

**COMMUNITY LIVING
QUINTE WEST**

FINANCIAL STATEMENTS

March 31, 2010

AUDITORS' REPORT

To the Directors
Community Living Quinte West

We have audited the statement of financial position of **Community Living Quinte West** as at March 31, 2010 and the statements of operations, changes in fund balances (deficiency) and 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.

Except as explained in the following paragraph, we 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not for profit organizations, the Organization derives revenues from donations and fund raising revenues, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations, fund raising revenues, net revenue, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fund raising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Trenton, Ontario
June 9, 2010

**CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

COMMUNITY LIVING QUINTE WEST
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2010

	Operating Fund	Other Funds	2010 Total	2009 Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 2,400	\$ -	\$ 2,400	\$ 8,952
Accounts receivable	11,003	-	11,003	22,770
Prepaid expenses	2,370	-	2,370	2,642
Due from general fund	-	1,964	-	-
	<u>15,773</u>	<u>1,964</u>	<u>15,773</u>	<u>34,364</u>
CAPITAL ASSETS - note 3	<u>719,097</u>	<u>-</u>	<u>719,097</u>	<u>687,987</u>
	<u><u>\$ 734,870</u></u>	<u><u>\$ 1,964</u></u>	<u><u>\$ 734,870</u></u>	<u><u>\$ 722,351</u></u>

LIABILITIES AND FUND BALANCES (DEFICIENCY)

CURRENT LIABILITIES				
Bank indebtedness - note 4	\$ 110,878	\$ -	\$ 110,878	\$ 113,948
Accounts payable and accrued liabilities	261,409	-	261,409	243,905
Unearned revenue	10,398	-	10,398	875
Current portion of long-term debt	5,837	-	5,837	5,784
Due to Joan Scott Memorial Fund	1,964	-	-	-
	<u>390,486</u>	<u>-</u>	<u>388,522</u>	<u>364,512</u>
DEFERRED CONTRIBUTIONS - note 5	<u>425,847</u>	<u>-</u>	<u>425,847</u>	<u>383,774</u>
LONG-TERM DEBT- note 6	<u>4,412</u>	<u>-</u>	<u>4,412</u>	<u>10,249</u>
FUND BALANCES (DEFICIENCY)				
Invested in capital assets	283,001	-	283,001	288,180
Externally restricted				
Joan Scott Memorial Fund	-	1,964	1,964	1,764
Unrestricted	(368,876)	-	(368,876)	(326,128)
	<u>(85,875)</u>	<u>1,964</u>	<u>(83,911)</u>	<u>(36,184)</u>
	<u><u>\$ 734,870</u></u>	<u><u>\$ 1,964</u></u>	<u><u>\$ 734,870</u></u>	<u><u>\$ 722,351</u></u>

CONTINGENT LIABILITIES - note 7

APPROVED ON BEHALF OF THE BOARD

_____ Director

(See accompanying notes)

_____ Director

COMMUNITY LIVING QUINTE WEST
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2010

	Operating Fund	Other Funds	Total 2010	Total 2009
REVENUES				
Province of Ontario				
- Subsidy operating	\$ 1,958,056	\$ -	\$ 1,958,056	\$ 1,911,682
Fees, Family Benefit Allowance	175,063	-	175,063	166,955
Fees, Compass program	35,032	-	35,032	39,733
Grant, Youth employment	9,523	-	9,523	8,630
Business revenue	11,003	-	11,003	47,236
HELMS revenue	51,811	-	51,811	-
Fund raising	16,591	-	16,591	25,796
Donations	1,405	200	1,605	2,684
Membership fees	170	-	170	290
Interest	9	-	9	523
Amortization of deferred contributions - note 5	31,927	-	31,927	38,470
Miscellaneous	79,668	-	79,668	25,263
	<u>2,370,258</u>	<u>200</u>	<u>2,370,458</u>	<u>2,267,262</u>
EXPENDITURES				
Association	23,355	-	23,355	35,638
Administration	282,137	-	282,137	285,368
Day Supports	241,352	-	241,352	343,153
Bentinck St. Residence	563,423	-	563,423	408,826
Lafferty Rd. Residence	515,136	-	515,136	481,183
Fraser Glen Court Residence	411,603	-	411,603	479,592
Service Co-ordinator	4,414	-	4,414	4,328
Community Living Support	172,900	-	172,900	172,650
Foundations	26,511	-	26,511	28,725
Passport to Community Living	41,427	-	41,427	40,615
Associated Living	5,977	-	5,977	-
HELMS	51,811	-	51,811	-
New Access Mechanism	3,000	-	3,000	-
Waterworks operations	8,523	-	8,523	8,490
Youth employment	9,710	-	9,710	8,859
Amortization	56,906	-	56,906	60,039
	<u>2,418,185</u>	<u>-</u>	<u>2,418,185</u>	<u>2,357,466</u>
NET REVENUES (EXPENDITURES)	<u>\$ (47,927)</u>	<u>\$ 200</u>	<u>\$ (47,727)</u>	<u>\$ (90,204)</u>

