

**Financial Statements**

**COMMUNITY LIVING  
GUELPH WELLINGTON**

**March 31, 2015**



Chartered Accountants  
and Business Advisors

People Count.

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Community Living Guelph Wellington:

We have audited the accompanying financial statements of Community Living Guelph Wellington which comprise the statement of financial position as at March 31, 2015 and the statements of revenue and expenses, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of the Ministry of Community and Social Services as disclosed in note 1.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Ministry of 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Association derives revenue from the general public in the form of donations, fundraising activities, and other revenues, 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 for unrecorded receipts might be necessary to revenues, excess of revenues over expenses and cash flows from operations for the years ended March 31, 2015 and 2014, current assets as at March 31, 2015 and 2014, and net assets as at April 1 and March 31 for both the 2015 and 2014 years. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified Opinion**

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, 2015, and its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Ministry of Community and Social Services.

**Basis of Accounting and Restriction on Use**

Without modifying our opinion, we draw attention to note 1 of the financial statements, which describes the basis of accounting. These financial statements are prepared solely for the information and use of the Directors of Community Living Guelph Wellington and the Ministry of Community and Social Services. Our report is intended solely for the specified users and should not be distributed to any other parties or used for any other purpose.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario  
June 10, 2015

Chartered Professional Accountants  
Licensed Public Accountants

**COMMUNITY LIVING GUELPH WELLINGTON**  
Statement of Financial Position  
March 31, 2015 with comparative figures for 2014

|   | 2015                | 2014                |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Current Assets:   |                     |                     |
| Cash and cash equivalents (note 2)                        | \$ 2,666,886        | \$ 1,754,090        |
| Investments (note 3)                                      | 176,112             | 152,985             |
| Government subsidy receivable                             | -                   | 1,000,000           |
| Accounts receivable                                       | 136,750             | 138,413             |
| Prepaid expenses  | 121,370             | 6,631               |
|   | <u>3,101,118</u>    | <u>3,052,119</u>    |
| Capital Assets (note 5)                                   | <u>14,730,129</u>   | <u>14,148,175</u>   |
|   | <u>\$17,831,247</u> | <u>\$17,200,294</u> |
| <b>Liabilities, Deferred Contributions and Net Assets</b> |                     |                     |
| Current Liabilities:                                      |                     |                     |
| Accounts payable and accrued liabilities                  | \$2,146,656         | \$ 1,870,854        |
| Current portion of long-term debt (note 6)                | 148,235             | 454,438             |
|   | <u>2,294,891</u>    | <u>2,325,292</u>    |
| Long-term Debt (note 6)                                   | <u>2,018,274</u>    | <u>1,850,470</u>    |
| Deferred Contributions:                                   |                     |                     |
| Related to capital assets (note 7)                        | 8,052,224           | 7,763,719           |
| Related to future periods (note 8)                        | 79,517              | 76,835              |
|   | <u>8,131,741</u>    | <u>7,840,554</u>    |
| Net Assets:   |                     |                     |
| Investment in capital assets (note 9)                     | 4,511,396           | 4,079,548           |
| Internally restricted funds (note 11)                     | 363,653             | 415,197             |
| Association's capital reserve                             | 143,075             | 378,680             |
| Association's net assets                                  | 368,217             | 310,553             |
|   | <u>5,386,341</u>    | <u>5,183,978</u>    |
|   | <u>\$17,831,247</u> | <u>\$17,200,294</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, 2015 with comparative figures for 2014

|   | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>Revenue</b>                                  |                   |                   |
| Provincial subsidy                              | \$15,462,974      | \$15,214,362      |
| Sales and user fees (non-retainable revenue)    | 2,369,809         | 2,169,208         |
| Fund raising and donations (retainable revenue) | 128,265           | 133,378           |
|   | <u>17,961,048</u> | <u>17,516,948</u> |
| <b>Expenses</b>                                 |                   |                   |
| Salaries  | 12,143,102        | 11,343,461        |
| Benefits  | 1,866,543         | 1,761,528         |
| Travel  | 73,207            | 79,628            |
| Training  | 37,956            | 28,265            |
| Supplies and program costs                      | 1,311,186         | 1,235,199         |
| Purchased services                              | 586,362           | 665,740           |
| Premises occupancy costs                        | 1,805,214         | 2,274,711         |
| Advertising                                     | 9,372             | 791               |
| Fundraising costs and other expenditures        | 70,442            | 55,686            |
|   | <u>17,903,384</u> | <u>17,445,009</u> |
| Net excess of revenue over expenses             | <u>\$ 57,664</u>  | <u>\$ 71,939</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, 2015 with comparative figures for 2014

