

**Financial Statements**

**COMMUNITY LIVING  
GUELPH WELLINGTON**

**March 31, 2008**



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, 2008 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, 2008 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.

Guelph, Ontario  
May 6, 2008

*RLB LLP*

Chartered Accountants  
Licensed Public Accountants

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Financial Position  
March 31, 2008 with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current Assets:		
Cash and investments (note 2)	\$ 3,918,744	\$ 4,311,542
Accounts receivable	105,906	56,438
Grants receivable	6,204	8,313
Prepaid expenses	46,117	8,556
	<u>4,076,971</u>	<u>4,384,849</u>
Capital Assets (note 4)	10,462,198	8,528,728
	<u>\$14,539,169</u>	<u>\$12,913,577</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,606,797	\$ 816,455
Current portion of long-term debt (note 5)	237,300	295,137
	<u>1,844,097</u>	<u>1,111,592</u>
Long-term Debt (note 5)	2,276,088	2,347,460
Deferred Contributions:		
Related to capital assets (note 6)	6,657,323	4,791,289
Related to future periods (note 7)	565,127	2,042,284
	<u>7,222,450</u>	<u>6,833,573</u>
Net Assets:		
Investment in capital assets (note 8)	1,591,488	1,394,842
Designated funds (note 10)	1,455,170	1,050,096
Association's capital reserve	92,086	160,264
Association's net assets	57,790	15,750
	<u>3,196,534</u>	<u>2,620,952</u>
	<u>\$14,539,169</u>	<u>\$12,913,577</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  
March 31, 2008 with comparative figures for 2007

	2008	2007
<b>Revenue</b>		
Provincial subsidy	\$12,373,501	\$11,328,044
Sales and user fees (non-retainable revenue)	1,360,997	1,264,566
Fund raising and donations (retainable revenue)	61,359	47,891
	<u>13,795,857</u>	<u>12,640,501</u>
<b>Expenses</b>		
Salaries	9,138,251	8,001,431
Benefits	1,194,900	1,068,742
Travel	66,386	73,972
Training	41,329	59,154
Supplies and program costs	1,019,404	985,967
Purchased services	330,553	135,784
Premises occupancy costs	1,935,019	2,258,857
Advertising	9,356	15,609
Fundraising costs and expenditures	18,619	29,131
	<u>13,753,817</u>	<u>12,628,647</u>
	<u>\$ 42,040</u>	<u>\$ 11,854</u>

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Changes in Net Assets  
March 31, 2008 with comparative figures for 2007

**Designated Funds**

	ARC Campaign	Norm Jary Golf Tourn.	General Bequests	Other Fundraising	Total 2008	Total 2007
Balance, beginning of year	\$ 743,770	-	303,848	2,478	1,050,096	991,053
Proceeds	175,189	59,574	-	11,813	246,576	355,078
Interest	180,125	-	11,739	113	191,977	79,716
Expenditures	(11)	(30,243)	-	(3,225)	(33,479)	(375,751)
Transfers	37,919	(29,331)	-	(8,588)	-	-
Balance, end of year	\$ 1,136,992	-	315,587	2,591	1,455,170	1,050,096

**Association's Capital Designated Reserve Fund**

	2008	2007
Balance, beginning of year	\$ 160,263	71,916
Proceeds	136,095	125,278
Expenditures	(204,272)	(11,862)
Transfers	-	(25,069)
Balance, end of year	\$ 92,086	160,263

**Association's Net Assets**

	2008	2007
Balance, beginning of year	\$ 15,750	3,896
Excess of revenue over expenditures for the year	42,040	11,854
Balance, end of year	\$ 57,790	15,750

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Cash Flow  
March 31, 2008 with comparative figures for 2007

	2008	2007
<b>Cash provided by (used in)</b>		
<b>Operations:</b>		
Excess of revenue over expenditures	\$ 42,040	\$ 11,854
Items not requiring cash:		
Amortization of equity in capital assets	(507,461)	(175,965)
Amortization of capital assets	507,461	175,965
Principal payments	292,950	89,279
Change in non-cash working capital:		
Accounts receivable	(49,468)	24,863
Grants receivable	2,109	(65)
Prepaid expenses	(37,561)	(2,565)
Accounts payable and accrued liabilities	790,342	169,855
	1,040,412	293,221
<b>Financing:</b>		
Proceeds from mortgages	163,742	820,000
Repayment of long-term debt	(292,950)	(89,279)
Deferred contributions	595,761	2,853,762
Association's designated capital reserve receipts	136,096	125,278
Designated fund receipts	438,552	434,794
	1,041,201	4,144,555
<b>Investing:</b>		
Expenditures on capital assets	(2,440,931)	(2,280,336)
Designated fund expenditures	(33,480)	(1,093)
Proceeds on disposal of capital assets	-	500,000
	(2,474,411)	(1,781,429)
Increase (decrease) in cash	(392,798)	2,656,347
Cash, beginning of year	4,311,542	1,655,195
Cash, end of year	\$ 3,918,744	\$ 4,311,542

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

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2008

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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.

a. 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 employee's 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.