(See accompanying notes)

COMMUNITY LIVING QUINTE WEST
STATEMENT OF CHANGES IN FUND BALANCES (DEFICIENCY)
YEAR ENDED MARCH 31, 2010

	Fund Balances (Deficiency) Beginning Year	Operating Surplus (Deficiency) for year (schedule 1)	Interfund Transfers (note 10)	Fund Balances (Deficiency) end of year
2010				
MCSS funded programs	\$ (336,056)	\$ (17,572)	\$ (8,008)	\$ (361,636)
Other	(13,993)	(187)	-	(14,180)
Association private funds	<u>23,921</u>	<u>(5,189)</u>	<u>(11,792)</u>	<u>6,940</u>
TOTAL OPERATING FUND -				
Unrestricted	(326,128)	(22,948)	(19,800)	(368,876)
Invested in capital assets	288,180	(24,979)	19,800	283,001
Joan Scott Memorial Fund	<u>1,764</u>	<u>200</u>	<u>-</u>	<u>1,964</u>
	<u>\$ (36,184)</u>	<u>\$ (47,727)</u>	<u>\$ -</u>	<u>\$ (83,911)</u>
2009				
MCSS funded programs	\$ (242,222)	\$ (84,328)	\$ (9,506)	\$ (336,056)
Other	(13,764)	(229)	-	(13,993)
Association private funds	<u>6,355</u>	<u>15,922</u>	<u>1,644</u>	<u>23,921</u>
TOTAL OPERATING FUND -				
Unrestricted	(249,631)	(68,635)	(7,862)	(326,128)
Invested in capital assets	291,361	(21,569)	18,388	288,180
Joan Scott Memorial Fund	<u>1,764</u>	<u>-</u>	<u>-</u>	<u>1,764</u>
Reserve fund	<u>10,526</u>	<u>-</u>	<u>(10,526)</u>	<u>-</u>
	<u>\$ 54,020</u>	<u>\$ (90,204)</u>	<u>\$ -</u>	<u>\$ (36,184)</u>

(See accompanying notes)

COMMUNITY LIVING QUINTE WEST
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2010

	Operating Fund	Other Funds	Total 2010	Total 2009
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net revenues (expenditures)	\$ (47,927)	\$ 200	\$ (47,727)	\$ (90,204)
Items not affecting cash:				
Amortization of capital assets	56,906	-	56,906	60,039
Amortization of deferred contributions	(31,927)	-	(31,927)	(38,470)
	(22,948)	200	(22,748)	(68,635)
Changes in the level of:				
Accounts receivable	11,767	-	11,767	(5,749)
Prepaid expenses	272	-	272	6,415
Accounts payable and accrued liabilities	17,504	-	17,504	46,584
Unearned revenue	9,523	-	9,523	875
	16,118	200	16,318	(20,510)
INVESTING ACTIVITIES				
Additions to capital assets	(88,016)	-	(88,016)	(104,576)
FINANCING ACTIVITIES				
Increase (decrease) in bank loan	28,000	-	28,000	(1,000)
Deferred contributions received	74,000	-	74,000	70,155
Long-term debt advanced	-	-	-	17,471
Long-term debt repaid	(5,784)	-	(5,784)	(1,438)
	96,216	-	96,216	85,188
INTER FUND TRANSFERS	200	(200)	-	-
INCREASE (DECREASE) IN CASH	24,518	-	24,518	(39,898)
CASH, beginning of year	(48,996)	-	(48,996)	(9,098)
CASH, end of year	\$ (24,478)	\$ -	\$ (24,478)	\$ (48,996)
Cash consist of:				
Cash	\$ 2,400	\$ -	\$ 2,400	\$ 8,952
Bank overdraft	(26,878)	-	(26,878)	(57,948)
	\$ (24,478)	\$ -	\$ (24,478)	\$ (48,996)

(See accompanying notes)

Welch LLP

An Independent Member of BKR International

**COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010**

1. PURPOSE OF ORGANIZATION

The Organization is a not for profit registered charity which, as an advocate for people with intellectual disabilities in the Quinte West area, provides a variety of services and supports for/to people with intellectual disabilities and their families. It also strives to serve as a resource and focal point to assist the total community in the support of its citizens. The Organization is incorporated under the laws of Ontario without share capital. The Organization is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund. Revenue and expense related to other funds are reported in the appropriate fund.