**Internally Restricted Funds**

|   | Capital<br>Campaign | Norm Jary<br>Golf Tourn. | General<br>Bequests | Other<br>Fundraising | Total<br>2015 | Total<br>2014 |
|---|---------------------|--------------------------|---------------------|----------------------|---------------|---------------|
| Balance, beginning of year                    | \$ (59,237)         | \$ 67,544                | \$ 406,890          | \$ -                 | \$ 415,197    | \$ 318,956    |
| Proceeds                                      | 18,453              | 25,725                   | -                   | 5,396                | 49,574        | 158,855       |
| Interest                                      | 10,716              | -                        | 17,119              | -                    | 27,835        | 30,044        |
| Expenditures                                  | (145,000)           | (9,174)                  | -                   | (1,129)              | (155,303)     | (45,908)      |
| Transfers                                     | 88,362              | (84,095)                 | -                   | (4,267)              | -             | -             |
| Investment write-down<br>to fair market value | 26,350              | -                        | -                   | -                    | 26,350        | (46,750)      |
| Balance, end of year                          | \$ (60,356)         | \$ -                     | \$ 424,009          | \$ -                 | \$ 363,653    | \$ 415,197    |

**Association's Capital Reserve Fund**

|                            | 2015       | 2014       |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 378,680 | \$ 244,635 |
| Proceeds                   | 191,017    | 195,522    |
| Expenditures               | (426,622)  | (61,477)   |
| Balance, end of year       | \$ 143,075 | \$ 378,680 |

**Association's Net Assets**

|  | 2015       | 2014       |
|--|------------|------------|
| Balance, beginning of year                       | \$ 310,553 | \$ 238,614 |
| Excess of revenue over<br>expenses for the year: |            |            |
| Surplus Association<br>fundraising               | 57,823     | 77,692     |
| Deficit MCSS funded<br>programs                  | (159)      | (5,753)    |
| Balance, end of year                             | \$ 368,217 | \$ 310,553 |

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, 2015 with comparative figures for 2014

|   | 2015         | 2014         |
|---|--------------|--------------|
| <b>Cash provided by (used in)</b>                 |              |              |
| <b>Operations:</b>                                |              |              |
| Excess of revenue over expenses                   | \$ 57,664    | \$ 71,939    |
| Items not requiring cash:                         |              |              |
| Amortization of capital assets                    | 306,130      | 268,620      |
| Amortization of equity in capital assets          | (167,731)    | (141,532)    |
| Change in non-cash working capital:               |              |              |
| Accounts receivable                               | 4,886        | (10,665)     |
| Grants receivable                                 | 1,000,000    | -            |
| Prepaid expenses                                  | (114,739)    | 5,422        |
| Accounts payable and accrued liabilities          | 275,802      | (245,117)    |
|   | 1,362,012    | (51,333)     |
| <b>Financing:</b>                                 |              |              |
| Repayment of long-term debt                       | (138,399)    | (127,087)    |
| Deferred contributions                            | 319,139      | 123,635      |
| Association's designated capital reserve receipts | 191,017      | 195,522      |
| Designated fund receipts                          | 77,408       | 188,898      |
|   | 449,165      | 380,968      |
| <b>Investing:</b>                                 |              |              |
| Expenditures on capital assets                    | (888,084)    | (198,687)    |
| Designated fund expenditures                      | (10,297)     | (30,317)     |
|   | (898,381)    | (229,004)    |
| Increase in cash and cash equivalents             | 912,796      | 100,631      |
| Cash and cash equivalents, beginning of year      | 1,754,090    | 1,653,459    |
| Cash and cash equivalents, end of year            | \$ 2,666,886 | \$ 1,754,090 |

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

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2015

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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 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 judgements.

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. Donations to designated funds are recorded as income when received.

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 equipment   | 5 years |
| Vehicles           | 3 years |



## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2015

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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.

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.

f. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the statement presentation adopted in the current year.

g. Investments

Mortgage investments are designated as held to maturity and are carried at amortized cost. At March 31, 2015, their cost approximates fair market value. Common shares are designated as available-for-sale and are carried at fair market value. Realized and unrealized gains and losses are recorded in the statement of funds to which the securities belong.

h. 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.

i. Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net excess of revenue over expenses.

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.

