

***COMMUNITY LIVING PETERBOROUGH***

**FINANCIAL STATEMENTS**

**AT MARCH 31, 2011**

***COMMUNITY LIVING PETERBOROUGH***  
**FINANCIAL STATEMENTS**  
**AT MARCH 31, 2011**

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**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, 2011 and the statements of operations and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles, 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.

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Living Peterborough as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
May 30, 2011

# COMMUNITY LIVING PETERBOROUGH

## STATEMENT OF FINANCIAL POSITION At March 31, 2011

	Operating Fund \$	Capital Asset Fund \$ (schedule 1)	Internally Restricted Funds \$ (note 11)	2011 Total \$	2010 Total \$
<b>ASSETS</b>					
<b>Current</b>					
Cash	429,338	146,135	89,254	664,727	319,485
Accounts receivable	108,694	-	-	108,694	193,143
Prepaid expenses	22,459	-	-	22,459	46,033
Due from/(to) other funds	(266,864)	(226,549)	493,413	-	-
	293,627	(80,414)	582,667	795,880	558,661
<b>Long Term</b>					
Due from/(to) other funds (note 5)	-	(177,155)	177,155	-	-
<b>Capital Assets (note 3)</b>					
	-	2,236,215	-	2,236,215	1,889,208
<b>TOTAL ASSETS</b>	293,627	1,978,646	759,822	3,032,095	2,447,869
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued (note 4)	288,413	13,590	163,141	465,144	366,400
Deferred contributions (note 6)	5,592	92,698	-	98,290	21,004
Current portion of long term debt (note 7)	-	21,503	-	21,503	-
<b>Total Current Liabilities</b>	294,005	127,791	163,141	584,937	387,404
<b>Long Term Liabilities</b>					
Deferred contributions (note 6)	-	843,913	-	843,913	747,150
Long term debt (note 7)	-	171,874	-	171,874	-
	-	1,015,787	-	1,015,787	747,150
<b>Fund Balances</b>					
Internally restricted	(378)	188,861	596,681	785,164	789,269
Externally restricted	-	646,207	-	646,207	524,046
	(378)	835,068	596,681	1,431,371	1,313,315
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	293,627	1,978,646	759,822	3,032,095	2,447,869

Approved By The Board,

 , President

 , Treasurer

The accompanying notes are an integral part of this financial statement.

**COMMUNITY LIVING PETERBOROUGH****STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
For The Year Ended March 31, 2011**

	Operating Fund \$	Capital Asset Fund \$ (schedule 1)	Internally Restricted Funds \$ (note 11)	2011 Total \$	2010 Total \$
<b>Revenue</b>					
Province of Ontario subsidies	5,882,135	-	-	5,882,135	5,688,447
Service fees	363,034	-	-	363,034	353,281
Other program revenue	784,032	3,397	755,919	1,543,348	1,447,391
Amortization of deferred contributions	-	56,668	-	56,668	83,414
Rental revenue	-	318,768	-	318,768	304,898
Gain on sale of capital assets	-	1,807	-	1,807	-
<b>Total Revenue</b>	<b>7,029,201</b>	<b>380,640</b>	<b>755,919</b>	<b>8,165,760</b>	<b>7,877,431</b>
<b>Expenses</b>					
Salaries and benefits	5,522,290	22,534	58,294	5,603,118	5,570,936
Travel and training	107,206	-	7,968	115,174	111,239
Client services	790,653	-	562,339	1,352,992	1,264,843
Building occupancy	296,296	162,898	9,596	468,790	461,996
General and administration	313,154	-	88,001	401,155	374,789
Amortization of capital assets	-	106,475	-	106,475	104,226
<b>Total Expenses</b>	<b>7,029,599</b>	<b>291,907</b>	<b>726,198</b>	<b>8,047,704</b>	<b>7,888,029</b>
<b>Excess (Deficiency) Of Revenue Over Expenses For The Year</b>	<b>(398)</b>	<b>88,733</b>	<b>29,721</b>	<b>118,056</b>	<b>(10,598)</b>
<b>Fund Balances, beginning of year</b>	<b>20</b>	<b>746,335</b>	<b>566,960</b>	<b>1,313,315</b>	<b>1,323,913</b>
<b>Fund Balances, end of year</b>	<b>(378)</b>	<b>835,068</b>	<b>596,681</b>	<b>1,431,371</b>	<b>1,313,315</b>

The accompanying notes are an integral part of this financial statement.