Capital Assets and Amortization

Capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis, generally using amortization periods of 25 years for buildings, 10 years for fencing, 4 years for computer equipment and 5 years for automotive equipment and other equipment.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue of the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Joan Scott Memorial Fund

The Joan Scott Memorial Fund was set up from donations received in memory of Joan Scott and is to be used to fund activities for the Organization's clients.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

8

3. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2010</u>			<u>2009</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 118,000	\$ -	\$ 118,000	\$ 118,000
Buildings	1,142,458	600,912	541,546	493,244
Fencing	5,394	4,995	399	695
Computer equipment	58,340	47,596	10,744	11,551
Automotive equipment	184,897	136,489	48,408	64,497
Equipment	9,792	9,792	-	-
	<u>\$ 1,518,881</u>	<u>\$ 799,784</u>	<u>\$ 719,097</u>	<u>\$ 687,987</u>

4. BANK INDEBTEDNESS

Bank indebtedness consists of:

	<u>2010</u>	<u>2009</u>
Bank overdraft	\$ 26,878	\$ 57,948
Demand operating loan	84,000	56,000
	<u>\$ 110,878</u>	<u>\$ 113,948</u>

The demand operating loan bears interest at bank prime. The demand loans are available up to a maximum of \$200,000. Security for the loan is a General Security Agreement.

5. DEFERRED CONTRIBUTIONS

Related to Capital Assets

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 383,774	\$ 352,089
Contributions	74,000	70,155
Amount amortized to revenue	(31,927)	(38,470)
Balance, end of year	<u>\$ 425,847</u>	<u>\$ 383,774</u>

Deferred contributions reported in the Capital Assets Fund include the unamortized portion of restricted contributions related to capital asset purchases. These contributions are deferred and recognized as revenue on the same basis as to the amortization expense related to the acquired capital asset.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

9

6. LONG-TERM DEBT

Long-term debt consists of:

	<u>2010</u>	<u>2009</u>
Automotive equipment loan bearing interest at 0.9% per annum with blended monthly payments of \$492, due December 2011 secured by automotive equipment with a net book value of \$15,552	\$ 10,249	\$ 16,033
Current portion	<u>(5,837)</u>	<u>(5,784)</u>
	<u>\$ 4,412</u>	<u>\$ 10,249</u>

Future principal payments on long-term debt are expected to be as follows:

2010	\$5,837
2011	4,412

7. CONTINGENT LIABILITIES

Until the Ministry of Community and Social Services reviews the Transfer Payment Annual Reconciliation (TPAR), which occurs after the release of the financial statements, the Organization has a potential liability. If the ministry determines a repayment of funding is required, it would be recorded as an expense of the period in which that determination was made.

The Organization allows employees to accumulate sick days to a maximum of ninety days. At March 31, 2010, the value of the accumulated sick days totalled approximately \$75,000. These funds are payable only when the employee is away due to illness and are not payable on termination. In the situation where an employee may be off for a long period of time, the Association would be required to hire a temporary replacement employee. The Organization has accrued \$11,627 (included in accrued liabilities) as an estimate to cover the amount of the expense for temporary employees that would not be covered by current budget funds.

8. REAL ESTATE PROPERTIES

The Organization owns the land and buildings at the following locations:

- 11 Canal Street, Trenton, Ontario - Day Supports
- 52 Lafferty Road property, Trenton, Ontario - Administration offices and residence
- 59 Bentinck Street, Trenton, Ontario - residence
- 11 Fraser Glen Court, Trenton, Ontario - residence

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

10

9. CONTRACT WITH MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Organization has a service contract with the Ministry of Community and Social Services. One requirement of the contract is the production by management of an Transfer Payment Annual Reconciliation which shows a summary by service of annual revenues and expenditures and any resulting surplus or deficit that relate to the contract. A review of these reports shows all services to be in deficit position as at March 31, 2010.

10. INTERFUND TRANSFERS

Interfund transfers for the year are as follows:

<u>From Association to Invested in Capital Asset</u>	<u>2010</u>	<u>2009</u>
Used to purchase capital assets	\$ 6,008	\$ 24,915
Financing obtained on capital assets	-	(17,471)
Principal payments on financing	5,784	1,438
	<u>\$ 11,792</u>	<u>\$ 8,882</u>

<u>From Reserve Fund to Association</u>		
Reserve fund returned to unrestricted	\$ -	\$ 10,526

<u>From MCSS Funded Program to Invested in Capital Asset</u>	<u>2010</u>	<u>2009</u>
Used to purchase capital assets	\$ 82,008	\$ 79,661
Funds received that are restricted to capital asset purchases	(74,000)	(70,155)
	<u>\$ 8,008</u>	<u>\$ 9,506</u>

Capital assets purchased in the year in MCSS funded programs were:

Building improvements - Day supports	\$ 59,504
Building improvements - Lafferty and Admin Building	20,500
Computer equipment	2,004
	<u>\$ 82,008</u>

\$74,000 of these purchases were funded out of special funding.