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2015

### 1. Significant Accounting Policies (continued)

#### i. Financial Instruments (Continued)

##### 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.

### 2. Cash and Cash Equivalents

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

| <u>Components</u>           | <u>2015</u>         | <u>2014</u>         |
|-----------------------------|---------------------|---------------------|
| Designated funds            | \$ 363,653          | \$ 415,197          |
| Association capital reserve | 143,075             | 378,680             |
| Housing replacement reserve | 74,173              | 69,826              |
| Operating funds             | 2,085,985           | 890,387             |
|                             | <u>\$ 2,666,886</u> | <u>\$ 1,754,090</u> |

### 3. Investments

Investments of the Association's internally restricted funds consist of mortgages and donated stock certificates.

|                      | <u>2015</u>       | <u>2014</u>       |
|----------------------|-------------------|-------------------|
| Mortgage investments | \$ 86,012         | \$ 89,235         |
| Common shares        | 90,100            | 63,750            |
|                      | <u>\$ 176,112</u> | <u>\$ 152,985</u> |

### 4. 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:

|                                      | <u>2015</u> | <u>2014</u> |
|--------------------------------------|-------------|-------------|
| ARC Industry sales to other programs | \$ 6,663    | \$ 6,880    |

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements

March 31, 2015

**5. Capital assets**

|                               | Cost                 | Accumulated<br>Amortization | NBV<br>2015          | NBV<br>2014          |
|-------------------------------|----------------------|-----------------------------|----------------------|----------------------|
| Land, buildings and furniture | \$ 15,408,005        | \$ 1,146,515                | \$ 14,261,490        | \$ 13,891,526        |
| Computer equipment            | 470,467              | 343,602                     | 126,865              | 62,430               |
| Office & other equipment      | 203,252              | 136,542                     | 66,710               | 16,081               |
| Vehicles                      | 1,086,866            | 811,802                     | 275,064              | 178,138              |
|                               | <b>\$ 17,168,590</b> | <b>\$ 2,438,461</b>         | <b>\$ 14,730,129</b> | <b>\$ 14,148,175</b> |

Amortization in the amount of \$306,130 was recorded during the year (2014 - \$268,620).

**6. Long-term Debt**

|   | 2015       | 2014       |
|---|------------|------------|
| a. 5.967% first mortgage repayable in monthly blended repayments of \$1,337, secured by 23 Glenda Court, Guelph land and buildings. Matures October 1, 2023.                          | \$ 107,809 | \$ 117,194 |
| b. 2.418% first mortgage repayable in monthly blended repayments of \$1,520, secured by 314 Speedvale Ave., Guelph land and buildings. Due October 1, 2019.                           | 141,301    | 155,691    |
| c. 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.                           | 146,439    | 159,704    |
| d. 6.5% first mortgage repayable in monthly blended repayments of \$2,064, secured by 6871 6 <sup>th</sup> Line Nicholl Twp. (Ennotville) land and buildings. Matures August 1, 2024. | 174,738    | 187,385    |
| e. 7.35% first mortgage repayable in monthly blended repayments of \$1,224, secured by 351 Jeremy's Cres., Mount Forest land and buildings. Due June 1, 2016.                         | 112,813    | 119,086    |
| f. 6.75% first mortgage repayable in monthly blended repayments of \$1,401, secured by 125-135 Fergus St., Mount Forest land and buildings. Matures May 1, 2023.                      | 105,701    | 115,135    |
| g. 6.75% first mortgage repayable in monthly blended repayments of \$2,373, secured by 106 Thomas St., Harriston land and buildings. Matures December 1, 2023.                        | 188,426    | 203,795    |
| h. 6.75% first mortgage repayable in monthly blended repayments of \$2,373, secured by 108 Flaherty Drive, Guelph land and buildings. Matures December 1, 2023.                       | 188,426    | 203,795    |

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements

March 31, 2015

**6. Long-term Debt (Continued)**

|    |   |                     |                     |
|----|---|---------------------|---------------------|
| i. | 6.5% first mortgage repayable in monthly blended repayments of \$2,222, secured by 7443 Wellington Road 30 (Marden Road), Guelph land and buildings. Due November 1, 2020.  | 263,062             | 272,516             |
| j. | 7.5% first mortgage repayable in monthly blended repayments of \$1,358, secured by 5666 Wellington Road 24 (Trafalgar Road) Erin land and buildings. Due August 1, 2016.    | 125,391             | 132,151             |
| k. | 7.65% first mortgage repayable in monthly blended repayments of \$1,050, secured by 5666 Wellington Road 24 (Trafalgar Road) Erin land and buildings. Due November 1, 2018. | 107,311             | 111,647             |
| l. | 6.7% first mortgage repayable in monthly blended repayments of \$2,181, secured by 35 Walnut Drive, Guelph land and buildings. Due April 1, 2020.                           | 249,434             | 258,782             |
| m. | 7.5% first mortgage repayable in monthly blended repayments of \$1,837, secured by 590 Woodlawn Road E., Guelph land and buildings. Due August 1, 2016.                     | 169,647             | 178,792             |
| n. | 6.7% first mortgage repayable in monthly blended repayments of \$752, secured by 590 Woodlawn Road E., Guelph land and buildings. Due April 1, 2020.                        | 86,011              | 89,235              |
|    |   | 2,166,509           | 2,304,908           |
|    | Current portion of long-term debt   | (148,235)           | (454,438)           |
|    |   | <b>\$ 2,018,274</b> | <b>\$ 1,850,470</b> |

