

Financial Statements

**COMMUNITY LIVING  
GUELPH WELLINGTON**

Year ended March 31, 2006



ROBINSON LOTT & BROHMAN

*Chartered Accountants & Business Advisors*

**PARTNERS**

M.A. MANERA, F.C.A.  
M.B. ROBINSON, C.A.

G.J. BARR, C.A.  
D.R. McELLISTRUM, C.A.

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T.J. GASKELL, C.A.

**ASSOCIATED**

A. PERROTTA, C.A.  
K.W. EDWARDS, C.A.  
R.E. WIGHTMAN, C.A.  
J.W. WRIGHT, C.A.

**AUDITORS' REPORT**

To the Directors of the  
Community Living Guelph Wellington

We have audited the consolidated statement of financial position of Community Living Guelph Wellington as at March 31, 2006 and the consolidated statement of revenues and expenses, consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended. These consolidated financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we have conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit entities, the organization derives revenue from donations and sundry receipts, the completeness of which is not susceptible to audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, assets and surplus.

In our opinion, except for the effects of any adjustments, if any, which may have been required had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at March 31, 2006 and the results of operations and changes in financial position of the organization for the year then ended in accordance with accounting principles as disclosed in note 1.

Guelph, Ontario  
May 31, 2006

*Robinson Lott & Brohman*

Chartered Accountants

# COMMUNITY LIVING GUELPH WELLINGTON

Statement of Financial Position

March 31, 2006 with comparative figures for 2005

	2006	2005
<b>Assets</b>		
Current Assets:		
Cash and short-term investments (Note 2)	\$ 1,655,195	\$ 784,817
Accounts receivable	81,301	73,979
Grants receivable	8,248	145,704
Prepaid expenses	5,991	12,286
	<u>1,750,735</u>	<u>1,016,786</u>
Capital Assets (Note 4)	<u>6,924,357</u>	<u>6,544,915</u>
	<u>\$ 8,675,092</u>	<u>\$ 7,561,701</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 646,600	\$ 602,692
Current portion of long-term debt (Note 5)	59,053	52,513
	<u>705,653</u>	<u>655,205</u>
Long-term Debt (Note 5)	1,852,823	1,911,876
Deferred Contributions:		
Related to capital assets (Note 6)	4,176,850	3,677,404
Related to future periods (Note 7)	37,271	30,609
	<u>4,214,121</u>	<u>3,708,013</u>
Net Assets:		
Investment in capital assets (Note 8)	835,630	903,122
Designated funds (Note 10)	991,053	383,485
Association capital reserve	71,916	-
Association net assets	3,896	-
	<u>1,902,495</u>	<u>1,286,607</u>
	<u>\$ 8,675,092</u>	<u>\$ 7,561,701</u>

See accompanying notes to the financial statements

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## COMMUNITY LIVING GUELPH WELLINGTON

Statement of Revenue and Expenses

March 31, 2006, with comparative figures for 2005

	Operations	Association	2006	2005
<b>Revenue:</b>				
Operating grants - Provincial	\$10,296,000	\$ -	\$10,296,000	\$ 9,646,779
Sales and rental income	1,233,803	-	1,233,803	1,136,061
Other income	235,733	30,901	266,634	927,931
	11,755,536	30,901	11,796,437	11,710,771
<b>Expenses:</b>				
Salaries and benefits	8,544,962	-	8,544,962	9,118,694
Staff travel and training	98,291	-	98,291	101,250
Disabled persons wages	115,963	-	115,963	103,876
Purchased services	386,884	-	386,884	419,600
Supplies	535,897	13,011	548,908	452,965
Premises occupancy and other rentals	301,296	-	301,296	298,404
Utilities and taxes	298,212	-	298,212	273,887
Insurance	68,960	-	68,960	63,857
Repairs and maintenance	366,041	-	366,041	220,674
Capitalized expenditures	602,691	-	602,691	205,881
Vehicle expenses	252,782	-	252,782	243,211
Advertising and promotion	2,128	12,177	14,305	9,216
Clothing and medical	82,279	-	82,279	81,392
Production materials	76,327	-	76,327	58,842
Expenditure recoveries and other	34,640	-	34,640	34,755
	11,767,353	25,188	11,792,541	11,686,504
Excess revenue over expenses				
(expenses over revenue)	\$ (1,817)	\$ 5,713	\$ 3,896	\$ 24,267

See accompanying notes to the financial statements

## COMMUNITY LIVING GUELPH WELLINGTON

Statement of Changes in Net Assets  
March 31, 2006, with comparative figures for 2005

