

COMMUNITY LIVING PETERBOROUGH

FINANCIAL STATEMENTS

**AT MARCH 31, 2013, MARCH 31, 2012
AND APRIL 1, 2011**

COMMUNITY LIVING PETERBOROUGH

FINANCIAL STATEMENTS

**AT MARCH 31, 2013, MARCH 31, 2012
AND APRIL 1, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Directors of Community Living Peterborough

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We have audited the accompanying financial statements Community Living Peterborough which comprise the statement of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statement of operations, statement of changes in fund balances and statement of cash flows for the years ended March 31, 2013 and March 31, 2012, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the organization'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 in our audit 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, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
May 27, 2013

COMMUNITY LIVING PETERBOROUGH

STATEMENT OF FINANCIAL POSITION At March 31, 2013, March 31, 2012 And April 1, 2011

	Operating Fund \$	Capital Asset Fund \$	Internally Restricted Funds \$	2013 Total \$	2012 Total \$	April 1, 2011 Total \$
ASSETS						
Current						
Cash	65,900	223,093	168,386	457,379	650,609	664,727
Accounts receivable	224,463	-	-	224,463	207,677	108,694
Prepaid expenses	42,060	-	-	42,060	35,503	22,459
Due from/(to) other funds	83,592	(794,534)	710,942	-	-	-
	416,015	(571,441)	879,328	723,902	893,789	795,880
Long Term						
Due from/(to) other funds (note 6)	-	(108,384)	108,384	-	-	-
Capital Assets (note 4)	-	3,504,771	-	3,504,771	2,239,991	2,236,215
TOTAL ASSETS	416,015	2,824,946	987,712	4,228,673	3,133,780	3,032,095
LIABILITIES AND FUND BALANCES						
Current Liabilities						
Accounts payable and accrued liabilities (note 5)	408,415	133,471	154,762	696,648	528,414	465,144
Deferred contributions (note 7)	7,600	77,009	-	84,609	71,665	98,290
Current portion of long term debt (note 8)	-	12,855	-	12,855	21,648	21,503
Total Current Liabilities	416,015	223,335	154,762	794,112	621,727	584,937
Long Term Liabilities						
Deferred contributions (note 7)	-	1,573,790	-	1,573,790	813,586	843,913
Long term debt (note 8)	-	137,325	-	137,325	150,340	171,874
	-	1,711,115	-	1,711,115	963,926	1,015,787
Fund Balances						
Internally restricted (note 12)	-	530,175	832,950	1,363,125	1,254,903	1,138,147
Externally restricted	-	360,321	-	360,321	293,224	293,224
	-	890,496	832,950	1,723,446	1,548,127	1,431,371
TOTAL LIABILITIES AND FUND BALANCES	416,015	2,824,946	987,712	4,228,673	3,133,780	3,032,095

Approved By The Board,

 Carol Rodd, President

 Wayne Eastbrook, Treasurer

 Collins Barrow

Chartered Accountants

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, 2013 And March 31, 2012

	Operating Fund \$ (note 11)	Capital Asset Fund \$	Internally Restricted Funds \$	2013 Total \$	2012 Total \$
Revenue					
Province of Ontario subsidies	6,359,554	-	-	6,359,554	5,872,745
Service fees	388,819	-	-	388,819	363,022
Other program revenue	605,491	2,022	837,862	1,445,375	1,473,353
General donations	-	-	34,149	34,149	-
Amortization of deferred contributions	-	57,787	-	57,787	61,026
Rental revenue	-	329,939	22,512	352,451	341,171
Gain on sale of capital assets	-	-	-	-	-
Total Revenue	7,353,864	389,748	894,523	8,638,135	8,111,317
Expenses					
Salaries and benefits	6,085,220	34,210	41,455	6,160,885	5,694,074
Travel and training	111,968	-	3,352	115,320	95,007
Client services	627,152	-	559,572	1,186,724	1,260,536
Building occupancy	323,956	183,698	30,516	538,170	518,428
General and administration	205,568	-	109,059	314,627	308,484
Amortization of capital assets	-	147,090	-	147,090	118,032
Total Expenses	7,353,864	364,998	743,954	8,462,816	7,994,561
Excess (Deficiency) Of Revenue Over Expenses For The Year	-	24,750	150,569	175,319	116,756
Fund Balances, beginning of year	(765)	865,746	683,146	1,548,127	1,431,371
Interfund Transfer	765	-	(765)	-	-
Fund Balances, end of year	-	890,496	832,950	1,723,446	1,548,127

