitable and appropriate based

on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Investments consisting of pooled funds were measured as Level 2 financial instruments.

Risk management

Casey House is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. Casey House's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on Casey House's financial performance. Casey House is exposed to market risk with regard to its pooled fund investments, which are regularly monitored.

Market risk

Casey House is exposed to market risk through the fluctuation of financial instrument fair values due to changes in market prices. The significant market risks to which Casey House is exposed are interest rate and price risks.

- Interest rate risk

  Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Casey House has a fixed interest rate on its mortgage payable balance, and therefore, changes in market interest rates would not have an impact on Casey House's cash flow and operations.

- Price risk

  Price risk is the risk the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate because of changes in market prices. Casey House is exposed to price risk through its portfolio investments.

  As at March 31, 2017, Casey House's estimate of the effect on net assets as at March 31, 2017 due to a 5% increase or decrease in the market value of investments, with all other variables held constant, would approximately amount to an increase or decrease of $55,000. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

- Sensitivity analysis

  The sensitivity analysis included in this note should be used with caution as the changes are hypothetical and are not predictive of future performance. The above sensitivities are calculated with reference to year-end balances and will change due to fluctuations in the balances in the future. In addition, for the purpose of the sensitivity analysis, the effect of a variation in a particular assumption on the fair value of the financial instruments was calculated independently of any change in another assumption. Actual changes in one factor may contribute to changes in another factor, which may magnify or counteract the effect on the fair value of the financial instrument.

Credit risk

Casey House is exposed to credit risk in the event of non-payment by patients for non-insured services and services provided to non-resident patients. This risk is common to hospitals as they are required to provide care for patients regardless of their ability to pay for services.

As at March 31, 2017, all accounts receivable are current. None of the receivables are past due or impaired.

Liquidity risk

Liquidity risk is the risk Casey House will not be able to meet its financial obligations when they come due. Casey House manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The table below is a maturity analysis of Casey House's financial liabilities:

	Up to 6 months $	More than 6 months up to 1 year $	More than 1 year up to 5 years $	More than 5 years $	Total $
Accounts payable and accrued liabilities	29,863,357	131,881	-	-	29,995,238
Mortgage payable	16,881	17,213	508,793	-	542,887
	29,880,238	149,094	508,793	-	30,538,125

16 Restatement of prior period financial statements

During the year, management performed a review of the property and equipment accounts and determined that as part of the redevelopment project, the previous building on this site, which was demolished in 2015, should have been written off in a prior year.

Consequently, an adjustment was recorded to the previously issued financial statements to write off the building and the related unamortized deferred capital contributions. The adjustment has been accounted for on a retroactive basis with prior period restatement. As a result, property and equipment were decreased by $287,646, representing the remaining net book value of the building, and deferred contributions and grants were decreased by $23,450, representing the related unamortized deferred capital contributions, with a corresponding decrease to opening unrestricted net assets at April 1, 2015 of $264,196.