

**Financial Statements**

**COMMUNITY LIVING  
GUELPH WELLINGTON**

**March 31, 2019**



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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of: Community Living Guelph Wellington

### Qualified Opinion

We have audited the accompanying financial statements of Community Living Guelph Wellington, which comprise the statement of financial position as at March 31, 2019 and the statements of revenue and expenses, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Community Living Guelph Wellington as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Ministry of Children, Community and Social Services as disclosed in Note 1.

### Basis for Qualified Opinion

In common with many not for profit organizations, the association derives revenues from the general public in the form of fund raising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the association and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Community Living Guelph Wellington in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Community Living Guelph Wellington to meet the requirements of the Ministry of Children, Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Directors of Community Living Guelph Wellington and the Ministry of Children, Community and Social Services and should not be used by parties other than the Directors of Community Living Guelph Wellington or the Ministry of Children, Community and Social Services. Our opinion is not qualified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Ministry of Children, Community and Social Services as disclosed in Note 1 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.

In preparing the financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: [www.rlb.ca/additional-auditor-responsibilities](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.

Guelph, Ontario  
June 10, 2019



Chartered Professional Accountants  
Licensed Public Accountants

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Financial Position  
As at March 31, 2019

	2019	2018
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 2,573,369	\$ 2,447,787
Accounts receivable	301,042	113,924
Prepaid expenses	4,275	2,600
	<u>2,878,686</u>	<u>2,564,311</u>
Capital Assets (note 4)	14,270,269	14,498,151
	<u>\$17,148,955</u>	<u>\$17,062,462</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$1,584,986	\$1,473,447
Current portion of long-term debt (note 5)	247,267	177,489
	<u>1,832,253</u>	<u>1,650,936</u>
Long-term Debt (note 5)	1,179,206	1,426,473
Deferred Contributions:		
Related to capital assets (note 6)	7,917,891	7,943,490
Related to future periods (note 7)	79,052	86,101
	<u>7,996,943</u>	<u>8,029,591</u>
	<u>11,008,402</u>	<u>11,107,000</u>
Net Assets:		
Investment in capital assets (note 8)	4,925,905	4,950,699
Internally restricted funds (note 10)	445,880	445,880
Association's capital reserve	388,531	220,239
Association's net assets (note 11)	380,237	338,644
	<u>6,140,553</u>	<u>5,955,462</u>
	<u>\$17,148,955</u>	<u>\$17,062,462</u>

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

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# COMMUNITY LIVING GUELPH WELLINGTON

Statement of Revenue and Expenses  
For the year ended March 31, 2019

	2019	2018
<b>Revenue</b>		
Provincial subsidy	\$20,204,707	\$18,445,605
Sales and user fees (non-retainable revenue)	3,385,405	3,074,920
Fund raising and donations (retainable revenue)	160,025	178,165
	<u>23,750,137</u>	<u>21,698,690</u>
<b>Expenses</b>		
Salaries	16,180,752	14,952,381
Benefits	2,462,032	2,216,553
Travel	126,561	108,190
Training	66,540	67,772
Communication costs	212,073	197,199
Purchased service	1,809,491	1,129,407
Supplies	1,828,840	2,042,109
Premises occupancy costs	834,345	801,823
Advertising	2,028	9,519
Fundraising costs and other expenditures	38,432	55,797
	<u>23,561,094</u>	<u>21,580,750</u>
Excess of revenue over expenses prior to subsidy repayable	189,043	117,940
Subsidy repayable	(67,450)	-
Net excess of revenue over expenses	<u>\$ 121,593</u>	<u>\$ 117,940</u>

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Changes in Net Assets  
For the year ended March 31, 2019

**Internally Restricted Funds**

	2019	2018
Balance, beginning of year	\$ 445,880	\$ 780,772
Expenditures	-	(334,892)
Balance, end of year	\$ 445,880	\$ 445,880

**Association's Capital Reserve Fund**

	2019	2018
Balance, beginning of year	\$ 220,239	\$ 185,197
Proceeds	218,598	218,194
Expenditures	(50,306)	(183,152)
Balance, end of year	\$ 388,531	\$ 220,239

**Association's Net Assets**

	2019	2018
Balance, beginning of year	\$ 338,644	\$ 410,007
Excess of revenue over expenses for the year:		
Surplus - Association funds	121,593	122,368
Deficit - MCSS programs	-	(4,428)
Invested in capital assets	(80,000)	(189,303)
Balance, end of year	\$ 380,237	\$ 338,644

