

**COMMUNITY LIVING
QUINTE WEST**

FINANCIAL STATEMENTS

March 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Community Living Quinte West

We have audited the accompanying financial statements of **Community Living Quinte West**, which comprise the statements of financial position as at March 31, 2013 and March 31, 2012 and the statements of operations, changes in fund balances (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Community Living Quinte West derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Community Living Quinte West. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, net revenue (expenditures) and cash flows from operations for the years ended March 31, 2013 and 2012, current assets as at March 31, 2013 and 2012, and fund balances (deficiency) as at April 1 and March 31 for both the 2013 and 2012 years.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Community Living Quinte West** as at March 31, 2013 and March 31, 2012 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Trenton, Ontario
July 12, 2013



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

COMMUNITY LIVING QUINTE WEST
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

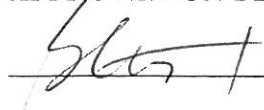
	Operating Fund	Other Funds	2013 Total	2012 Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 7,256	\$ -	\$ 7,256	\$ 9,116
Accounts receivable	166,942	-	166,942	31,809
Prepaid expenses	3,994	-	3,994	5,251
	178,192	-	178,192	46,176
CAPITAL ASSETS - note 4	904,783	-	904,783	842,652
	<u>\$ 1,082,975</u>	<u>\$ -</u>	<u>\$ 1,082,975</u>	<u>\$ 888,828</u>

LIABILITIES AND FUND BALANCES (DEFICIENCY)

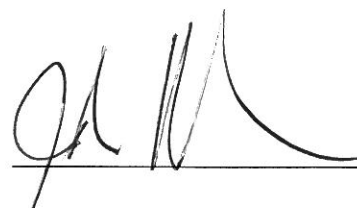
CURRENT LIABILITIES				
Bank indebtedness - note 5	\$ 236,492	\$ -	\$ 236,492	\$ 165,654
Accounts payable and accrued liabilities	293,434	-	293,434	245,219
Unearned revenue	22,000	-	22,000	5,000
	551,926	-	551,926	415,873
DEFERRED CONTRIBUTIONS - note 6	630,633	-	630,633	557,269
INTERFUND BALANCES- note 11	19,007	(19,007)	-	-
FUND BALANCES (DEFICIENCY)				
Invested in capital assets	274,150	-	274,150	285,383
Externally restricted				
Joan Scott Memorial Fund - note 11	-	2,164	2,164	1,964
Internally restricted				
Kathryn Wilson Fund - note 11	-	16,843	16,843	17,967
Unrestricted	(392,741)	-	(392,741)	(389,628)
	(118,591)	19,007	(99,584)	(84,314)
	<u>\$ 1,082,975</u>	<u>\$ -</u>	<u>\$ 1,082,975</u>	<u>\$ 888,828</u>

CONTINGENT LIABILITIES - note 7

APPROVED ON BEHALF OF THE BOARD

 Director

(See accompanying notes)

 Director

Welch LLP

An Independent Member of BKR International

COMMUNITY LIVING QUINTE WEST
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2013

	Operating Fund	Other Funds	2013 Total	2012 Total
REVENUES				
Province of Ontario				
- Subsidy operating	\$ 2,018,475	\$ -	\$ 2,018,475	\$ 2,022,883
Fees, Family Benefit Allowance	149,008	-	149,008	143,152
Fees, Compass program	34,788	-	34,788	28,442
Grant, Youth employment	7,785	-	7,785	11,025
Business	29,360	-	29,360	25,528
HELMS	37,314	-	37,314	48,027
Fundraising	25,928	-	25,928	35,016
Donations	1,158	-	1,158	170
Membership fees	448	-	448	160
Interest	15	-	15	186
Amortization of deferred contributions - note 6	38,636	-	38,636	38,839
Miscellaneous	3,398	-	3,398	7,316
Joan Scott Memorial Fund	-	200	200	-
	<u>2,346,313</u>	<u>200</u>	<u>2,346,513</u>	<u>2,360,744</u>
EXPENDITURES				
Association	15,452	-	15,452	20,834
Administration	334,104	-	334,104	311,779
Day Supports	311,516	-	311,516	304,957
Bentinck St. Residence	433,360	-	433,360	441,416
Lafferty Rd. Residence	442,561	-	442,561	496,255
Fraser Glen Court Residence	458,379	-	458,379	394,573
Adult Assessment and Counselling	-	-	-	4,414
Community Living Support	184,955	-	184,955	185,660
Associated Living	69,776	-	69,776	76,355
HELMS	41,521	-	41,521	44,817
Waterworks operations	-	-	-	11,664
Youth employment	7,774	-	7,774	11,452
Amortization	61,261	-	61,261	57,767
Kathryn Wilson Fund	-	1,124	1,124	116
	<u>2,360,659</u>	<u>1,124</u>	<u>2,361,783</u>	<u>2,362,059</u>
NET REVENUES (EXPENDITURES)	<u>\$ (14,346)</u>	<u>\$ (924)</u>	<u>\$ (15,270)</u>	<u>\$ (1,315)</u>

