

COMMUNITY LIVING PETERBOROUGH

FINANCIAL STATEMENTS

AT MARCH 31, 2012

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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, 2012 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 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, the financial statements present fairly, in all material respects, the financial position of Community Living Peterborough as at March 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

Collins Barrow Kawartha LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 28, 2012

COMMUNITY LIVING PETERBOROUGH

STATEMENT OF FINANCIAL POSITION

At March 31, 2012

	Operating Fund \$	Capital Asset Fund \$	Internally Restricted Funds \$ (note 11)	2012 Total \$	2011 Total \$
ASSETS					
Current					
Cash	339,025	177,996	133,588	650,609	664,727
Accounts receivable	207,677	-	-	207,677	108,694
Prepaid expenses	35,503	-	-	35,503	22,459
Due from/(to) other funds	(207,663)	(350,029)	557,892	-	-
	374,542	(172,033)	681,280	893,789	795,880
Long Term					
Due from/(to) other funds (note 5)	-	(141,516)	141,516	-	-
Capital Assets (note 3)					
	-	2,239,991	-	2,239,991	2,236,215
TOTAL ASSETS	374,542	1,949,442	832,796	3,133,780	3,032,095
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable and accrued (note 4)	365,642	13,122	149,650	528,414	465,144
Deferred contributions (note 6)	9,665	62,000	-	71,665	98,290
Current portion of long term debt (note 7)	-	21,648	-	21,648	21,503
Total Current Liabilities	375,307	96,770	149,650	621,727	584,937
Long Term Liabilities					
Deferred contributions (note 6)	-	813,586	-	813,586	843,913
Long term debt (note 7)	-	150,340	-	150,340	171,874
	-	963,926	-	963,926	1,015,787
Fund Balances					
Internally restricted	(765)	572,522	683,146	1,254,903	1,138,147
Externally restricted	-	293,224	-	293,224	293,224
	(765)	865,746	683,146	1,548,127	1,431,371
TOTAL LIABILITIES AND FUND BALANCES	374,542	1,949,442	832,796	3,133,780	3,032,095

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, 2012**

	Operating Fund \$	Capital Asset Fund \$	Internally Restricted Funds \$ (note 11)	2012 Total \$	2011 Total \$
Revenue					
Province of Ontario subsidies	5,872,745	-	-	5,849,745	5,882,135
Service fees	363,022	-	-	363,022	363,034
Other program revenue	661,999	1,540	809,814	1,473,353	1,543,348
Amortization of deferred contributions	-	61,026	-	61,026	56,668
Rental revenue	-	324,287	16,884	341,171	318,768
Gain on sale of capital assets	-	-	-	-	1,807
Total Revenue	6,897,766	386,853	826,698	8,088,317	8,165,760
Expenses					
Salaries and benefits	5,580,086	47,218	66,770	5,694,074	5,603,118
Travel and training	82,707	-	12,300	95,007	115,174
Client services	730,501	-	530,035	1,260,536	1,374,622
Building occupancy	287,289	190,925	40,214	518,428	468,790
General and administration	217,570	-	90,914	308,484	379,525
Amortization of capital assets	-	118,032	-	118,032	106,475
Total Expenses	6,898,153	356,175	740,233	7,994,561	8,047,704
Excess (Deficiency) Of Revenue Over Expenses For The Year	(387)	30,678	86,465	116,756	118,056
Fund Balances, beginning of year	(378)	835,068	596,681	1,431,371	1,313,315
Fund Balances, end of year	(765)	865,746	683,146	1,548,127	1,531,154

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

COMMUNITY LIVING PETERBOROUGH**STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2012**

	2012 \$	2011 \$
Cash From Operating Activities		
Excess of revenue over expenses	116,756	118,056
Add: Amortization of capital assets	118,032	106,475
Less: Amortization of deferred contributions	(61,026)	(56,668)
Gain on sale of capital assets	-	(1,807)
	173,762	166,056
Changes in non-cash working capital balances (note 8)	(75,382)	205,387
	98,380	371,443
Financing Activities		
Proceeds of mortgage payable	-	150,000
Repayment of mortgage payable	(3,561)	(1,164)
Proceeds of loans payable	-	53,455
Repayment of loans payable	(17,828)	(8,914)
	(21,389)	193,377
Investing Activities		
Acquisition of capital assets	(121,808)	(509,386)
Proceeds on disposal of capital assets	-	201,808
Addition to deferred contributions	30,699	88,000
	(91,109)	(219,578)
Increase (Decrease) In Cash	(14,118)	345,242
Cash, Beginning Of Year	664,727	319,485
Cash, End Of Year	650,609	664,727

