

Financial Statements

**COMMUNITY LIVING  
GUELPH WELLINGTON**

Year ended March 31, 2007



Chartered Accountants  
and Business Advisors

## AUDITORS' REPORT

To the Directors of  
Community Living Guelph Wellington

We have audited the consolidated statement of financial position of Community Living Guelph Wellington as at March 31, 2007 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.

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 our opinion these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at March 31, 2007 and the results of operations and changes in financial position of the organization for the year then ended in accordance with accounting principles in keeping with the Ministry of Community and Social Services guidelines.

RLB LLP

Guelph, Ontario  
May 11, 2007

Chartered Accountants  
Licensed Public Accountants

# COMMUNITY LIVING GUELPH WELLINGTON

## Statement of Financial Position

March 31, 2007 with comparative figures for 2006

	2007	2006
<b>Assets</b>		
Current Assets:		
Cash and investments (Note 2)	\$ 4,311,542	\$ 1,655,195
Accounts receivable	56,438	81,301
Grants receivable	8,313	8,248
Prepaid expenses	8,556	5,991
	<u>4,384,849</u>	<u>1,750,735</u>
Capital Assets (Note 4)	8,528,728	6,924,357
	<u>\$12,913,577</u>	<u>\$ 8,675,092</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 816,455	\$ 646,600
Current portion of long-term debt (Note 5)	295,137	59,053
	<u>1,111,592</u>	<u>705,653</u>
Long-term Debt (Note 5)	2,347,460	1,852,823
Deferred Contributions:		
Related to capital assets (Note 6)	4,791,289	4,176,850
Related to future periods (Note 7)	2,042,284	37,271
	<u>6,833,573</u>	<u>4,214,121</u>
Net Assets:		
Investment in capital assets (Note 8)	1,394,842	835,630
Designated funds (Note 10)	1,050,096	991,053
Association capital reserve	160,264	71,916
Association net assets	15,750	3,896
	<u>2,620,952</u>	<u>1,902,495</u>
	<u>\$12,913,577</u>	<u>\$ 8,675,092</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, 2007, with comparative figures for 2006

	Operations	Association	2007	2006
<b>Revenue:</b>				
Operating grants - Provincial	\$11,328,044	\$ -	\$11,328,044	\$10,296,000
Sales and rental income	1,264,565	-	1,264,565	1,233,803
Other income	213,309	47,891	261,200	266,634
	12,805,918	47,891	12,853,809	11,796,437
<b>Expenses:</b>				
Salaries and benefits	9,070,172	-	9,070,172	8,544,962
Staff travel and training	133,125	-	133,125	98,291
Disabled persons wages	117,689	-	117,689	115,963
Purchased services	246,507	-	246,507	386,884
Supplies	514,968	24,963	539,931	548,908
Premises occupancy and other rentals	296,365	-	296,365	301,296
Utilities and taxes	363,170	-	363,170	298,212
Insurance	74,344	-	74,344	68,960
Repairs and maintenance	868,595	-	868,595	366,041
Capitalized expenditures	649,689	-	649,689	602,691
Vehicle expenses	262,804	-	262,804	252,782
Advertising and promotion	15,609	4,168	19,777	14,305
Clothing and medical	91,776	-	91,776	82,279
Production materials	82,573	-	82,573	76,327
Expenditure recoveries and other	25,438	-	25,438	34,640
	12,812,824	29,131	12,841,955	11,792,541
Excess revenue over expenses (expenses over revenue)	\$ (6,906)	\$ 18,760	\$ 11,854	\$ 3,896

See accompanying notes to the financial statements

**COMMUNITY LIVING GUELPH WELLINGTON**

Statement of Changes in Net Assets  
 March 31, 2007, with comparative figures for 2006

Designated Funds:	ARC			Other Fundraising	Total 2007	Total 2006
	Campaign	Norm Jary	General Bequests			
Balance, beginning of year	\$ 772,409	0	214,285	4,359	991,053	383,485
Proceeds	316,542	21,664	10,000	6,872	355,078	634,620
Transfers	27,147	(21,664)	-	(5,483)	0	-
Interest	-	-	79,583	133	79,716	17,626
Expenditures	(372,329)	-	(20)	(3,402)	(375,329)	(44,678)
Balance, end of year	\$ 743,770	0	303,848	2,478	1,050,096	991,053