(See accompanying notes)

COMMUNITY LIVING QUINTE WEST
STATEMENT OF CHANGES IN FUND BALANCES (DEFICIENCY)
YEAR ENDED MARCH 31, 2013

	Fund Balances (Deficiency) Beginning Year	Operating Surplus (Deficiency) for year (schedule 1)	Invested in capital assets (note 10)	Fund Balances (Deficiency) end of year
2013				
MCSS funded programs	\$ (375,792)	\$ 393	\$ (904)	\$ (376,303)
Other	(12,989)	(4,196)	-	(17,185)
Association private funds	<u>(847)</u>	<u>12,082</u>	<u>(10,488)</u>	<u>747</u>
TOTAL OPERATING FUND -				
Unrestricted	(389,628)	8,279	(11,392)	(392,741)
Invested in capital assets	285,383	(22,625)	11,392	274,150
Joan Scott Memorial Fund	1,964	200	-	2,164
Kathryn Wilson Fund	<u>17,967</u>	<u>(1,124)</u>	<u>-</u>	<u>16,843</u>
	<u>\$ (84,314)</u>	<u>\$ (15,270)</u>	<u>\$ -</u>	<u>\$ (99,584)</u>
2012				
MCSS funded programs	\$ (375,128)	\$ 434	\$ (1,098)	\$ (375,792)
Other	(15,772)	2,783	-	(12,989)
Association private funds	<u>9,499</u>	<u>14,512</u>	<u>(24,858)</u>	<u>(847)</u>
TOTAL OPERATING FUND -				
Unrestricted	(381,401)	17,729	(25,956)	(389,628)
Invested in capital assets	278,355	(18,928)	25,956	285,383
Joan Scott Memorial Fund	1,964	-	-	1,964
Kathryn Wilson Fund	<u>18,083</u>	<u>(116)</u>	<u>-</u>	<u>17,967</u>
	<u>\$ (75,971)</u>	<u>\$ (1,315)</u>	<u>\$ -</u>	<u>\$ (84,314)</u>

(See accompanying notes)

COMMUNITY LIVING QUINTE WEST
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013

	Operating Fund	Other Funds	2013 Total	2012 Total
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net revenues (expenditures)	\$ (14,346)	\$ (924)	\$ (15,270)	\$ (1,315)
Items not affecting cash:				
Amortization of capital assets	61,261	-	61,261	57,767
Amortization of deferred contributions	(38,636)	-	(38,636)	(38,839)
	8,279	(924)	7,355	17,613
Changes in the level of:				
Accounts receivable	(135,133)	-	(135,133)	14,861
Prepaid expenses	1,257	-	1,257	(639)
Accounts payable and accrued liabilities	48,215	-	48,215	36,062
Unearned revenue	17,000	-	17,000	(70,000)
	(60,382)	(924)	(61,306)	(2,103)
INVESTING ACTIVITIES				
Additions to capital assets	(123,392)	-	(123,392)	(141,544)
FINANCING ACTIVITIES				
Increase in bank loan	61,000	-	61,000	44,000
Deferred contributions received	112,000	-	112,000	120,000
Long-term debt repaid	-	-	-	(4,412)
	173,000	-	173,000	159,588
INCREASE (DECREASE) IN CASH	(10,774)	(924)	(11,698)	15,941
CASH (DEFICIENCY), beginning of year	4,462	-	4,462	(11,479)
INTERFUND ADJUSTMENTS	(924)	924	-	-
CASH (DEFICIENCY), end of year	<u>\$ (7,236)</u>	<u>\$ -</u>	<u>\$ (7,236)</u>	<u>\$ 4,462</u>
Cash (deficiency) consist of:				
Cash	\$ 7,256	\$ -	\$ 7,256	\$ 9,116
Bank overdraft	(14,492)	-	(14,492)	(4,654)
	<u>\$ (7,236)</u>	<u>\$ -</u>	<u>\$ (7,236)</u>	<u>\$ 4,462</u>

(See accompanying notes)

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

1. ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPPO"). Canadian accounting standards for not-for-profit organizations are reflected in Part III of the CICA Accounting Handbook.