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, 2012

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 intellectual disabilities 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 funds 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, 2012

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, 2012

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

	-----2012-----		-----2011-----	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Land	591,684	-	591,684	-
Buildings	2,110,108	748,050	2,006,683	665,714
Vehicles	51,471	15,381	51,471	5,087
Furniture and equipment	244,745	213,518	231,435	201,097
Computer equipment	179,172	158,803	174,099	145,822
Construction in progress (Jane Street)	198,563	-	198,563	-
	3,375,743	1,135,752	3,253,935	1,017,720
Net Book Value		2,239,991		2,236,215

NOTE 4: ACCOUNTS PAYABLE AND ACCRUED

Accounts payable and accrued liabilities consist of:

	2012 \$	2011 \$
Accounts payable and accrued liabilities	278,344	243,191
Accrued payroll	19,288	20,295
Accrued vacation	149,650	163,141
Funded leave liability	67,669	38,158
Due to Ministry of Community and Social Services - current year	13,463	359
	528,414	465,144

COMMUNITY LIVING PETERBOROUGH**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2012****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:

	2012 \$	2011 \$
Loan, due February 15, 2015, blended monthly principal and interest payments of \$3,276 with an Interest rate of 4.5% per annum.	177,155	205,575
Less current portion due within one year	35,639	28,420
Long term portion	141,516	177,155

NOTE 6: DEFERRED CONTRIBUTIONS

	2012 \$	2011 \$
Operating		
Intake Resource Team	-	1,550
Other	9,665	4,042
	9,665	5,592
Capital (current)	62,000	92,698
Capital (long term)	813,586	843,913
	885,251	942,203

COMMUNITY LIVING PETERBOROUGH**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2012****NOTE 7: LONG TERM DEBT**

Long term debt consists of the following:

	2012 \$	2011 \$
Vehicle loan payable in monthly payments of \$742 with an interest rate of 0%, due June 2014, secured by the vehicle.	13,341	22,245
Vehicle loan payable in monthly payments of \$743 with an interest rate of 0%, due June 2014, secured by the vehicle.	13,492	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.	145,155	148,836
	171,988	193,377
Less current portion due within one year	21,648	21,503
	150,340	171,874
Principal repayments due in each of the next five years are approximately as follow:		
	\$	
2013	21,648	
2014	12,975	
2015	137,365	
	171,988	

COMMUNITY LIVING PETERBOROUGH

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2012**

NOTE 8: CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	2012	2011
	\$	\$
Decrease (increase) in accounts receivable	(98,983)	84,449
Decrease (increase) in prepaid expenses	(13,044)	23,574
Increase (decrease) in accounts payable and accrued	63,270	98,744
Increase (decrease) in deferred contributions	(26,625)	(1,380)
	(75,382)	205,387

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, 2012****NOTE 11: INTERNALLY RESTRICTED FUNDS**

	2012 \$	2011 \$
Financial Stability Reserve	212,126	161,105
Community Development	12,617	10,757
Community Capacity	8,920	71,636
Family Capacity	38,066	43,810
Individual Capacity	184,764	131,654
Supportive Housing	59,268	39,676
Partners	157,979	130,132
Wish	6,352	5,802
Heritage	2,169	1,324
Staff capacity	885	785
	683,146	596,681

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, 2012****NOTE 13: CAPITAL DISCLOSURE**

The organization considers its capital to be the balance retained in the fund balances, 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:

	2012	2011
	\$	\$
Children Other	48,504	54,329
Associate Living	47,878	52,929
Adult Individual Living	130,797	115,953
Adult Community Access	115,413	130,016
Adult Residential	214,936	229,492
	557,528	582,719