Designated Funds:	ARC		Norm Jary	General Requests	Claire Brown	Other Fundraising	Total 2006	Total 2005
	Campaign	Jary						
Balance, beginning of year	\$ 230,095	0	137,485	15,905	0	383,485	365,045	
Proceeds	502,125	46,795	59,222	-	26,478	634,620	70,299	
Transfers	55,441	(28,861)	-	(15,905)	(10,675)	0	(59,222)	
Interest	-	-	17,578	-	48	17,626	8,455	
Expenditures	(15,252)	(17,934)	-	-	(11,492)	(44,678)	(1,092)	
Balance, end of year	\$ 772,409	0	214,285	0	4,359	991,053	383,485	
<b>Association Capital Designated Reserve</b>								
<b>Fund:</b>								
						2006	2005	
Balance, beginning of year						0	0	
Proceeds					\$	116,441	95,526	
Expenditures						(85,345)	(53,308)	
Transfer to Investment in Capital Assets						40,820	(42,218)	
Balance, end of year					\$	71,916	0	
<b>Association Net Assets</b>								
Balance, beginning of year						2006	2005	
Excess of revenue over expenditures					\$	0	101,870	
Transfer to Investment in Capital Assets						3,896	24,267	
Balance, end of year					\$	3,896	(126,137)	

See accompanying notes to the financial statements

# COMMUNITY LIVING GUELPH WELLINGTON

## Statement of Cash Flow

March 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in)		
Operations:		
Excess of revenue over expenditures	\$ 3,896	\$ 24,267
Items not involving cash:		
Amortization of capital assets	135,650	199,718
Change in non-cash working capital:		
Accounts receivable	(7,322)	(3,429)
Grants receivable	137,456	(139,500)
Prepaid expenses	6,295	(146)
Accounts payable and accrued liabilities	43,907	(372,917)
	319,882	(292,007)
Financing:		
Repayment of long-term debt	(52,513)	(46,662)
Increase(decrease) in investment in capital assets	(67,492)	68,680
Increase (decrease) in deferred funding	6,662	(4,152)
Increase in deferred contributions	499,446	138,883
Increase in Association designated capital reserve	71,916	-
Increase in designated funds	607,568	18,440
	1,065,587	175,189
Investments:		
Expenditures on capital assets	(766,552)	(486,756)
Proceeds on disposal of capital assets	251,461	-
	(515,091)	(486,756)
Increase (decrease) in cash	870,378	(603,574)
Cash, beginning of year	784,817	1 388,391
Cash, end of year	\$ 1,655,195	\$ 784,817

See accompanying notes to the financial statements

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

Year ended March 31, 2006

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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).

## 1. Significant Accounting Policies

### (a) Revenue Recognition:

The Association follows the deferral method of accounting for contributions.

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. Donations to designated funds are recorded as income on a cash basis.

### (b) Pension Plan:

The organization 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 employees' participation in the plan. The organization's contributions to the plan are based on a percentage of the employees salary. Employees contribute to 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 Ministry of Housing guidelines of an amount equal to the principal repayments on related mortgage loans during the year. Capital assets funded by grants, donations and other Association revenue are not amortized.

Amortization of equipment is calculated on a straight-line basis at the following rates:

Computer equipment	3 years
Vehicles	3 years
Other equipment	5 years

### (d) Fund Accounting:

The Association follows the restricted fund method of accounting for contributions.

Designated 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.

Capital Reserve Funds represent 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.

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2006

## 1. Significant Accounting Policies (continued)

- (f) Comparative Figures:  
Certain of the comparative figures have been reclassified to conform to the statement presentation adopted in the current year.
- (g) Short-term Investments  
Short-term investments are stated at the lower of cost or market at the year end. The cost approximates fair market value.
- (h) Use of Estimates  
The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

## 2. Cash and Short-term Investments:

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

	2006	2005
Designated funds	\$ 991,053	\$ 383,485
Association capital reserve	75,812	-
Housing replacement reserves	37,271	30,609
Operating funds	551,059	370,723
	<u>\$ 1,655,195</u>	<u>\$ 784,817</u>

## 3. Related Party Transactions:

During the year, the organization entered into certain transactions with related parties. Details of these transactions are as follows:

	2006	2005
ARC Industry sales to other programs	\$ 7,535	\$ 6,873

## 4. Capital Assets

	Cost	Accumulated Amortization	2006 Net book value	2005 Net book value
Land, buildings and furniture	\$ 7,006,085	\$ 257,599	\$ 6,748,486	\$ 6,421,843
Computer equipment	145,715	116,494	29,221	34,459
Vehicles	530,180	383,530	146,650	88,613
	<u>\$ 7,681,980</u>	<u>\$ 757,623</u>	<u>\$ 6,924,357</u>	<u>\$ 6,544,915</u>

Amortization in the amount of \$135,650 was recorded in the year (2005 - \$199,718).



# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2006

## 5. Long-Term Debt:

	2006	2005
7.44% first mortgage repayable in monthly blended repayments of \$1,210, secured by land and buildings, due August 10, 2010. 29 Woodycrest Dr., Guelph	\$ 98,564	\$ 105,582
6.4% first mortgage repayable in monthly blended repayments of \$1,920, secured by land and buildings, due October 1, 2009. 314 Speedvale Ave., Guelph	244,154	251,518
8.1% first mortgage repayable in monthly blended repayments of \$2,252.88 secured by land and buildings, due August 1, 2014. 6871, 5 <sup>th</sup> Line Garafraxa, Belwood	260,710	266,713
6.7% first mortgage repayable in monthly blended repayments of \$1,955, secured by land and buildings, due November 30, 2007. 280 St. Patrick St., Fergus.	236,655	244,204
7.5% Interest only first mortgage annual interest of \$11,625, secured by land and buildings, due May 31, 2006. 351 Jeremy Cres., Mount Forest	155,000	155,000
5.967% first mortgage repayable in monthly blended repayments of \$1,337, secured by land and buildings, due October 1, 2023. 23 Glenda Court, Guelph	175,341	180,869
6.7% first mortgage repayable in monthly blended repayments of \$1,391, secured by land and buildings, due May 1, 2008. 125-135 Fergus St., Mount Forest	171,116	176,315
8.25% first mortgage repayable in monthly blended repayments of \$2,531, secured by land and buildings, due December 1, 2013. 106 Thomas St., Harriston	285,168	292,094
8.25% first mortgage repayable in monthly blended repayments of \$2,531, secured by land and buildings, due December 1, 2013. Flaherty Drive, Guelph	285,168	292,094
	1,911,876	1,964,389
Current portion of long-term debt	(59,053)	(52,513)
	<u>\$ 1,852,823</u>	<u>\$ 1,911,876</u>

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2006 and thereafter is as follows:

2006-2007	\$ 59,053
2007-2008	\$ 284,319
2008-2009	\$ 213,200
2009-2010	\$ 267,216
2010-2011 and thereafter	<u>\$ 1,088,088</u>

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2006

## 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.

	2006	2005
Balance, beginning of year	\$ 3,677,404	\$ 3,538,521
Contributions received	602,691	205,881
Loss on disposal of property	(74,378)	-
Amortization	(28,867)	(66,998)
Balance, end of year	\$ 4,176,850	\$ 3,677,404

## 7. Deferred Contributions

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

	2006	2005
Balance, beginning of year	\$ 30,609	\$ 34,761
Capital replacement reserve contributions	5,716	6,947
Interest	946	983
Capital replacement reserve expenditures	-	(7,082)
New Places to Live subsidy	-	(5,000)
Balance, end of year	\$ 37,271	\$ 30,609

## 8. Investment in Capital Assets:

Investment in capital assets is calculated as follows:

	2006	2005
Capital assets	\$ 6,924,357	\$ 6,544,915
Amount financed by deferred contributions	(4,176,850)	(3,677,404)
Amount financed by mortgages	(1,911,876)	(1,964,389)
	\$ 835,631	\$ 903,122

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2006

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## 9. Contingencies and Commitments:

- (c) Various lawsuits and claims are pending by and against the Association. The results of these claims, if any, are not determinable at this time.
- (d) Payments under long-term operating leases for premises and equipment are as follows:

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2006-2007	\$ 28,299
2007-2008	\$ 13,196
2008-2009	\$ 9,000
2009-2010	-
2010-2011	-

## 10. Designated Funds

The designated fund consist of the following:

### (a) ARC Capital Campaign

The Association has established a capital campaign fund for the development of the ARC property at 8 Royal Road, Guelph. Various fundraising projects are underway to raise the \$2.5 million required to construct a facility to house the Adult Developmental Services program, a gymnasium and to cover the cost of renovations to the existing ARC building.

### (b) Norm Jary - ARC Industries Golf Fund

The ARC Industries golf fund was originally established to offset building costs when ARC Industries under went their expansion, and was utilized to assist with repairs and maintenance of vocational programs. Monies are raised through the Norm Jary ARC Industries Golf Tournament. Current proceeds are being contributed to the ARC Capital Campaign.

### (c) General Bequests Fund

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.

### (d) Claire M. Brown Memorial Fund

The Claire M. Brown memorial fund was established with a bequest received from a resident of the Mount Forest area. These funds which had been used for studies have now been directed to the resource library component of the ARC expansion.

### (e) Other Fundraising

A portion of these funds are raised by insurance brokers at their Poor Boys luncheon held in mid-September and a portion was raised through employee fundraising initiatives. The monies are being contributed to the ARC Capital Campaign.

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2006

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## 11. Financial Instruments

The Association's financial instruments consist of cash, demand notes, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks.

## 12. Service Contract with the Ministry of Community and Social Services

The Association has a service contract with the Ministry of 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 Community and Social Services that are in a surplus position as at March 31, 2006, subject to final approval. Adjustments to funding, if any, will be recorded in the year in which they occur.