Association Capital Designated Reserve Fund:	2007	2006
Balance, beginning of year	\$ 71,916	0
Proceeds	125,278	116,441
Expenditures	(11,862)	(85,345)
Transfer to Investment in Capital Assets	(25,069)	40,820
Balance, end of year	\$ 160,264	71,916

Association Net Assets	2007	2006
Balance, beginning of year	\$ 3,896	0
Excess of revenue over expenditures	11,854	3,896
Balance, end of year	\$ 15,750	3,896

See accompanying notes to the financial statements

**COMMUNITY LIVING GUELPH WELLINGTON**

## Statement of Cash Flow

March 31, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in)		
Operations:		
Excess of revenue over expenditures	\$ 11,854	\$ 3,896
Items not involving cash:		
Amortization of capital assets	175,965	135,650
Change in non-cash working capital:		
Accounts receivable	24,863	(7,322)
Grants receivable	(65)	(137,456)
Prepaid expenses	(2,565)	6,295
Accounts payable and accrued liabilities	169,855	43,907
	379,907	319,882
Financing:		
Proceeds from mortgages	820,000	-
Repayment of long-term debt	(89,279)	(52,513)
Increase in investment in capital assets	559,212	67,492
Increase in deferred funding	2,005,013	6,662
Increase in deferred contributions	614,439	499,446
Increase in Association designated capital reserve	88,348	71,916
Increase in designated funds	59,043	607,568
	4,056,776	1,065,587
Investments:		
Expenditures on capital assets	(2,280,336)	(766,552)
Proceeds on disposal of capital assets	500,000	251,461
	(1,780,336)	(515,091)
Increase in cash	2,656,347	870,378
Cash, beginning of year	1,655,195	784,817
Cash, end of year	\$ 4,311,542	\$ 1,655,195

See accompanying notes to the financial statements

# COMMUNITY LIVING GUELPH WELLINGTON

## Notes to the Financial Statements

Year ended March 31, 2007

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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 Dedicated Supportive Housing for Non-profit 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, 2007

## 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) Investments  
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.

	2007	2006
Designated funds	\$ 1,050,096	\$ 991,053
Association capital reserve	160,264	75,812
Deferred grants and housing replacement reserves	2,042,284	37,271
ARC capital fund loan	300,000	-
Operating funds	758,148	551,059
	<u>\$ 4,311,542</u>	<u>\$ 1,655,195</u>

## 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:

	2007	2006
ARC Industry sales to other programs	\$ 4,913	\$ 7,535

## 4. Capital Assets

0	Cost	Accumulated Amortization	2007 Net book value	2006 Net book value
Land, buildings and furniture	\$ 8,640,669	\$ 307,667	\$ 8,333,002	\$ 6,748,486
Computer equipment	128,003	111,977	16,026	7,736
Other equipment	78,757	31,788	46,969	21,485
Vehicles	600,675	467,944	130,731	146,650
	<u>\$ 9,448,104</u>	<u>\$ 919,376</u>	<u>\$ 8,528,728</u>	<u>\$ 6,924,357</u>

Amortization in the amount of \$175,965 was recorded in the year (2006 - \$135,650).



# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2007

## 5. Long-Term Debt:

	2007	2006
1. 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	\$ 91,015	\$ 98,564
2. 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	236,311	244,154
3. 8.1% first mortgage repayable in monthly blended repayments of \$2,252.88 secured by land and buildings, due August 1, 2014. 6871, 6 <sup>th</sup> Line Nicholl Township (Ennotville) (Formerly secured by 5 <sup>th</sup> Line Garafraxa, Belwood)	254,211	260,710
4. 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.	228,591	236,655
5. 7.35% first mortgage repayable in monthly blended repayments of \$1,224, secured by land and buildings, due June 1, 2016. 351 Jeremy Cres., Mount Forest	152,335	155,000
6. 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	169,478	175,341
7. 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	165,563	171,116
8. 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	277,660	285,168
9. 8.25% first mortgage repayable in monthly blended repayments of \$2,531, secured by land and buildings, due December 1, 2013. Flaherty Drive, Guelph	277,660	285,168
10. 7.50% first mortgage repayable in monthly blended repayments of \$3,195, secured by land and buildings, due September 1, 2016. 7 Howe St., Hillsburgh	394,773	-
11. 8.25% first mortgage repayable in monthly blended repayments of \$2,531, secured by land and buildings, due April 1, 2017. Howard Street, Fergus	95,000	-
12. Interest-free loan without principal repayments, funding ARC capital campaign pledges outstanding, due October 1, 2010, secured by a first mortgage on Marden Road, Guelph land and buildings	300,000	-
	2,642,597	1,911,876
Current portion of long-term debt	(295,137)	(59,053)
	\$ 2,347,460	\$ 1,852,823