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Cash Flow  
For the year ended March 31, 2019

	2019	2018
<b>Cash provided by (used in)</b>		
<b>Operations:</b>		
Excess of revenue over expenses	\$ 121,593	\$ 117,940
Items not requiring cash:		
Amortization of capital assets	363,153	449,824
Amortization of equity in capital assets	(88,773)	(98,702)
Amortization of deferred contributions	(57,089)	(33,714)
Change in non-cash working capital:		
Accounts receivable	(187,118)	55,321
Prepaid expenses	(1,675)	-
Accounts payable and accrued liabilities	111,539	(97,613)
	<u>261,630</u>	<u>393,056</u>
<b>Financing:</b>		
Repayment of long-term debt	(177,489)	(170,545)
Deferred contributions	24,441	54,044
Association's designated capital reserve receipts	218,598	218,194
	<u>65,550</u>	<u>101,693</u>
<b>Investing:</b>		
Expenditures on capital assets	(151,292)	(721,334)
Designated capital reserve expenditures	(50,306)	(183,152)
	<u>(201,598)</u>	<u>(904,486)</u>
Increase (decrease) in cash and cash equivalents	125,582	(409,737)
Cash and cash equivalents, beginning of year	2,447,787	2,857,524
Cash and cash equivalents, end of year	<u>\$ 2,573,369</u>	<u>\$ 2,447,787</u>

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

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements  
For the year ended March 31, 2019

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Community Living Guelph Wellington ("the Association") is incorporated under the laws of the Province of Ontario without share capital, for the purpose of supporting developmentally challenged persons through the implementation of specific programs and creating community awareness to the needs and rights of the disabled. The Association is a registered charity classified under Section 149.1(1) (b) of the Income Tax Act (Canada) and as such, is exempt from income tax.

### 1. Significant Accounting Policies

The financial statements of Community Living Guelph Wellington are the representation of management prepared in accordance with accounting principles in keeping with the Ministry of Children, Community and Social Services guidelines. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

a. Revenue Recognition:

The Association follows the deferral method of accounting for contributions for operating grants. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in the subsequent period. Sales and user fees are recognized as earned and collection is reasonably assured.

b. Pension Plan:

The Association maintains a contributory money-purchase pension plan, providing a benefit to be paid upon retirement, depending on the amount of accumulated contributions and investment income during the term of the employee's participation in the plan. The Association's contributions to the plan are based on a percentage of the employee's salary. Employees contribute to a group RRSP on a mandatory basis.

c. Capital Assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization of capital assets funded by mortgages is calculated using Dedicated Supportive Housing for Non-profit Housing guidelines of an amount equal to the principal repayments on related mortgage loans during the year. Land, buildings and furniture funded by capital grants, donations and other Association revenue are not amortized. Capital grants and the value of equipment acquired with operating subsidies are recorded as deferred contributions. Funds raised through the Association for the acquisition of capital assets are recorded as the Association's investment in capital assets. Deferred contributions and the Association's investment in capital assets are amortized at the same rate as the assets acquired with those funds.

Amortization of vehicles and equipment is calculated on a straight-line basis, using the half-year rule for office equipment and computers, while vehicle amortization is based on the date of addition.

Vehicle and equipment useful life for amortization purposes is as follows:

Computer equipment	3 years
Office & other equipment	5 years
Vehicles	3 years



## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

For the year ended March 31, 2019

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### 1. Significant Accounting Policies (continued)

d. Fund Accounting:

Internally restricted funds represent monies derived from bequests and specific fundraising events which have been allocated for a specific use and are not available for the general operation of the Association.

The internally restricted Capital Reserve Fund represents monies derived from surpluses in the Association's Private Funds which have been designated by the Board for use in the acquisition of capital assets. Recoveries of these capital expenditures are realized through usage charges on the specific equipment acquired.

e. Contributed Services

Volunteers contribute many hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include the useful lives of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

g. Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net excess of revenue over expenses.

Transaction costs

The organization recognizes its transaction costs in net excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements  
 For the year ended March 31, 2019

**2. Cash and Cash Equivalents**

Cash and cash equivalents include amounts held for the designated funds as well as a capital reserve for both houses funded under the Dedicated Housing Supports program.