Principal payments due on long-term debt for each of the five years subsequent to March 31, 2015 and thereafter are as follows:

|            |                     |
|------------|---------------------|
| 2015-2016  | \$ 148,235          |
| 2016-2017  | 595,189             |
| 2017-2018  | 236,731             |
| 2018-2019  | 213,857             |
| 2019-2020  | 191,705             |
| Thereafter | 780,792             |
|            | <b>\$ 2,166,509</b> |

**COMMUNITY LIVING GUELPH WELLINGTON**

Notes to the Financial Statements

March 31, 2015

**7. 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.

|                            | 2015         | 2014         |
|----------------------------|--------------|--------------|
| Balance, beginning of year | \$ 7,763,719 | \$ 7,660,197 |
| Contributions received     | 316,456      | 121,619      |
| Amortization               | (27,951)     | (18,097)     |
| Balance, end of year       | \$ 8,052,224 | \$ 7,763,719 |

**8. 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.

|   | 2015      | 2014      |
|---|-----------|-----------|
| Balance, beginning of year                | \$ 76,835 | \$ 74,819 |
| Capital replacement reserve contributions | 3,453     | 3,453     |
| Interest                                  | 894       | 674       |
| Fashion show prepayments                  | 5,345     | 7,010     |
| Transfer to fashion show revenue          | (7,010)   | (9,121)   |
| Balance, end of year                      | \$ 79,517 | \$ 76,835 |

**9. 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:

|  | 2015          | 2014          |
|--|---------------|---------------|
| Net book value of capital assets           | \$ 14,730,129 | \$ 14,148,175 |
| Less:                                      |               |               |
| Assets financed by deferred contributions  | (8,052,224)   | (7,763,719)   |
| Assets financed by mortgages               | (2,166,509)   | (2,304,908)   |
| Association's investment in capital assets | \$ 4,511,396  | \$ 4,079,548  |

**10. Contingencies and Commitments**

The Association is, from time to time, subject to various lawsuits and claims. As at March 31, 2015 there were two outstanding claims against the Association. The outcome of these claims is not determinable and the potential liability cannot be reasonably estimated.

## COMMUNITY LIVING GUELPH WELLINGTON

Notes to the Financial Statements

March 31, 2015

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### 11. Internally Restricted Funds

- a. Capital Campaign Fund  
The Association's Capital Fund Campaign was established for the purpose of fundraising for building projects. The fund is currently designated to support future construction projects.
- b. Norm Jary - ARC Industries Golf Fund  
The ARC Industries Golf Fund was originally established to offset building costs when ARC Industries underwent their earlier expansion, and was utilized to assist with repairs and the maintenance of vocational programs. 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  
Includes fundraising by insurance brokers at their Poor Boys Luncheon, employee fundraising initiatives and organized lotteries.

### 12. Association's Net Assets

The Association's net assets represent the cumulative surplus derived from fundraising events such as the 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.

### 13. Financial Instruments

The Association's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. All of the financial instruments are denominated in Canadian dollars and valued at cost, except for investments in common shares, which are designated as available-for-sale and carried at fair market value. It is management's opinion that the Association is not exposed to significant interest, currency or credit risks. Investments in common shares are subject to significant market value fluctuation.

The extent of the Association's exposure to these risks did not change in 2015 compared to the previous period.