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

COMMUNITY LIVING PETERBOROUGH

STATEMENT OF CASH FLOWS

For The Years Ended March 31, 2013 And March 31, 2012

	2013 \$	2012 \$
Cash From Operating Activities		
Excess of revenue over expenses	175,319	116,756
Add: Amortization of capital assets	147,090	118,032
Less: Amortization of deferred contributions	(57,787)	(61,026)
	264,622	173,762
Changes in non-cash working capital balances (note 9)	142,826	(75,382)
	407,448	98,380
Financing Activities		
Repayment of mortgage payable	(3,889)	(3,561)
Repayment of loans payable	(17,919)	(17,828)
	(21,808)	(21,389)
Investing Activities		
Acquisition of capital assets	(1,411,870)	(121,808)
Addition to deferred contributions	833,000	30,699
	(578,870)	(91,109)
Increase (Decrease) In Cash	(193,230)	(14,118)
Cash, Beginning Of Year	650,609	664,727
Cash, End Of Year	457,379	650,609

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

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For The Years Ended March 31, 2013 And 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 accounting standards for not-for-profit organizations. 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 declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives as follows:

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

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 Years Ended March 31, 2013 And March 31, 2012

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

Management Estimates

The preparation of the 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 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's financial instruments are initially measured at fair value and are subsequently measured at amortized cost, except for those instruments that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred. All others are reported at cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

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.

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%.

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For The Years Ended March 31, 2013 And March 31, 2012

NOTE 3: IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2012, the organization elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

These are the first financial statements prepared in accordance with this new framework, which has been applied retrospectively. The accounting policies have been applied in preparing the financial statements for the years ended March 31, 2013, the comparative information for the year ended March 31, 2012 and in the preparation of an opening balance sheet as at April 1, 2011, which is the organization's date of transition.

The organization previously issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by Part V of the CICA Handbook.

The adoption of ASNPO has had no impact on the previously reported assets, liabilities and fund balances of the organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of operations and statement of cash flow. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

Elective exemptions used in the transition to Canadian accounting standards for not-for-profit organizations

The rules for transition to Canadian accounting standards for not-for-profit organizations normally require that an enterprise prepare its opening statement of financial position using the standards that will be followed thereafter. However, certain elective exemptions from this rule are available. The organization elected not to use any elective exemptions when preparing the opening statement of financial position.

NOTE 4: CAPITAL ASSETS

	-----March 31, 2013-----	
	Cost \$	Accumulated Amortization \$
Land	591,684	-
Buildings	2,110,108	832,454
Vehicles	51,471	25,675
Furniture and equipment	246,022	218,100
Computer equipment	208,507	206,613
Construction in progress (Jane Street)	1,579,821	-
	4,787,613	1,282,842
Net Book Value		3,504,771

COMMUNITY LIVING PETERBOROUGH**NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended March 31, 2013 And March 31, 2012****NOTE 3: CAPITAL ASSETS – (Continued)**

	-----March 31, 2012-----	
	Cost \$	Accumulated Amortization \$
Land	591,684	-
Buildings	2,110,108	748,050
Vehicles	51,471	15,381
Furniture and equipment	244,745	213,435
Computer equipment	179,172	158,803
Construction in progress (Jane Street)	198,563	-
	3,375,743	1,135,752
Net Book Value		2,239,991
	-----April 1, 2011-----	
	Cost \$	Accumulated Amortization \$
Land	591,684	-
Buildings	2,006,683	665,714
Vehicles	51,471	5,087
Furniture and equipment	231,435	201,097
Computer equipment	174,099	145,822
Construction in progress (Jane Street)	198,563	-
	3,253,935	1,017,720
Net Book Value		2,236,215

