

**Financial Statements**

**COMMUNITY LIVING  
GUELPH WELLINGTON**

**March 31, 2009**



Chartered Accountants  
and Business Advisors

People Count.

## AUDITORS' REPORT

To the Directors of  
Community Living Guelph Wellington

We have audited the statement of financial position of Community Living Guelph Wellington as at March 31, 2009 and the statement of revenues and expenses, statement of changes in net assets and statement of cash flows for the year then ended. These 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 financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 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 13, 2009

RLB LLP

Chartered Accountants  
Licensed Public Accountants

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Financial Position  
March 31, 2009 with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current Assets:		
Cash and investments (note 2)	\$ 1,224,430	\$ 3,918,744
Accounts receivable	216,311	105,906
Grants receivable	6,204	6,204
Prepaid expenses	6,703	46,117
	<u>1,453,648</u>	<u>4,076,971</u>
Capital Assets (note 4)	12,824,472	10,462,198
	<u>\$14,278,120</u>	<u>\$14,539,169</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 642,894	\$ 1,606,797
Current portion of long-term debt (note 5)	299,108	237,300
	<u>942,002</u>	<u>1,844,097</u>
Long-term Debt (note 5)	2,191,880	2,276,088
Deferred Contributions:		
Related to capital assets (note 6)	7,319,898	6,657,323
Related to future periods (note 7)	51,914	565,127
	<u>7,371,812</u>	<u>7,222,450</u>
Net Assets:		
Investment in capital assets (note 8)	3,313,586	1,591,488
Designated funds (note 10)	326,109	1,455,170
Association's capital reserve	71,505	92,086
Association's net assets	61,226	57,790
	<u>3,772,426</u>	<u>3,196,534</u>
	<u>\$14,278,120</u>	<u>\$14,539,169</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, 2009 with comparative figures for 2008

	2009	2008
<b>Revenue</b>		
Provincial subsidy	\$12,938,218	\$12,373,501
Sales and user fees (non-retainable revenue)	1,510,680	1,360,997
Fund raising and donations (retainable revenue)	75,938	61,359
	<u>14,524,836</u>	<u>13,795,857</u>
<b>Expenses</b>		
Salaries	9,780,036	9,138,251
Benefits	1,333,534	1,194,900
Travel	65,443	66,386
Training	36,323	41,329
Supplies and program costs	1,149,065	1,019,404
Purchased services	283,997	330,553
Premises occupancy costs	1,786,778	1,935,019
Advertising	17,701	9,356
Fundraising costs and expenditures	31,801	18,619
	<u>14,484,678</u>	<u>13,753,817</u>
Excess of revenue over expenditures before the following:	40,158	42,040
Transfer from Association fundraising to ARC capital campaign	(36,722)	-
Excess of revenue over expenditures	<u>\$ 3,436</u>	<u>\$ 42,040</u>

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Changes in Net Assets  
March 31, 2009 with comparative figures for 2008

**Designated Funds**

	ARC Campaign	Norm Jary Golf Tour.	General Bequests	Other Fundraising	Total 2009	Total 2008
Balance, beginning of year	\$ 1,136,992	-	315,587	2,591	1,455,170	1,050,096
Proceeds	258,845	21,960	-	11,535	292,340	246,576
Interest	60,640	31	10,522	38	71,231	191,977
Expenditures	(1,526,636)	-	-	(2,718)	(1,529,354)	(33,479)
Transfers	70,159	(21,991)	-	(11,446)	36,722	-
Balance, end of year	\$ -	-	326,109	-	326,109	1,455,170

**Association's Capital Designated Reserve Fund**

	2009	2008
Balance, beginning of year	\$ 92,086	160,263
Proceeds	152,940	136,095
Expenditures	(173,521)	(204,272)
Transfers	-	-
Balance, end of year	\$ 71,505	92,086