### 14. 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, 2015, 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, 2015

|  | Central<br>Admin. | Individual<br>Living<br>Supports | Group<br>Living<br>Supports | Community<br>Access<br>Supports | Vocational<br>Alternative<br>Supports | Innov.<br>Resident<br>Supports | Other<br>Develop.<br>Services | 2015<br>Sub-total |
|--|-------------------|----------------------------------|-----------------------------|---------------------------------|---------------------------------------|--------------------------------|-------------------------------|-------------------|
| <b>Revenue:</b>  |                   |                                  |                             |                                 |                                       |                                |                               |                   |
| Provincial subsidy   | \$ -              | 663,662                          | 11,743,759                  | 1,918,113                       | 922,578                               | 49,960                         | 4,997                         | 15,303,069        |
| Sales and user fees  | 1,974             | 2,846                            | 1,567,721                   | 87,001                          | 261,156                               | -                              | -                             | 1,920,698         |
| Fundraising income   | -                 | -                                | -                           | -                               | -                                     | -                              | -                             | -                 |
|  | 1,974             | 666,508                          | 13,311,480                  | 2,005,114                       | 1,183,734                             | 49,960                         | 4,997                         | 17,223,767        |
| <b>Expenses:</b>   |                   |                                  |                             |                                 |                                       |                                |                               |                   |
| Salaries   | 493,824           | 534,199                          | 8,668,205                   | 1,363,224                       | 735,715                               | -                              | 4,997                         | 11,800,164        |
| Benefits   | 61,973            | 65,080                           | 1,396,143                   | 181,754                         | 103,071                               | -                              | -                             | 1,808,021         |
| Travel   | 6,262             | 19,440                           | 42,445                      | 537                             | 1,981                                 | -                              | -                             | 70,665            |
| Training   | 2,653             | -                                | 34,784                      | 369                             | 150                                   | -                              | -                             | 37,956            |
| Supplies & prog. costs   | 32,188            | 1,691                            | 928,892                     | 57,082                          | 199,390                               | -                              | -                             | 1,219,243         |
| Purchased services   | 134,606           | -                                | 374,511                     | 23,594                          | 91                                    | 49,960                         | -                             | 582,762           |
| Premises occupancy   | 52,547            | 10,098                           | 1,331,500                   | 260,854                         | 83,336                                | -                              | -                             | 1,738,335         |
| Advertising  | 9,372             | -                                | -                           | -                               | -                                     | -                              | -                             | 9,372             |
| Allocated admin.<br>Fundraising costs<br>and other<br>expenditures | (791,451)         | 36,000                           | 535,000                     | 117,700                         | 60,000                                | -                              | -                             | (42,751)          |
|  | 1,974             | 666,508                          | 13,311,480                  | 2,005,114                       | 1,183,734                             | 49,960                         | 4,997                         | 17,223,767        |
| Excess (deficiency)<br>for the year                                | \$ -              | -                                | -                           | -                               | -                                     | -                              | -                             | -                 |

**COMMUNITY LIVING GUELPH WELLINGTON**  
Schedule of Revenue and Expenses by Program  
For the year ended March 31, 2015

|  | MCYS      | Self<br>Managed<br>Supports | Association<br>Funds | Dedicated<br>Housing<br>Supports | 2015<br>Total |
|--|-----------|-----------------------------|----------------------|----------------------------------|---------------|
| <b>Revenue:</b>                                |           |                             |                      |                                  |               |
| Provincial subsidy                             | \$ 90,000 | -                           | -                    | 69,905                           | 15,462,974    |
| Sales and user fees                            | -         | 432,325                     | -                    | 16,786                           | 2,369,809     |
| Fundraising income                             | -         | -                           | 128,265              | -                                | 128,265       |
|  | 90,000    | 432,325                     | 128,265              | 86,691                           | 17,961,048    |
| <b>Expenses:</b>                               |           |                             |                      |                                  |               |
| Salaries                                       | 74,962    | 259,180                     | -                    | 8,796                            | 12,143,102    |
| Benefits                                       | 11,438    | 45,668                      | -                    | 1,416                            | 1,866,543     |
| Travel   | -         | 2,542                       | -                    | -                                | 73,207        |
| Training                                       | -         | -                           | -                    | -                                | 37,956        |
| Supplies & prog. costs                         | -         | 91,943                      | -                    | -                                | 1,311,186     |
| Purchased services                             | 3,600     | -                           | -                    | -                                | 586,362       |
| Premises occupancy                             | -         | -                           | -                    | 66,879                           | 1,805,214     |
| Advertising                                    | -         | -                           | -                    | -                                | 9,372         |
| Allocated admin.                               | -         | 33,151                      | -                    | 9,600                            | -             |
| Fundraising costs<br>and other<br>expenditures | -         | -                           | 70,442               | -                                | 70,442        |
|  | 90,000    | 432,484                     | 70,442               | 86,691                           | 17,903,384    |
| Excess (deficiency)<br>for the year            | \$ -      | (159)                       | 57,823               | -                                | 57,664        |