The Organization's first reporting period using Canadian accounting standards for not-for-profit organizations is for the year ended March 31, 2013. As a result, the date of transition to Canadian accounting standards for not-for-profit organizations is April 1, 2011. The Organization presented financial statements under its previous Canadian generally accepted accounting principles ("CGAAP") annually to March 31st of each fiscal year up to, and including, March 31, 2012.

As these financial statements are the first financial statements for which the Organization has applied ASNFPPO, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of ASNFPPO, First-time Adoption by Not-for-profit Organizations.

The Organization is required to apply ASNFPPO effective for periods ending on March 31, 2013 in:

- a) preparing and presenting its opening statement of financial position at April 1, 2011; and
- b) preparing and presenting its statement of financial position for March 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in fund balances (deficiency), and statement of cash flows for the year ended March 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

The adoption of ASNFPPO had no impact on the previously reported assets, liabilities, revenue and expenditures and net assets of the Organization and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations, statement of changes in fund balances (deficiency) and the cash flow statement. Since no retrospective adjustments were required to the Organization's assets, liabilities and net assets as at April 1, 2011, the Organization's date of transition to ASNFPPO, a statement of financial position as at that date has not been provided. The account balances under ASNFPPO at April 1, 2011 are consistent with the account balances that were reflected in the organization's previously issued statement of financial position as at March 31, 2011.

Certain disclosures have been added to these financial statements to comply with the new ASNFPPO disclosure requirements.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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4. **CAPITAL ASSETS**

Capital assets consist of the following:

	<u>2013</u>			<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 118,000	\$ -	\$ 118,000	\$ 118,000
Buildings	1,452,698	721,794	730,904	679,547
Fencing	5,394	5,394	-	77
Computer equipment	62,355	58,717	3,638	5,164
Automotive equipment	232,807	180,566	52,241	39,864
Equipment	9,792	9,792	-	-
	<u>\$ 1,881,046</u>	<u>\$ 976,263</u>	<u>\$ 904,783</u>	<u>\$ 842,652</u>

5. **BANK INDEBTEDNESS**

Bank indebtedness consists of:

	<u>2013</u>	<u>2012</u>
Bank overdraft	\$ 14,492	\$ 4,654
Demand operating loan	222,000	161,000
	<u>\$ 236,492</u>	<u>\$ 165,654</u>

The demand operating loan bears interest at bank prime. The demand loan is available up to a maximum of \$300,000. Security for the loan is a General Security Agreement.

6. **DEFERRED CONTRIBUTIONS**

Related to Capital Assets

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 557,269	\$ 476,108
Contributions	112,000	120,000
Amount amortized to revenue	(38,636)	(38,839)
Balance, end of year	<u>\$ 630,633</u>	<u>\$ 557,269</u>

Deferred contributions 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 the amortization expense related to the acquired capital asset.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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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 760 hours. At March 31, 2013, the value of the accumulated sick days totalled approximately \$180,000. 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 Organization 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, Trenton, Ontario - Administration offices and residence
- 59 Bentinck Street, Trenton, Ontario - residence
- 11 Fraser Glen Court, Trenton, Ontario - residence

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 a 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, 2013.

COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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10. INVESTED IN CAPITAL ASSETS

Amounts invested in capital assets for the year are as follows:

<u>From Association to Invested in Capital Assets</u>	<u>2013</u>	<u>2012</u>
Used to purchase capital assets	\$ 10,488	\$ 95,446
Funds received not restricted to capital asset purchases	-	(75,000)
Principal payments on financing	-	4,412
	<u>\$ 10,488</u>	<u>\$ 24,858</u>

<u>From MCSS Funded Program to Invested in Capital Assets</u>	<u>2013</u>	<u>2012</u>
Used to purchase capital assets	\$ 112,904	\$ 46,098
Funds received that are restricted to capital asset purchases	(112,000)	(45,000)
	<u>\$ 904</u>	<u>\$ 1,098</u>

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

Building improvements - Canal and Admin Building	\$ 85,067
Computer equipment	692
Vehicles	27,145
	<u>\$ 112,904</u>

\$112,000 of these purchases were funded out of special funding.

11. RESTRICTED FUNDS

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.

Kathryn Wilson Fund

The Kathryn Wilson Fund was established by the Board from a bequest and is to be used to fund activities for the Organization's clients.

Amounts due from the operating fund to the restricted funds are as follows:

	<u>2013</u>	<u>2012</u>
Joan Scott Memorial Fund	\$ 2,164	\$ 1,964
Kathryn Wilson Fund	16,843	17,967
	<u>\$ 19,007</u>	<u>\$ 19,931</u>

The balances payable to the restricted funds are non-interest bearing and have no fixed terms of repayment.

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COMMUNITY LIVING QUINTE WEST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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12. **FINANCIAL INSTRUMENTS**

Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and accounts receivable. Concentration of credit risk with respect to receivables are limited to the government. The Organization reviews outstanding accounts on a regular basis and follows a predetermined process to collect balances based on internal policies.

Liquidity Risk

Liquidity risk is the risk that the Organization cannot meet its debts when they become due. The Organization's management manages this risk by reviewing future cash flow requirements.

Currency Risk

Substantially all of the Organization's transactions are in Canadian dollars and as a result the Organization is not subject to significant currency risk.

Interest Rate Risk

The Organization is exposed to interest rate risk as its bank loans bear interest at a variable interest rate.

13. **ECONOMIC DEPENDENCE**

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

14. **COMMITMENTS**

The Organization leases office equipment. Future minimum annual payments are as follows:

2014	\$ 4,719
2015	4,719
2016	4,719
2017	3,279

15. **GOVERNMENT REMITTANCES PAYABLE**

The accounts payable and accrued liabilities include \$4,734 (2011 - \$4,474) of government remittances payable.

COMMUNITY LIVING QUINTE WEST
SCHEDULE OF DEPARTMENTAL (SURPLUS) DEFICIT
YEAR ENDED MARCH 31, 2013

	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residences:									
Bentuck Street	391,244	42,116	433,360	54,182	379,178	450,829	-	80,326	8,675
Lafferty Road	402,069	40,492	442,561	44,843	397,718	503,428	-	80,326	(25,384)
Fraser Glen Court	411,648	46,731	458,379	44,844	413,535	476,854	-	80,326	17,007
Administration	1,204,961	129,339	1,334,300	143,869	1,190,431	1,431,111	-	240,978	298
Day Supports	214,217	119,887	334,104	15	334,089	-	-	(334,089)	-
Community Living Support	213,593	97,923	311,516	67,547	243,969	289,342	-	44,684	(689)
Associated Living	173,353	11,602	184,955	-	184,955	212,245	-	27,289	(1)
Access Mechanism	31,981	37,795	69,776	5,138	64,638	82,777	-	18,138	(1)
	-	-	-	-	-	3,000	-	3,000	-
TOTAL-MCSS FUNDED PROGRAMS	1,838,105	396,546	2,234,651	216,569	2,018,082	2,018,475	-	-	(393)
Association	-	15,452	15,452	27,534	(12,082)	-	-	-	(12,082)
Invested in capital assets	-	61,261	61,261	-	61,261	-	38,636	-	22,625
Kathryn Wilson Fund	-	1,124	1,124	-	1,124	-	-	-	1,124
Joan Scott Memorial Fund	-	-	-	200	(200)	-	-	-	(200)
Youth employment	7,774	-	7,774	7,785	(11)	-	-	-	(11)
HELMIS	-	41,521	41,521	37,314	4,207	-	-	-	4,207
2012/2013 TOTALS	1,845,879	515,904	2,361,783	289,402	2,072,381	2,018,475	38,636	-	15,270
2011/2012 TOTALS	1,828,745	533,314	2,362,059	299,022	2,063,037	2,022,883	38,839	-	1,315

(See accompanying notes)