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2007 and thereafter is as follows:

2007-2008	\$ 295,137
2008-2009	\$ 224,964
2009-2010	\$ 70,286
2010-2011	\$ 430,265
2011-2012 and thereafter	\$ 1,621,945

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2007

## 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.

	2007	2006
Balance, beginning of year	\$ 4,176,850	\$ 3,677,404
Contributions received	649,689	602,691
Loss on disposal of property	-	(74,378)
Amortization	(35,250)	(28,867)
Balance, end of year	\$ 4,791,289	\$ 4,176,850

## 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.

	2007	2006
Balance, beginning of year	\$ 37,271	\$ 30,609
Capital replacement reserve contributions	3,453	5,716
Interest	1,560	946
ARC capital subsidy	2,000,000	-
Balance, end of year	\$ 2,042,284	\$ 37,271

## 8. Investment in Capital Assets:

Investment in capital assets is calculated as follows:

	2007	2006
Capital assets	\$ 8,528,728	\$ 6,924,357
Assets financed by deferred contributions	(4,791,289)	(4,176,850)
Assets financed by mortgages	(2,342,597)	(1,911,877)
	\$ 1,394,842	\$ 835,630

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2007

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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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2007-2008	\$ 155,175
2008-2009	\$ 39,116
2009-2010	\$ 2,150
2010-2011	\$ 2,150
2011-2012	\$ 1,527

## 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) 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. Funds are also raised through employee organized lottery draws. The monies are being contributed to the ARC Capital Campaign.

# COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements (continued)

Year ended March 31, 2007

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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, 2007, subject to final approval. Adjustments to funding, if any, will be recorded in the year in which they occur.

Supplementary Information

**COMMUNITY LIVING  
GUELPH WELLINGTON**

Year ended March 31, 2007



	Community Access Supports	Passports	Debt Retirement	DS Transf. Repairs & Maint.	Capital Grants	Association Funds	Dedicated Housing Supports	2007 Total
Revenue								
Provincial grants	\$ 37,500	6,211	25,000	267,268	180,000	-	74,459	11,328,044
Sale of goods and services	-	-	-	-	-	-	19,550	1,264,565
Fundraising and other	-	-	-	-	-	47,891	-	261,200
	37,500	6,211	25,000	267,268	180,000	47,891	94,034	12,853,809
Expenditures								
Salaries and benefits	37,500	6,211	-	-	-	-	10,212	9,070,172
Travel and training	-	-	-	-	-	-	-	133,125
Disabled person wages	-	-	-	-	-	-	-	117,689
Purchased services	-	-	-	-	-	-	-	246,507
Supplies	-	-	-	-	-	24,963	-	539,931
Rent / mortgage payments	-	-	25,000	-	-	-	39,081	296,365
Utilities and taxes	-	-	-	-	-	-	16,136	363,170
Insurance	-	-	-	-	-	-	1,770	74,344
Repairs and maintenance	-	-	-	267,268	-	-	8,568	868,595
Capitalized expenditures	-	-	-	-	180,000	-	-	649,689
Vehicle	-	-	-	-	-	-	-	262,804
Advertising and promotion	-	-	-	-	-	4,168	-	19,777
Clothing and medical	-	-	-	-	-	-	-	91,776
Production materials	-	-	-	-	-	-	-	82,573
Other	-	-	-	-	-	-	10,776	25,438
Administration	-	-	-	-	-	-	9,600	-
	37,500	6,211	25,000	267,268	180,000	29,131	96,143	12,841,955
Excess (deficiency) of revenue over expenditures	\$ -	-	-	-	-	18,760	(2,109)	11,854