**Association's Net Assets**

	2009	2008
Balance, beginning of year	\$ 57,790	15,750
Excess of revenue over expenditures for the year	3,436	42,040
Balance, end of year	\$ 61,226	57,790

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

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Cash Flow  
March 31, 2009 with comparative figures for 2008

	2009	2008
<b>Cash provided by (used in)</b>		
<b>Operations:</b>		
Excess of revenue over expenditures	\$ 3,436	\$ 42,040
Items not requiring cash:		
Amortization of equity in capital assets	(283,024)	(507,461)
Amortization of capital assets	283,024	507,461
Principal payments	152,400	292,950
Change in non-cash working capital:		
Accounts receivable	(110,405)	(49,468)
Grants receivable	-	2,109
Prepaid expenses	39,414	(37,561)
Accounts payable and accrued liabilities	(963,903)	790,342
	(879,058)	1,040,412
<b>Financing:</b>		
Proceeds from mortgages	130,000	163,742
Repayment of long-term debt	(152,400)	(292,950)
Deferred contributions	128,386	595,761
Association's designated capital reserve receipts	152,940	136,096
Designated fund receipts	616,066	438,552
	874,992	1,041,201
<b>Investing:</b>		
Expenditures on capital assets	(2,645,297)	(2,440,931)
Designated fund expenditures	(44,951)	(33,480)
	(2,690,248)	(2,474,411)
Decrease in cash	(2,694,314)	(392,798)
Cash, beginning of year	3,918,744	4,311,542
Cash, end of year	\$ 1,244,430	\$ 3,918,744

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

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2009

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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 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. Land and buildings 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 equipment is calculated on a straight-line basis at the following rates:

Computer equipment	3 years
Vehicles	3 years
Office 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, 2009

**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, 2009 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.

<b>Cash Components</b>	2009	2008
Designated funds	\$ 326,109	1,455,170
Association capital reserve	71,505	92,086
Deferred grants and housing replacement reserves	51,914	565,127
ARC capital fund loan	300,000	300,000
Operating funds	474,902	1,506,361
	<b>\$ 1,224,430</b>	<b>3,918,744</b>

<b>As represented by:</b>	2009	2008
Cash	\$ 1,202,803	3,854,247
Money market funds	21,627	20,220
Other investments	-	44,277
	<b>\$ 1,224,430</b>	<b>3,918,744</b>

**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:

	2009	2008
ARC Industry sales to other programs	\$ 12,083	7,115



## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2009

### 4. Capital assets

	Cost	Accumulated Amortization	NBV 2009	NBV 2008
Land, buildings and furniture	\$ 13,022,621	466,698	12,555,923	10,109,982
Computer equipment	210,017	141,989	68,028	7,540
Office equipment	102,721	60,324	42,397	49,748
Vehicles	800,209	642,085	158,124	294,928
	\$ 14,135,568	1,311,096	12,824,472	10,462,198

Amortization in the amount of \$283,024 was recorded during the year (2008 - \$507,461 including a write-off of \$371,729 for demolished assets).

### 5. Long-term Debt

	2009	2008
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	\$ 44,157	82,894
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	219,062	227,958
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.	235,120	247,174
d. 7.9% first mortgage repayable in monthly blended repayments of \$2,101, secured by 280 St. Patrick St., Fergus land and buildings. Due December 1, 2017.	212,594	220,928
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	144,482	148,550
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.	156,665	163,259
g. 6.99% first mortgage repayable in monthly blended repayments of \$1,416, secured by 125-135 Fergus St., Mount Forest land and buildings due May 1, 2013.	153,420	159,632
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.	260,691	269,519
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.	260,691	269,519
j. 7.5% first mortgage repayable in monthly blended repayments of \$1,838, secured by 7 Howe St., Hillsburgh land and buildings. Due August 1, 2016.	215,654	221,533
k. 7.15% first mortgage repayable in monthly blended repayments of \$874, secured by Harvey Street, Fergus land and buildings. Repaid March 31, 2009.	-	38,681
l. 7.5% first mortgage repayable in monthly blended repayments of \$1,358, secured by Erin land and buildings. Due August 1, 2016.	159,396	163,741
m. 7.65% first mortgage repayable in monthly blended repayments of \$1,050, secured by Erin land and buildings. Due November 1, 2018.	129,056	-
n. 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
	2,490,988	2,513,388
Less current portion of long-term debt	(299,108)	(237,300)
	\$ 2,191,880	2,276,088