**COMMUNITY LIVING PETERBOROUGH**

**STATEMENT OF CASH FLOWS  
For The Year Ended March 31, 2011**

	2011 \$	2010 \$
<b>Cash From Operating Activities</b>		
Excess (deficiency) of revenue over expenses	118,056	(10,598)
Add: Amortization of capital assets	106,475	104,226
Less: Amortization of deferred contributions	(56,668)	(83,414)
Gain on sale of capital assets	(1,807)	-
	166,056	10,214
Changes in non-cash working capital balances (note 8)	205,387	(256,122)
	371,443	(245,908)
<b>Financing Activities</b>		
Proceeds of mortgage payable	150,000	-
Repayment of mortgage payable	(1,164)	-
Proceeds of loans payable	53,455	-
Repayment of loans payable	(8,914)	-
	193,377	-
<b>Investing Activities</b>		
Acquisition of capital assets	(509,386)	(211,981)
Proceeds on disposal of capital assets	201,808	-
Addition to deferred contributions	88,000	-
	(219,578)	(211,981)
<b>Increase (Decrease) In Cash</b>	345,242	(457,889)
<b>Cash, Beginning Of Year</b>	319,485	777,374
<b>Cash, End Of Year</b>	664,727	319,485

The accompanying notes are an integral part of this financial statement.

## **COMMUNITY LIVING PETERBOROUGH**

### **NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011**

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#### **NOTE 1: PURPOSE OF ORGANIZATION**

Community Living Peterborough 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 and community participation of people with developmental challenges and their families.

#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

##### **Fund Accounting**

Community Living Peterborough uses the deferral method of accounting and reports on a fund accounting basis. The funds maintained are as follows:

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

##### **Recognition of Revenue and Expenditures**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

Expenses are recognized as they are incurred and measurable as a receipt of goods or services and the creation of a legal obligation to pay.

##### **Capital Assets**

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	- 25 years straight-line basis
Furniture and equipment	- 10 years straight-line basis
Computer equipment	- 5 years straight-line basis
Vehicles	- 5 years straight-line basis

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

## **COMMUNITY LIVING PETERBOROUGH**

### **NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011**

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#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

##### **Management Estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting 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, 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.

##### **Income Taxes**

The organization qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to federal and provincial income taxes.

##### **Financial Instruments**

The organization utilizes various financial instruments that are separated into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:

**Held-for-trading:** This category is comprised of cash which is carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

**Loans and receivables:** These assets are non-derivative financial assets resulting from service delivery and HST rebates. They are initially recognized at cost which approximates fair value, and subsequently adjusted for any provision for impairment.

**Other financial liabilities:** This category includes financial liabilities other than those classified as held-for-trading and comprises trade payables and accrued liabilities and long term debt. These liabilities are initially recognized at fair value and subsequently recovered at amortized cost using the effective interest rate method.

##### **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.



## COMMUNITY LIVING PETERBOROUGH

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### Allocation of Expenses

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%.

#### NOTE 3: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2011 \$	2010 \$
Land	591,684	-	591,684	543,388
Buildings	2,006,683	665,714	1,340,969	1,109,856
Vehicles	51,471	5,087	46,384	-
Furniture and equipment	231,435	201,097	30,338	38,417
Computer equipment	174,099	145,822	28,277	41,463
Construction in progress (Jane Street)	198,563	-	198,563	156,084
	3,253,935	1,017,720	2,236,215	1,889,208

#### NOTE 4: ACCOUNTS PAYABLE AND ACCRUED

Accounts payable and accrued liabilities consist of:

	2011 \$	2010 \$
Accounts payable and accrued liabilities	243,191	85,356
Accrued payroll	20,295	62,508
Accrued vacation	163,141	189,365
Funded leave liability	38,158	21,583
Due to Ministry of Community and Social Services – prior year adjustment	-	5,816
Due to Ministry of Community and Social Services – current year	359	1,772
	465,144	366,400

## COMMUNITY LIVING PETERBOROUGH

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011

#### NOTE 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:

	2011 \$	2010 \$
During the year, the loan was set for a three year term due February 15, 2012 at a rate of 4.15% and subject to annual review by the Board of Directors.		
Balance, beginning of the year	205,575	235,162
Less current portion due within one year	28,420	29,587
Long term portion	177,155	205,575

#### NOTE 6: DEFERRED CONTRIBUTIONS

	2011 \$	2010 \$
Operating		
Intake Resource Team	1,550	1,550
Other	4,042	5,779
	5,592	7,329
Capital (current)	92,698	13,675
Capital (long term)	843,913	747,150
	942,203	768,154