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2008

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### 1. Significant Accounting Policies (continued)

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. 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 designated as held to maturity and are carried at cost. At March 31, 2008 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.

#### Cash Components

	2008	2007
Designated funds	\$ 1,455,170	1,050,096
Association capital reserve	92,086	160,264
Deferred grants and housing replacement reserves	565,127	2,042,284
ARC capital fund loan	300,000	300,000
Operating funds	1,506,361	758,898
	\$ 3,918,744	4,311,542

### 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:

	2008	2007
ARC Industry sales to other programs	\$ 7,115	4,913



**COMMUNITY LIVING GUELPH WELLINGTON**  
Notes to the Financial Statements  
March 31, 2008

**4. Capital assets**

**Capital Assets**

	Cost	Accum Amort.	NBV 2008	NBV 2007
Land, buildings and furniture	\$ 10,491,859	381,877	10,109,982	8,333,002
Computer equipment	136,874	129,334	7,540	16,026
Office Equipment	102,723	52,975	49,748	46,969
Vehicles	758,815	463,887	294,928	132,731
	\$ 11,490,271	1,028,073	10,462,198	8,528,728

Amortization in the amount of \$507,461 (including a write-off of \$371,729 for demolished assets) was recorded during the year (2007 - \$175,965).

**5. Long-term Debt**

	2008	2007
a. 7.44% first mortgage repayable in monthly blended repayments of \$1,210, secured by 29 Woodycrest Dr., Guelph land and buildings. Due August 10, 2010	\$ 82,894	91,015
b. 6.4% first mortgage repayable in monthly blended repayments of \$1,920, secured by 314 Speedvale Ave., Guelph land and buildings. Due October 1, 2009	227,958	236,311
c. 8.1% first mortgage repayable in monthly blended repayments of \$2,253, secured by 6871 6 <sup>th</sup> Line Nicholl Twp. (Ennotville) land and buildings. Due August 1, 2014.	247,174	254,211
d. 6.7% first mortgage repayable in monthly blended repayments of \$1,955, secured by 280 St. Patrick St., Fergus land and buildings. Due November 30, 2007.	220,928	228,591
e. 7.35% first mortgage repayable in monthly blended repayments of \$1,224, secured by 351 Jeremy Cres., Mount Forest land and buildings. Due June 1, 2016	148,550	152,335
f. 5.967% first mortgage repayable in monthly blended repayments of \$1,337, secured by 23 Glenda Court, Guelph land and buildings. Due October 1, 2023.	163,259	169,478
g. 6.7% first mortgage repayable in monthly blended repayments of \$1,391, secured by 125-135 Fergus St., Mount Forest land and buildings. Due May 1, 2008.	159,632	165,563
h. 8.25% first mortgage repayable in monthly blended repayments of \$2,531, secured by 106 Thomas St., Harriston land and buildings. Due Dec. 1, 2013.	269,519	277,660
i. 8.25% first mortgage repayable in monthly blended repayments of 2,531, secured by Flaherty Drive, Guelph land and buildings. Due December 1, 2013.	269,519	277,660
j. 7.5% first mortgage repayable in monthly blended repayments of \$3,195, secured by 7 Howe St., Hillsburgh land and buildings. Due September 1, 2016.	221,533	394,773
k. 7.15% first mortgage repayable in monthly blended repayments of \$874, secured by Harvey Street, Fergus land and buildings. Due February 1, 2014.	38,681	95,000
l. 7.5% first mortgage repayable in monthly blended repayments of \$3,195, secured by Erin land and buildings. Due September 1, 2016.	163,741	-
m. 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	300,000
	2,513,388	2,642,597
Less current portion of long-term debt	(237,300)	(295,137)
	\$ 2,276,088	2,347,460

**COMMUNITY LIVING GUELPH WELLINGTON**  
Notes to the Financial Statements  
March 31, 2008

**5. Long-term Debt (continued)**

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2008 and thereafter is as follows:

2008-2009	\$ 237,300
2009-2010	\$ 83,585
2010-2011	\$ 444,602
2011-2012	\$ 85,942
2012 and thereafter	\$ 1,661,959

**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.

	2008	2007
Balance, beginning of year	\$ 4,791,289	4,176,850
Contributions received	809,787	649,689
Transferred from future period deferred contributions	1,481,872	-
Disposals	(371,729)	-
Amortization	(53,896)	(35,250)
Balance, end of year	\$ 6,657,323	4,791,289

**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.

	2008	2007
Balance, beginning of year	\$ 2,042,284	37,271
Capital replacement reserve contributions	3,453	3,453
Interest	1,470	1,560
Adjustment to over-funding	(208)	-
ARC capital subsidy	(1,481,872)	2,000,000
Balance, end of year	\$ 565,127	2,042,284

**8. Investment in Capital Assets:**

Investment in capital assets is calculated as follows:

	2008	2007
Net book value of capital assets	\$ 10,462,198	8,528,728
Less:		
Assets financed by deferred contributions	(6,657,323)	(4,791,289)
Assets financed by mortgages	(2,213,387)	(2,342,597)
Association's Investment in Capital Assets	\$ 1,591,488	1,394,842

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2008

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### 9. Contingencies and Commitments

The association is from time to time subject to various lawsuits and claims. As at March 31, 2008 there are no known lawsuits pending against the Association.

