

**COMMUNITY LIVING PETERBOROUGH**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**INDEPENDENT AUDITORS' REPORT****To the Directors of Community Living Peterborough***Report on the Financial Statements*

We have audited the accompanying financial statements of Community Living Peterborough, which comprise the statement of financial position as at March 31, 2014, the statements of operations and changes in fund balances and cash flows for the year then ended March 31, 2014, 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 controls as management determines are 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 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of Community Living Peterborough as at March 31, 2014 and the results of its operations and cash flows for the year then ended March 31, 2014 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants  
Peterborough, Ontario  
June 2, 2014

# **COMMUNITY LIVING PETERBOROUGH**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2014**

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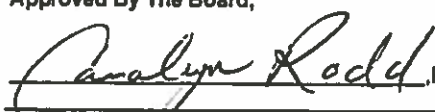
# COMMUNITY LIVING PETERBOROUGH

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2014

	Operating Fund 2014 \$	Capital Asset Fund 2014 \$	Internally Restricted Fund 2014 \$	Total 2014 \$	Restated (note 12) Total 2013 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	196,910	49,185	169,830	415,925	457,379
Accounts receivable	162,347	15,000	47,500	224,847	224,463
Prepaid expenses	123,145	-	-	123,145	42,060
Due from (to) other funds (note 5)	(73,513)	(448,926)	522,439	-	-
<b>Total current assets</b>	<b>408,889</b>	<b>(384,741)</b>	<b>739,769</b>	<b>763,917</b>	<b>723,902</b>
<b>Long term assets</b>					
Long term receivable	-	60,381	-	60,381	-
Due from (to) other funds (note 5)	-	(72,785)	72,785	-	-
<b>Total long term assets</b>		<b>(12,404)</b>	<b>72,785</b>	<b>60,381</b>	<b>-</b>
<b>Capital assets (note 3)</b>	<b>-</b>	<b>3,841,924</b>	<b>-</b>	<b>3,841,924</b>	<b>3,504,771</b>
<b>Total assets</b>	<b>408,889</b>	<b>3,444,779</b>	<b>812,554</b>	<b>4,666,222</b>	<b>4,228,673</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (note 4)	389,238	11,224	168,161	568,623	696,648
Deferred contributions (note 6)	19,513	105,493	-	125,006	84,609
Current portion of long-term debt (note 7)	-	17,853	-	17,853	12,855
<b>Total current liabilities</b>	<b>408,751</b>	<b>134,570</b>	<b>168,161</b>	<b>711,482</b>	<b>794,112</b>
<b>Long term liabilities</b>					
Deferred contributions (note 6)	-	1,576,215	-	1,576,215	1,498,354
Long term debt (note 7)	-	594,347	-	594,347	137,325
<b>Total long term liabilities</b>		<b>2,170,562</b>	<b>-</b>	<b>2,170,562</b>	<b>1,635,679</b>
<b>Total liabilities</b>	<b>408,751</b>	<b>2,305,132</b>	<b>168,161</b>	<b>2,882,044</b>	<b>2,429,791</b>
<b>Fund balances</b>					
Internally restricted	-	779,326	644,393	1,423,719	1,438,561
Externally restricted	-	360,321	-	360,321	360,321
Operating	138	-	-	138	-
<b>Total fund balances</b>	<b>138</b>	<b>1,139,647</b>	<b>644,393</b>	<b>1,784,178</b>	<b>1,798,882</b>
<b>Total liabilities and fund balances</b>	<b>408,889</b>	<b>3,444,779</b>	<b>812,554</b>	<b>4,666,222</b>	<b>4,228,673</b>

Approved By The Board,

 President

 Treasurer

The accompanying notes are an integral part of these financial statements

# COMMUNITY LIVING PETERBOROUGH

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended March 31, 2014

	Operating Fund 2014 \$	Capital Asset Fund 2014 \$	Internally Restricted Fund 2014 \$	Total 2014 \$	Restated (note 12) Total 2013 \$
<b>Revenue</b>					
Province of Ontario subsidies	6,364,743	-	-	6,364,743	6,359,554
Rental revenue	-	323,692	22,512	346,204	352,451
General donations	-	-	104,349	104,349	77,243
Service fees	412,046	-	9,809	421,855	388,819
Program revenue	689,292	-	778,214	1,467,506	1,402,282
Amortization of deferred contributions	-	83,655	-	83,655	58,790
<b>Total revenue</b>	<b>7,466,081</b>	<b>407,347</b>	<b>914,884</b>	<b>8,788,312</b>	<b>8,639,139</b>
<b>Expenses</b>					
Salaries and benefits	6,124,629	38,360	129,207	6,292,196	6,160,885
Travel and training	99,380	-	3,788	103,168	115,321
Client services	683,734	-	668,537	1,352,271	1,186,724
Building occupancy	296,835	180,937	49,489	527,261	538,170
General and administration	261,365	-	127,131	388,496	314,627
Amortization of capital assets	-	139,624	-	139,624	147,090
<b>Total expenses</b>	<b>7,465,943</b>	<b>358,921</b>	<b>978,152</b>	<b>8,803,016</b>	<b>8,462,817</b>
<b>Excess (Deficiency) of Revenue over Expenses for the Year</b>	<b>138</b>	<b>48,426</b>	<b>(63,268)</b>	<b>(14,704)</b>	<b>176,322</b>
<b>Fund balances, beginning of year before prior period adjustment</b>	<b>-</b>	<b>965,932</b>	<b>832,950</b>	<b>1,798,882</b>	<b>1,548,127</b>
<b>Prior period adjustment (note 12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,433</b>
<b>Interfund transfers</b>	<b>-</b>	<b>125,289</b>	<b>(125,289)</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - End Of Year</b>	<b>138</b>	<b>1,139,647</b>	<b>644,393</b>	<b>1,784,178</b>	<b>1,798,882</b>