Components	2019	2018
Designated funds	\$ 445,880	\$ 445,880
Association capital reserve	388,531	220,239
Housing replacement reserve	79,052	86,101
Operating funds	1,659,906	1,695,567
	\$ 2,573,369	\$ 2,447,787

**3. Inter-program Transactions**

Maintenance and custodial work performed by ARC Industries results in sales revenue and repairs and maintenance expenditures that are not eliminated on consolidation of the various program's revenues and expenditures. Details are as follows:

	2019	2018
ARC Industry sales to other programs	\$ -	\$ 505

**4. Capital assets**

	Cost	Accumulated Amortization	NBV 2019	NBV 2018
Land, buildings and furniture	\$ 15,832,412	\$ 1,800,540	\$ 14,031,872	\$ 14,129,361
Computer equipment	774,427	643,901	130,526	141,057
Office & other equipment	221,121	209,428	11,693	27,933
Vehicles	1,084,055	987,877	96,178	199,800
	\$ 17,912,015	\$ 3,641,746	\$ 14,270,269	\$ 14,498,151

Amortization in the amount of \$363,153 was recorded during the year (2018 - \$449,824).

**COMMUNITY LIVING GUELPH WELLINGTON**Notes to the Financial Statements  
For the year ended March 31, 2019**5. Long-term Debt**

	2019	2018
a. 5.967% first mortgage repayable in monthly blended repayments of \$1,337, secured by 23 Glenda Court, Guelph land and buildings with a carrying value of \$64,233. Due October 1, 2023.	\$ 64,233	\$ 76,106
b. 2.418% first mortgage repayable in monthly blended repayments of \$1,520, secured by 314 Speedvale Ave., Guelph land and buildings with a carrying value of \$79,068. Due October 1, 2019.	79,068	95,191
c. 4.05% first mortgage repayable in monthly blended repayments of \$17,025 secured by 8 Royal Road, Guelph land and building with a carrying value of \$5,380,218. Due June 1, 2026.	1,283,172	1,432,665
	1,426,473	1,603,962
Less current portion of long-term debt	(247,267)	(177,489)
	<u>\$ 1,179,206</u>	<u>\$ 1,426,473</u>

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2019 and thereafter are as follows:

2019-2020	\$ 247,267
2020-2021	175,328
2021-2022	182,763
2022-2023	190,519
2023-2024	191,781
Thereafter	438,815
	<u>\$ 1,426,473</u>

**6. Deferred Contributions Related to Capital Assets:**

Deferred contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets.

	2019	2018
Balance, beginning of year	\$ 7,943,490	\$ 7,926,928
Contributions received	20,985	50,276
Amortization	(46,584)	(33,714)
Balance, end of year	<u>\$ 7,917,891</u>	<u>\$ 7,943,490</u>

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements  
For the year ended March 31, 2019

**7. Deferred Contributions - Future Periods**

Deferred contributions related to expenses of future periods represent funding received in the current year that relates to a future year's expenditures.

	2019	2018
Balance, beginning of year	\$ 86,101	\$ 82,333
Capital replacement reserve contributions	3,456	3,768
Capital replacement reserve expenditures	(10,505)	-
Balance, end of year	\$ 79,052	\$ 86,101

**8. Investment in Capital Assets**

The investment in capital assets represents the net book value of capital assets purchased with funds generated through the Association's fundraising endeavours. The investment in capital assets is calculated as follows:

	2019	2018
Net book value of capital assets	\$ 14,270,269	\$ 14,498,151
Less:		
Assets financed by deferred contributions	(7,917,891)	(7,943,490)
Assets financed by mortgages	(1,426,473)	(1,603,962)
Association's investment in capital assets	\$ 4,925,905	\$ 4,950,699

**9. Contingencies and Commitments**

The Association is, from time to time, subject to various lawsuits and claims. As at March 31, 2019, there was an outstanding claim against the Association. The outcome of this claim is not determinable and the potential liability cannot be reasonably estimated.

**10. Internally Restricted Funds**

The General Bequests Fund was originally established from the Henson Estate and subsequently funds from other bequests, where no particular designation has been identified by the Estate. This fund is not to be utilized for operating costs, as decided by the Board of Directors. Use of these funds must be approved by the board.

**11. Association's Net Assets**

The Association's net assets are unrestricted and represent the cumulative surplus derived from fundraising events such as the Fashion Gala, golf tournaments and other endeavours. When capital assets are purchased by the Association from this surplus, an amount equal to the purchase amount is removed from the Net Asset account and recorded as Investment in Capital Assets.