**COMMUNITY LIVING GUELPH WELLINGTON**  
Notes to the Financial Statements  
March 31, 2009

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

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2009 and thereafter is as follows:

2009-2010	\$ 299,108
2010-2011	\$ 406,171
2011-2012	\$ 79,419
2012-2013	\$ 85,599
2013 and thereafter	\$ 1,620,691

**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.

	2009	2008
Balance, beginning of year	\$ 6,657,323	4,791,289
Contributions received	191,050	809,787
Transferred from future period deferred contributions	518,128	1,481,872
Disposals	-	(371,729)
Amortization	(46,603)	(53,896)
Balance, end of year	\$ 7,319,898	6,657,323

**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.

	2009	2008
Balance, beginning of year	\$ 565,127	2,042,284
Capital replacement reserve contributions	3,453	3,453
Interest	1,462	1,470
Adjustment to over-funding	-	(208)
ARC capital subsidy	(518,128)	(1,481,872)
Balance, end of year	\$ 51,914	565,127

**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 endeavors. The investment in capital assets is calculated as follows:

	2009	2008
Net book value of capital assets	\$ 12,824,472	10,462,198
Less:		
Assets financed by deferred contributions	(7,319,898)	(6,657,323)
Assets financed by mortgages	(2,190,988)	(2,213,387)
Association's Investment in Capital Assets	\$ 3,313,586	1,591,488

**COMMUNITY LIVING GUELPH WELLINGTON**  
Notes to the Financial Statements  
March 31, 2009

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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, 2009 there are no known lawsuits pending against the Association.

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

2009-2010	\$	12,075
2010-2011	\$	2,175
2011-2012	\$	5,079
Thereafter	\$	-

**10. Designated Funds**

The designated fund consist of the following:

**a. ARC Capital Campaign**

The Association established a capital campaign fund for the three-phase development of the ARC property at 8 Royal Road, Guelph. Various fundraising projects raised \$4.6 million to construct new facilities to house the Adult Developmental Services program, a gymnasium and the reconstruction of the ARC building. Phase 1 was completed December 2006. Phase 2 and Phase 3 were completed in October 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 earlier expansion, and was utilized to assist with repairs and the maintenance of vocational programs. Recently, these funds have been contributed to the ARC capital campaign for the reconstruction of the ARC premises. Monies are raised through the Norm Jary ARC Industries Golf Tournament.

**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, 2009

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### **11. Association's Net Assets**

The Association's net assets represent the cumulative surplus derived from fundraising events such as Sidonio's Fashion Gala, Swing Into Summer golf sponsorships, Dollars and Sense discount coupons and other endeavors. 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.

### **12. 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.

### **13. 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, 2009, subject to final approval. Adjustments to funding, if any, will be recorded in the year in which they occur.

### **14. Subsequent Events**

The Association's collective bargaining agreement with its employees ended March 31, 2009. No settlement has yet been reached on a new agreement. Wages and benefits represent approximately 77% of all operating revenue.

Since April 1, 2009, the Association has been operating at a deficit to its 2009-2010 Budget Submission to the Ministry of Community and Social Services ("MCSS"). Under MCSS guidelines for Budget Submissions, the Association is not permitted to include in its funding request, amounts for recurring fiscal funding and previously agreed base funding and wage gap funding. The annual total of these amounts is approximately \$500,000. The Association anticipates that by June 30, 2009 the Ministry of Community and Social Services will approve a revised service contract that will include these amounts.