The accompanying notes are an integral part of these financial statements

# COMMUNITY LIVING PETERBOROUGH

## STATEMENT OF CASH FLOWS For the Year Ended March 31, 2014

	2014	2013
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess (Deficiency) of revenue over expenses for the Year	(14,704)	176,322
Amortization of capital assets	139,624	147,090
Amortization of deferred contributions	(83,655)	(58,790)
Changes in non-cash working capital items		
Increase in prepaid expenses (and deposits)	(81,085)	(6,557)
Increase in long term receivable	(60,381)	-
(Increase) decrease in accounts receivable	(384)	(16,786)
Increase (decrease) in accounts payable and accrued liabilities	(128,025)	168,234
Increase (decrease) in deferred contributions - operating	11,913	(2,065)
<b>Net increase (decrease) in cash from operating activities</b>	<b>(216,697)</b>	<b>407,448</b>
<b>Investing activities</b>		
Acquisition of capital assets	(476,777)	(1,411,870)
Addition to deferred contributions	190,000	833,000
<b>Net decrease in cash from investing activities</b>	<b>(286,777)</b>	<b>(578,870)</b>
<b>Financing activities</b>		
Repayment of mortgages payable	(29,066)	(3,889)
Repayment of loans payable	(8,914)	(17,919)
Proceeds of mortgage	500,000	-
<b>Net increase (decrease) in cash from financing activities</b>	<b>462,020</b>	<b>(21,808)</b>
<b>Decrease in cash</b>	<b>(41,454)</b>	<b>(193,230)</b>
<b>Cash - beginning of year</b>	<b>457,379</b>	<b>650,609</b>
<b>Cash - end of year</b>	<b>415,925</b>	<b>457,379</b>

The accompanying notes are an integral part of these financial statements

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 1. NATURE OF OPERATIONS

Community Living Peterborough ("the organization") is a not-for-profit organization that was incorporated on January 1, 1967, without share capital, to provide support and services which promote the personal growth, community participation of people with intellectual disabilities and their families.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

#### (a) *Recognition of Revenues and Expenses*

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The organization uses the deferral method of accounting. Restricted contributions are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable.

#### (b) *Fund accounting*

- (i) Operating fund - includes results of day-to-day operating transactions and all unrestricted contributions; and
- (ii) Capital asset fund - includes the organization's assets, liabilities, revenue and expenditures related to the capital assets; and
- (iii) Internally restricted fund - includes revenues and expenses related to funds internally restricted by the Board for various projects.

#### (c) *Capital Assets*

Capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over the expected useful life of the asset, as follows:

Buildings	25 years
Furniture and equipment	10 years
Computer equipment	5 years
Vehicles	5 years

Capital assets categorized as assets under construction are not amortized until they are put into service.

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Income taxes*

The organization qualifies as a not-for-profit organization which is exempt from income taxes under the Income Tax Act.

(e) *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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts payable and accrued liabilities and useful lives of capital assets, revenue recognition and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(f) *Financial Instruments*

(i) *Measurement*

The organization initially measures its financial assets and financial liabilities at fair value adjusted by the amount of transaction costs directly attributable to the instrument. The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for those instruments that are quoted in an active market. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

(ii) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

(g) *Government financial assistance*

The various programs are eligible for operating subsidies from the Ontario Ministry of Community and Social Services. The Ministry will pay the organization for admissible expenditures incurred up to the funding contracts. While the revenue from these funding contracts is recorded in the current year, the reimbursement of these amounts is ultimately dependent upon their acceptance by the Ministry of Community and Social Services.

(h) *Expense allocations*

The organization engages in several client support services and programs. The costs of each program include the costs of personnel, marketing, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and its programs.

The organization allocates its general, overhead and marketing expenses by identifying the portion of support, each contract or program funding source has permitted, which is generally as a percentage of funding up to 10%.



# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### 3. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated	Net Book Value	
	\$	Amortization	2014	2013
	\$	\$	\$	\$
Land	739,479	-	739,479	591,684
Buildings	3,840,150	980,108	2,860,042	1,277,654
Automotive	51,471	35,969	15,502	25,796
Furniture and fixtures	248,863	222,624	26,239	27,922
Computer equipment	213,788	183,766	30,022	1,894
Construction in progress	170,640	-	170,640	1,579,821
	5,264,391	1,422,467	3,841,924	3,504,771

### 4. ACCOUNTS PAYABLE

Accounts payable consists of the following:

	2014	2013
	\$	\$
Accounts payable and accrued liabilities	288,130	429,212
Government remittances	39,631	22,628
Accrued vacation	168,161	154,763
Funded leave liability	72,701	90,045
	568,623	696,648

### 5. DUE FROM (TO) OTHER FUNDS

As required, the organization provides transfers between funds throughout the year. In addition, the organization has provided a loan from the internally restricted Financial Stability Fund, to the Capital Fund. Details of the loan are as follows:

	2014	2013
	\$	\$
Loan, due February 15, 2015, blended monthly principal and interest payments of \$3,276 with an interest rate of 4.5% per annum.	106,767	141,827
Less current portion due within one year	(33,982)	(33,132)
	72,785	108,695

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### 6. DEFERRED CONTRIBUTIONS

Deferred contributions in the operating fund related to restricted operating funding received in the current period for expenditures related to subsequent periods.

Community Living Peterborough has received grants from the Ministry of Community and Social Services for the purpose of establishing, operating and maintaining various premises both fully or proportionately including Auburn Street, Romaine Street, Parkhill Road, Barnardo Street, Cumberland Avenue and Ackerman Crescent.

The organization, by the agreement, will not change the site, structure or use of, or sell, agree to sell, lease, mortgage, encumber, donate or otherwise dispose of all or any part of the premises, or use the premises for other than accommodating the program, without prior approval. The Ministry of Community and Social Services can, at its sole discretion and at any time, direct the organization to transfer the property or sell the property. The organization will ensure that the net proceeds of the sale of the premises are distributed in accordance with the agreements between the parties.

The amounts funded for the buildings are amortized to revenue at the same rate as the buildings are amortized to income.

During the year, the organization received \$190,000 from the Municipality of the City of Peterborough on behalf of the Ministry of Municipal Affairs and Housing Ontario. The acceptance of these funds binds the organization to a 20 year affordable housing agreement related to the 732/736 Jane Street properties.

	2014	Restated (note 12) 2013
	\$	\$
Operating	19,513	7,600
Capital (current)	105,493	77,009
Capital (long term)	1,576,215	1,498,354
	1,681,708	1,575,363
	1,701,221	1,582,963

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### 7. LONG TERM DEBT

Long term debt consists of the following:

	2014 \$	2013 \$
Mortgage payable, 3.87%, payable in weekly principal and interest instalments of \$180, due November 2015 with a fixed rate for a five year term of 3.87%, secured by the property.	121,769	141,266
Mortgage payable, 3.48%, payable in monthly principal and interest instalments of \$2,498, due May 2018, secured by the property.	490,431	-
Vehicle loan payable in monthly payments of \$742 with an interest rate of 0%, due September 2013, secured by the vehicle.	-	4,462
Vehicle loan payable in monthly payments of \$743 with an interest rate of 0%, due September 2013, secured by the vehicle.	-	4,452
	612,200	150,180
<u>Less current portion due within one year</u>	<u>(17,853)</u>	<u>(12,855)</u>
	<u>594,347</u>	<u>137,325</u>

The principal payments due in each of the next five years, based on the current repayment terms, are as follows:

	Principal \$
2015	17,853
2016	18,015
2017	18,301
2018	18,596
2019 and thereafter	539,435
	<u>612,200</u>

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### 8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The mortgages payable (Note 7) are subject to interest rate price risk as their value will fluctuate with changes in the interest rate.

(ii) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization has limited exposure to credit risk as tenant receivables are rare and all other receivables are due from municipal and federal levels of government.

### 9. ECONOMIC DEPENDENCE

The organization's major source of revenue is in the form of subsidies from the Ontario Ministry of Community and Social Services. The nature and extent of this revenue is of such significance as to affect the viability of the organization and, accordingly, it can be said that the organization is economically dependent upon the Ontario government.

### 10. ALLOCATION OF EXPENSES

Central administration expenses have been allocated to the various programs as follows:

	2014	2013
	\$	\$
Children Other	50,338	46,812
Associate Living	34,819	33,195
Adult Individual Living	133,032	122,336
Adult Community Access	121,528	111,116
Adult Residential	248,082	256,007
	587,799	569,466

### 11. PRIOR PERIOD ADJUSTMENT

The comparative figures have been retroactively restated as the organization has determined that deferred contributions related to capital funding were overstated for the fiscal years 2011 to 2013. As a result, at March 31, 2012 the deferred contributions were decreased by \$74,433 and the capital fund internally restricted balance was increased by the same amount. For 2013, the deferred contributions were decreased by \$1,003 and amortization of deferred contributions were increased by the same amount.

# COMMUNITY LIVING PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

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### 12. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

### 13. CREDIT FACILITIES

In addition to the long term debt described in Note 7, the organization's credit facilities include a \$200,000 revolving demand facility bearing interest at the bank's prime rate. The balance outstanding on this facility at March 31, 2014 was \$Nil (2013 - \$Nil).

These facilities are subject to specific provisions and covenants under the banking agreement and secured by a general security agreement and specific first charges on specific properties.