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements  
For the year ended March 31, 2019

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**12. Financial Instruments**

All of the Association's financial instruments are denominated in Canadian dollars and valued at amortized cost. It is management's opinion that the Association is not exposed to significant interest, currency or credit risks.

The extent of the Association's exposure to these risks did not change in 2019 compared to the previous period.

**13. Service Contract with the Ministry of Children, Community and Social Services**

The Association has a service contract with the Ministry of Children, Community and Social Services. An annual reconciliation report to the Ministry summarizes, by program, all revenues and expenditures and identifies any resulting surplus or deficit that relates to the approved service contract.

A review of this report shows no contracts with the Ministry of Children, Community and Social Services that are in a surplus position as at March 31, 2019, subject to final approval. Adjustments to funding, if any, will be recorded in the year in which they occur.

**COMMUNITY LIVING GUELPH WELLINGTON**  
Schedule of Revenue and Expenses by Program  
For the year ended March 31, 2019

	Central Admin.	Individual Living Supports	Group Living Supports	Community Access Supports	Employment Supports	Professional And Spec. Services	Other Develop. Services	Partner Facility Renewal	2019 Sub-total
<b>Revenue:</b>									
Provincial subsidy	\$ -	1,056,188	15,565,720	2,116,307	1,122,382	93,451	4,997	171,722	20,130,767
Sales and user fees	20,820	13,398	1,815,118	33,109	32,189	-	-	-	1,914,634
Fundraising income	-	-	-	-	-	-	-	-	-
	20,820	1,069,586	17,380,838	2,149,416	1,154,571	93,451	4,997	171,722	22,045,401
<b>Expenses:</b>									
Salaries	955,433	709,638	11,608,408	1,481,979	762,105	78,980	4,997	-	15,601,540
Benefits	131,318	170,211	1,675,764	235,859	140,079	10,993	-	-	2,364,224
Travel	7,373	38,301	38,729	25,635	6,416	309	-	-	116,763
Training	6,841	-	59,593	50	56	-	-	-	66,540
Communication costs	51,620	27,697	95,364	20,187	14,565	244	-	-	209,677
Purchased services	169,700	-	966,429	2,735	52,561	2,925	-	-	1,194,350
Supplies & prog. costs	133,651	17,696	1,404,377	124,924	25,929	-	-	104,272	1,810,849
Premises occupancy	20,127	41,043	507,174	135,047	76,318	-	-	-	779,709
Advertising	2,028	-	-	-	-	-	-	-	2,028
Allocated admin. Fundraising costs and other expenditures	(1,457,271)	65,000	1,025,000	123,000	76,542	-	-	-	(167,729)
	-	-	-	-	-	-	-	-	-
	20,820	1,069,586	17,380,838	2,149,416	1,154,571	93,451	4,997	104,272	21,977,951
Excess (deficiency) prior to subsidy repayable	-	-	-	-	-	-	-	67,450	67,450
Subsidy repayable	-	-	-	-	-	-	-	(67,450)	(67,450)
Excess (deficiency) for the year	\$ -	-	-	-	-	-	-	-	-

**COMMUNITY LIVING GUELPH WELLINGTON**  
 Schedule of Revenue and Expenses by Program  
 For the year ended March 31, 2019

	Passports	Association Funds	Dedicated Housing Supports	2019 Total
<b>Revenue:</b>				
Provincial subsidy	\$ -	-	73,940	\$20,204,707
Sales and user fees	1,453,251	-	17,520	3,385,405
Fundraising income	-	160,025	-	160,025
	<u>1,453,251</u>	<u>160,025</u>	<u>91,460</u>	<u>23,750,137</u>
<b>Expenses:</b>				
Salaries	570,416	-	8,796	16,180,752
Benefits	96,392	-	1,416	2,462,032
Travel	9,798	-	-	126,561
Training	-	-	-	66,540
Communication costs	2,396	-	-	212,073
Purchased services	615,141	-	-	1,809,491
Supplies & prog. costs	979	-	17,012	1,828,840
Premises occupancy	-	-	54,636	834,345
Advertising	-	-	-	2,028
Allocated admin.	158,129	-	9,600	-
Fundraising costs and other expenditures	-	38,432	-	38,432
	<u>1,453,251</u>	<u>38,432</u>	<u>91,460</u>	<u>23,561,094</u>
Excess (deficiency) prior to subsidy repayable	-	121,593	-	189,043
Subsidy repayable	-	-	-	(67,450)
Excess (deficiency) for the year	\$ -	121,593 \$	-	\$ 121,593