Interfund balances payable and receivable are non-interest bearing and have no fixed terms of repayment.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

11

11. FINANCIAL INSTRUMENTS

In accordance with Section 3855, Financial Instruments - Recognition and Measurement, financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatments of the instrument. The classification of the instrument is determined by the Organization when the financial instrument is initially recorded, based on the underlying purpose of the investment.

The financial assets and financial liabilities of the Organization are classified and measured as follows:

<u>Financial Assets/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Bank indebtedness	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operations in the period in which the gain or loss occurs. Changes in fair value of financial instruments classified as held for trading are recorded in the statement of operations.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation. The fair value of long-term debt is impractical to determine. The terms and conditions of long-term debt are disclosed in note 6.

Unless disclosed elsewhere in the notes to the financial statements, it is management's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

12. ECONOMIC DEPENDENCE

The Organization is primarily funded by annual subsidies from the Province of Ontario.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

12

13. CAPITAL DISCLOSURES

CICA Handbook Section 1535 requires that the organization disclose information about its capital and how it is managed.

The Organization defines capital as its unrestricted net assets and its externally restricted contributions which are classified as deferred contributions in the statement of financial position. The Organization's objectives with respect to managing capital are to comply with externally imposed restrictions and hold sufficient unrestricted net assets to fund ongoing operations. The Organization monitors its capital requirements and objectives through its budgeting process, its financial statement review process and reviews of the terms and conditions contained in its funding agreements. The external restrictions imposed on these contributions are disclosed in Note 2, 5 and 9. Management believes that the Organization has adhered to all externally imposed restrictions.

14. COMPARATIVE FIGURES RECLASSIFIED

Certain comparative figures have been reclassified to conform with the current years presentation.

COMMUNITY LIVING QUINTE WEST
SCHEDULE OF DEPARTMENTAL (SURPLUS) DEFICIT
YEAR ENDED MARCH 31, 2010

	EMPLOYEE SALARIES & BENEFITS	GENERAL EXPENSES	TOTAL EXPENSES	NON- SUBSIDY REVENUE	(SURPLUS) DEFICIT BEFORE SUBSIDY	PROVINCE OF ONTARIO SUBSIDY	AMORTIZATION OF DEFERRED CONTRIBUTIONS	ALLOCATION OF ADMINI- STRATIVE COSTS	(SURPLUS) DEFICIT FOR YEAR
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	196,662	85,475	282,137	9	282,128	-	-	(282,128)	-
Day Supports	184,961	56,391	241,352	47,013	194,339	205,815	-	26,738	15,262
Beninck Street residence	521,082	42,341	563,423	150,651	412,772	481,000	-	68,709	481
Lafferty Road residence	473,828	41,308	515,136	59,914	455,222	523,206	-	68,708	724
Fraser Glen Court residence	372,574	39,029	411,603	43,188	368,415	436,500	-	68,708	623
Adult Assessment and Counselling	4,312	102	4,414	-	4,414	4,414	-	-	-
Community Living Support	160,515	12,385	172,900	-	172,900	212,245	-	39,838	493
Foundations	18,926	7,585	26,511	-	26,511	37,686	-	9,427	(1,748)
Passport to Community Living	41,427	-	41,427	-	41,427	41,427	-	-	-
Associated Living	4,302	1,675	5,977	-	5,977	4,302	-	-	1,675
Waterworks Operations	-	8,523	8,523	-	8,523	8,461	-	-	62
New Access Mechanism	-	3,000	3,000	-	3,000	3,000	-	-	-
TOTAL-MCSSL FUNDED PROGRAMS	1,978,589	297,814	2,276,403	300,775	1,975,628	1,958,056	-	-	17,572
Association	-	23,355	23,355	18,166	5,189	-	-	-	5,189
Invested in capital assets	-	56,906	56,906	-	56,906	-	31,927	-	24,979
Youth employment	9,710	-	9,710	9,523	187	-	-	-	187
HELMS	-	51,811	51,811	51,811	-	-	-	-	-
2009/2010 TOTALS	1,988,299	429,886	2,418,185	380,275	2,037,910	1,958,056	31,927	-	47,927
2008/2009 TOTALS	1,956,193	401,273	2,357,466	317,110	2,040,356	1,911,682	38,470	-	90,204

(See accompanying notes)

Welch LLP