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended March 31, 2013 And March 31, 2012

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Accounts payable and accrued liabilities	429,212	278,344	243,191
Government remittances	22,628	19,288	20,295
Accrued vacation	154,763	149,650	163,141
Funded leave liability	90,045	67,669	38,158
Due to Ministry of Community and Social Services - current year	-	13,463	359
	696,648	528,414	465,144

NOTE 6: 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:

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Loan, due February 15, 2015, blended monthly principal and interest payments of \$3,276 with an Interest rate of 4.5% per annum.	141,516	177,155	205,575
Less current portion due within one year	33,132	35,639	28,420
Long term portion	108,384	141,516	177,155

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For The Years Ended March 31, 2013 And March 31, 2012

NOTE 7: 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 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.

During the year, the organization received \$810,000 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.

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Operating	7,600	9,665	5,592
Capital (current)	77,009	62,000	92,698
Capital (long term)	1,573,790	813,586	843,913
	1,658,399	885,251	942,203

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For The Years Ended March 31, 2013 And March 31, 2012

NOTE 8: LONG TERM DEBT

Long term debt consists of the following:

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Vehicle loan payable in monthly payments of \$742 with an interest rate of 0%, due September 2014, secured by the vehicle.	4,462	13,341	22,245
Vehicle loan payable in monthly payments of \$743 with an interest rate of 0%, due September 2014, secured by the vehicle.	4,452	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.	141,266	145,155	148,836
	150,180	171,988	193,377
Less current portion due within one year	12,855	21,648	21,503
	137,325	150,340	171,874

The net book value of the secured property is \$378,626 (2012 - \$400,368, 2011 - \$422,107).

Principal repayments due in each of the next five years are approximately as follow:

	\$
2014	12,855
2015	3,971
2016	3,971
2017	3,971
thereafter	112,557
	137,325

COMMUNITY LIVING PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For The Years Ended March 31, 2013 And March 31, 2012

NOTE 9: CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	March 31, 2013 \$	March 31, 2012 \$
Decrease (increase) in accounts receivable	(16,786)	(98,98)
Decrease (increase) in prepaid expenses	(6,557)	(13,044)
Increase (decrease) in accounts payable and accrued	168,234	63,270
Increase (decrease) in deferred contributions	(2,065)	(26,625)
	142,826	(75,382)

NOTE 10: FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt.

It is management's opinion that the organization is not exposed to significant interest, currency, market or liquidity risk arising from these financial instruments.

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 8) are subject to interest rate price risk as their value will fluctuate with changes in the interest rate.

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 11: 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 Years Ended March 31, 2013 And March 31, 2012****NOTE 12: INTERNALLY RESTRICTED FUNDS**

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Financial Stability Reserve	214,828	212,126	161,105
Community Development	51,963	12,617	10,757
Community Capacity	33,385	8,920	71,636
Family Capacity	44,381	38,066	43,810
Individual Capacity	235,238	184,764	131,654
Supportive Housing	56,012	59,268	39,676
Partners	186,328	157,979	130,132
Wish	2,687	6,352	5,802
Heritage	2,169	2,169	1,324
Staff capacity	5,959	885	785
	832,950	683,146	596,681

NOTE 13: ALLOCATION OF EXPENSES

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

	2013 \$	2012 \$
Children Other	46,812	48,504
Associate Living	33,195	47,878
Adult Individual Living	122,336	130,797
Adult Community Access	111,116	115,413
Adult Residential	256,007	214,936
	569,466	557,528

COMMUNITY LIVING PETERBOROUGH**NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended March 31, 2013 And March 31, 2012**

NOTE 14: CREDIT FACILITIES

The organization's credit facility includes the following:

- 1) Revolving demand facility in the amount of \$200,000
- 2) Fixed rate term loan in the amount of \$143,011, maturing November 2015, interest 3.87% per annum
- 3) Variable based facility in the amount of \$1,653,000 maturing November 2013, interest at bank prime. Up to \$500,000 of this amount is convertible to a fixed term loan with rate to be established.

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.