**COMMUNITY LIVING GUELPH WELLINGTON**  
Schedule of Revenue and Expenditures by Program  
For the year ended March 31, 2009

	Central Admin.	Adult Respite	Individual Living Supports	Group Living Supports	Community Activity Supports	Community Activity Foundations	Vocational Alternative Supports	Innov. Res. Supports	Other Develop. Services	2009 Sub-total
<b>Revenue:</b>										
Provincial subsidy	\$ -	95,342	586,283	9,175,813	1,621,715	133,312	892,471	49,172	4,918	12,559,026
Sales and user fees	-	35,619	-	1,235,340	15,637	-	202,400	-	-	1,488,996
Fundraising income	-	-	-	-	-	-	-	-	-	-
	-	130,961	586,283	10,411,153	1,637,352	133,312	1,094,871	49,172	4,918	14,048,022
<b>Expenditures:</b>										
Salaries	319,687	73,181	463,659	7,202,829	972,985	88,581	526,212	-	4,918	9,652,052
Benefits	51,870	7,090	61,091	948,766	147,338	10,389	87,117	-	-	1,313,661
Travel	7,455	319	20,795	31,503	2,751	471	2,149	-	-	65,443
Training	3,407	-	-	32,031	30	-	855	-	-	36,323
Program / office	54,992	4,680	2,228	734,123	57,403	1,370	293,468	-	-	1,148,264
Purchased services	112,123	40,691	-	72,827	5,451	35	198	49,172	-	280,497
Building occupancy	99,027	-	2,510	917,853	366,394	22,866	139,010	-	-	1,547,660
Advertising	2,439	-	-	15,200	-	-	62	-	-	17,701
Allocated admin.	(651,000)	5,000	36,000	460,000	85,000	9,600	45,800	-	-	(9,600)
Fundraising	-	-	-	-	-	-	-	-	-	-
	-	130,961	586,283	10,415,132	1,637,352	133,312	1,094,871	49,172	4,918	14,052,001
Excess (deficiency) before:				(3,979)						(3,979)
Transfer to designated funds	-	-	-	-	-	-	-	-	-	-
Net excess (deficiency) for the year	\$ -	-	-	(3,979)	-	-	-	-	-	(3,979)

**COMMUNITY LIVING GUELPH WELLINGTON**  
Schedule of Revenue and Expenditures by Program  
For the year ended March 31, 2009

	Passports	Repairs and Maintenance	Partner Facility Grants	Debt Retirement	Small Water Works	Association Funds	Dedicated Housing Supports	2009 Total
Revenue:								
Provincial subsidy	\$ 138,446	19,379	75,500	67,908	3,500	-	74,459	12,938,218
Sales and user fees	-	-	-	-	-	-	21,684	1,510,680
Fundraising income	-	-	-	-	-	75,938	-	75,938
	138,446	19,379	75,500	67,908	3,500	75,938	96,143	14,524,836
Expenditures:								
Salaries	119,188	-	-	-	-	-	8,796	9,780,036
Benefits	18,457	-	-	-	-	-	1,416	1,333,534
Travel	-	-	-	-	-	-	-	65,443
Training	-	-	-	-	-	-	-	36,323
Program / Office	801	-	-	-	-	-	-	1,149,065
Purchased services	-	-	-	-	3,500	-	-	283,997
Building occupancy	-	19,379	75,500	67,908	-	-	76,331	1,786,778
Advertising	-	-	-	-	-	-	-	17,701
Allocated admin.	-	-	-	-	-	-	9,600	-
Fundraising	-	-	-	-	-	31,801	-	31,801
	138,446	19,379	75,500	67,908	3,500	31,801	96,143	14,484,678
Excess (deficiency) before:	-	-	-	-	-	44,137	-	40,158
Transfer to designated funds	-	-	-	-	-	(36,722)	-	(36,722)
Net excess (deficiency) for the year	\$ -	-	-	-	-	7,415	-	3,436