## COMMUNITY LIVING PETERBOROUGH

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011

#### NOTE 7: LONG TERM DEBT

Long term debt consists of the following:

	\$
Vehicle loan payable in monthly payments of \$742 with an interest rate of 0%, due June 2014, secured by the vehicle.	22,245
Vehicle loan payable in monthly payments of \$743 with an interest rate of 0%, due June 2014, secured by the vehicle.	22,296
Mortgage payable in weekly instalments of \$180, due in 2035 with a fixed rate for a five year term of 3.87%, secured by the property.	148,836
	193,377
Less current portion due within one year	21,503
	171,874

Principal repayments due in each of the next five years, based on the current terms, are approximately as follow:

	\$
2012	21,503
2013	21,648
2014	12,856
2015	4,127
2016	4,290
Thereafter	128,953
	193,377

## COMMUNITY LIVING PETERBOROUGH

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011

#### NOTE 8: CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	2011 \$	2010 \$
Decrease (increase) in accounts receivable	84,449	(102,580)
Decrease (increase) in prepaid expenses	23,574	(21,897)
Increase (decrease) in accounts payable and accrued	98,744	(92,752)
Increase (decrease) in deferred contributions	(1,380)	(38,893)
	205,387	(256,122)

#### NOTE 9: FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their short term nature. The carrying amount of the long term debt approximates the fair value as the interest rates are consistent with market rates offered to the organization for debt with similar terms.

(a) 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 mortgage payable and loans payable (Note 7) are subject to interest rate price risk as their value will fluctuate with changes in the interest rate.

(b) 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.

#### NOTE 10: 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.

## COMMUNITY LIVING PETERBOROUGH

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2011

#### NOTE 11: INTERNALLY RESTRICTED FUNDS

	2011 \$	2010 \$
Financial Stability Reserve	161,105	162,993
Community Development	10,757	5,138
Community Capacity	71,636	26,071
Family Capacity	43,810	23,543
Individual Capacity	131,654	180,499
Supportive Housing	39,676	14,399
Partners	130,132	145,163
Wish	5,802	9,154
Heritage	1,324	-
Staff capacity	785	-
	596,681	566,960

#### NOTE 12: 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, Ackerman Crescent and Aylmer Street.

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 Corporation 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.

**COMMUNITY LIVING PETERBOROUGH****NOTES TO THE FINANCIAL STATEMENTS****For The Year Ended March 31, 2011****NOTE 13: CAPITAL DISCLOSURE**

The organization considers its capital to be the balance retained in the fund balance, which is generally the difference between its assets and liabilities as reported on its Statement of Financial Position. The organization receives funds from grants, donations, fundraising and fees for service.

The organization's objectives when managing capital are to safeguard the organization's ability to continue as a going concern, so that it can continue to carry out its objectives.

Management maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors based on known or estimated sources of funding available each year to ensure that the capital of the organization is maintained.

**NOTE 14: ALLOCATION OF EXPENSES**

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

	2011 \$	2010 \$
Children Other	54,329	52,594
Associate Living	52,929	52,567
Adult Individual Living	115,953	114,875
Adult Community Access	130,016	128,808
Adult Residential	229,492	217,874
	<b>582,719</b>	<b>566,618</b>

**COMMUNITY LIVING PETERBOROUGH****Schedule 1****CAPITAL ASSET FUND  
For The Year Ended March 31, 2011**

The capital asset fund consists of two funds which have been combined for financial statement presentation purposes. The breakdown of these two funds are as follows:

	General Capital Asset Fund \$	Aylmer Street Fund \$	Total \$
<b>Revenue</b>			
Other program revenue	-	3,397	3,397
Amortization of deferred contributions	46,411	10,257	56,668
Rental revenue	-	318,768	318,768
Gain on sale of capital assets	1,807	-	1,807
	48,218	332,422	380,640
<b>Expenditure</b>			
Salaries and benefits	-	22,534	22,534
Building occupancy	-	162,898	162,898
Amortization of capital assets	81,646	24,829	106,475
	81,646	210,261	291,907
<b>Excess (Deficiency) Of Revenue Over Expenditure For The Year</b>	<b>(33,428)</b>	<b>122,161</b>	<b>88,733</b>
<b>Fund Balances, beginning of year</b>	<b>222,289</b>	<b>524,046</b>	<b>746,335</b>
<b>Fund Balances, end of year</b>	<b>188,861</b>	<b>646,207</b>	<b>835,068</b>