Payments under long-term operating leases for premises and equipment are as follows:

2008-2009	\$	15,162
2009-2010	\$	39,116
2010-2011	\$	2,150
2011-2012	\$	5,079
2012-2013	\$	-

### 10. Designated Funds

The designated fund consist of the following:

a. ARC Capital Campaign

The Association has established a capital campaign fund for the three phase development of the ARC property at 8 Royal Road, Guelph. Various fundraising projects are underway to raise the \$4.6 million required to construct new facilities to house the Adult Developmental Services program, a gymnasium and to cover the cost of renovations to the existing ARC building. Phase 1 was completed December 2006. Phase 2 and Phase 3 are currently underway with completion expected in July 2008.

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

March 31, 2008

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### **11. Financial Instruments**

The Association's financial instruments consist of cash, demand notes, accounts receivable, accounts payable, accrued liabilities and mortgages. All of the financial instruments are denominated in Canadian dollars and all are designated as held to maturity. All of the Association's financial instruments are carried at cost. 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, 2008, 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 Expenditures by Program  
For the year ended March 31, 2008

	Central Admin.	Adult Respite	Indiv. Living Supports	Group Living Supports	Community Activity Supports	Community Activity Foundations	Vocational Alternative Supports	Innov. Res. Supports	Passports	2008 Sub-total
Revenue:										
Provincial subsidy \$	-	91,189	562,703	8,659,094	1,554,602	127,770	861,647	48,326	89,469	11,994,800
Sales and user fees	-	4,568	-	1,108,355	22,666	-	204,528	-	-	1,340,117
Fundraising income	-	-	-	-	-	-	-	-	-	-
	-	95,757	562,703	9,767,449	1,577,268	127,770	1,066,175	48,326	89,469	13,334,917
Expenditures:										
Salaries	332,045	80,254	448,287	6,697,513	960,151	83,118	523,254	-	-	9,124,622
Benefits	42,733	5,885	60,394	868,567	132,167	9,736	74,002	-	-	1,193,484
Travel	2,679	367	21,230	38,108	1,429	291	2,282	-	-	66,386
Training	356	-	-	40,097	-	-	876	-	-	41,329
Program / office	54,227	4,230	5,192	673,663	31,856	4,009	246,227	-	-	1,019,404
Purchased services	72,936	21	-	87,114	28,419	-	768	48,326	89,469	327,053
Building occupancy	96,259	-	-	925,818	345,346	21,016	175,144	-	-	1,563,583
Advertising	8,365	-	-	569	-	-	422	-	-	9,356
Allocated admin.	(609,600)	5,000	27,600	436,700	77,900	9,600	43,200	-	-	(9,600)
Fundraising	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over Expenditures \$	-	95,757	562,703	9,768,149	1,577,268	127,770	1,066,175	48,326	89,469	13,335,617
	-	-	-	(700)	-	-	-	-	-	(700)

**COMMUNITY LIVING GUELPH WELLINGTON**  
Schedule of Revenue and Expenditure by Program  
For the year ended March 31, 2008

	Small Water Works	Other	Repairs and Maintenance	Debt Retirement	Association Funds	Dedicated Housing Supports	2008
<b>Revenue:</b>							
Provincial subsidy	\$ 3,500	4,833	125,909	170,000	-	74,459	12,373,501
Sales and user fees	-	-	-	-	-	20,880	1,360,997
Fundraising income	-	-	-	-	61,359	-	61,359
	3,500	4,833	125,909	170,000	61,359	95,339	13,795,857
<b>Expenditures:</b>							
Salaries	-	4,833	-	-	-	8,796	9,138,251
Benefits	-	-	-	-	-	1,416	1,194,900
Travel	-	-	-	-	-	-	66,386
Training	-	-	-	-	-	-	41,329
Program / Office	-	-	-	-	-	-	1,019,404
Purchased services	3,500	-	-	-	-	-	330,553
Building occupancy	-	-	125,909	170,000	-	75,527	1,935,019
Advertising	-	-	-	-	-	-	9,356
Allocated admin.	-	-	-	-	-	9,600	-
Fundraising	-	-	-	-	18,619	-	18,619
	3,500	4,833	125,909	170,000	18,619	95,339	13,753,817
Excess (deficiency) of revenue over Expenditures	\$ -	-	-	-	42,740	-	42,040