

COMMUNITY LIVING DURHAM NORTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011



**Smith
Chappell
Marsh
Vilander** *LLP Chartered Accountants*

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INDEPENDENT AUDITORS' REPORT

To the Members of:
Community Living Durham North
Port Perry, Ontario

We have audited the accompanying statement of financial position of Community Living Durham North as at March 31, 2011 and the statements of operations, and changes in net assets for the year 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 statements in accordance with Canadian generally accepted accounting principles, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgment, including the assessment of the risk 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 audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the effect 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 Durham North as at March 31, 2011, and the results of its operations, and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Smith Cypess Marsh Valander LLP

Chartered Accountants, Licensed Public Accountants

May 30, 2011
Oshawa, Ontario

COMMUNITY LIVING DURHAM NORTH

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

| | | | <u>2011</u> | <u>2010</u> |
|------------------------------|---------------------|---------------------------------|---------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Current | | | | |
| Cash | | | \$ 469,561 | \$ 336,567 |
| Accounts receivable (Note 3) | | | 154,831 | 151,056 |
| Prepaid expenses | | | 18,987 | 19,595 |
| | | | <u>643,379</u> | <u>507,218</u> |
| Capital (Note 2(e)) | | | | |
| | <u>Cost</u> | <u>Accumulated Amortization</u> | | |
| Land | \$ 1,324,104 | \$ - | 1,324,104 | 1,324,104 |
| Buildings | 3,342,955 | 1,364,513 | 1,978,442 | 2,020,439 |
| Equipment and computers | 294,977 | 227,207 | 67,770 | 41,830 |
| Furniture and fixtures | 120,803 | 120,803 | - | - |
| Leasehold improvements | 58,657 | 53,616 | 5,041 | - |
| Vehicles | 673,951 | 393,758 | 280,193 | 259,228 |
| | <u>\$ 5,815,447</u> | <u>\$ 2,159,897</u> | <u>3,655,550</u> | <u>3,645,601</u> |
| | | | <u>\$ 4,298,929</u> | <u>\$ 4,152,819</u> |

Approved by the Board of Directors:


_____, Director


_____, Director

COMMUNITY LIVING DURHAM NORTH

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

| | <u>2011</u> | <u>2010</u> |
|---|--------------|--------------|
| <u>LIABILITIES</u> | | |
| Current | | |
| Accounts payable and accrued charges | \$ 735,397 | \$ 607,690 |
| Deferred revenue (Note 4) | 5,945 | 5,456 |
| Current portion of long term debt | 54,718 | 49,595 |
| | <hr/> | <hr/> |
| | 796,060 | 662,741 |
| | <hr/> | <hr/> |
| Long Term | | |
| Mortgages payable (Note 5) | 310,315 | 340,608 |
| Term loans payable (Note 7) | 68,604 | 70,514 |
| Less: Current portion | (54,718) | (49,595) |
| | <hr/> | <hr/> |
| | 324,201 | 361,527 |
| | <hr/> | <hr/> |
| Deferred Contributions Related to Capital Assets (Note 8) | 1,955,823 | 1,912,062 |
| | <hr/> | <hr/> |
| Net Assets | | |
| Invested in capital assets (Note 9) | 1,320,808 | 1,322,417 |
| Internally restricted | 12,703 | 18,000 |
| Unrestricted | (110,666) | (123,928) |
| | <hr/> | <hr/> |
| | 1,222,845 | 1,216,489 |
| | <hr/> | <hr/> |
| | \$ 4,298,929 | \$ 4,152,819 |
| | <hr/> <hr/> | <hr/> <hr/> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>Invested in Capital Assets</u> | <u>Internally Restricted</u> | <u>Unrestricted</u> | <u>2011 Total</u> | <u>2010 Total</u> |
|---|--|---|----------------------------|------------------------------|------------------------------|
| Opening balance | \$ 1,322,417 | \$ 18,000 | \$ (123,928) | \$ 1,216,489 | \$ 1,193,443 |
| Excess of revenues over expenses (expenses over revenues) (Note 9(b)) | (144,916) | - | 160,459 | 15,543 | 23,046 |
| Net change in invested in capital assets (Note 9(b)) | 143,307 | - | (143,307) | - | - |
| Inter-fund transfers | - | (5,297) | - | (5,297) | - |
| Prior year adjustment due to Ministry of Community and Social Services review (Note 10) | - | - | (3,890) | (3,890) | - |
| Closing Balance | <u>\$ 1,320,808</u> | <u>\$ 12,703</u> | <u>\$ (110,666)</u> | <u>\$ 1,222,845</u> | <u>\$ 1,216,489</u> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GENERAL

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>2011</u> | <u>2010</u> |
|---|-------------|-------------|
| REVENUES: | | |
| Donations and fundraising | \$ 10,383 | \$ 22,671 |
| Membership dues | 852 | 660 |
| Miscellaneous | 19,968 | 20,009 |
| | <hr/> | <hr/> |
| | 31,203 | 43,340 |
| | <hr/> | <hr/> |
| EXPENDITURES: | | |
| Supplies | 2,379 | 626 |
| Vehicle operation | 1,204 | 370 |
| Volunteer training | 715 | 475 |
| Advertising and promotion | 791 | 6,899 |
| Program support-recreation | - | 25 |
| Central administration - general | 10,211 | 10,212 |
| - interest | - | 1,516 |
| | <hr/> | <hr/> |
| | 15,300 | 20,123 |
| | <hr/> | <hr/> |
| EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION | 15,903 | 23,217 |
| Amortization | 2,401 | 3,602 |
| | <hr/> | <hr/> |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 13,502 | \$ 19,615 |
| | <hr/> <hr/> | <hr/> <hr/> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - CONSOLIDATED PROGRAMS

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|---|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 9,098,906 | \$ 8,947,633 | \$ 8,763,343 |
| REVENUE: | | | |
| Rent | 673,248 | 659,389 | 611,448 |
| Pathways | 18,104 | 18,104 | 18,104 |
| United Way | 46,245 | 45,974 | 49,253 |
| Children's Aid Society | 517,225 | 525,176 | 499,392 |
| Respite | 24,500 | 21,080 | 20,779 |
| | <u>1,279,322</u> | <u>1,269,723</u> | <u>1,198,976</u> |
| SUPPORT: | | | |
| Amortization of Deferred Contributions (Note 8) | - | 107,512 | 103,880 |
| | <u>10,378,228</u> | <u>10,324,868</u> | <u>10,066,199</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 6,975,345 | 6,903,465 | 6,848,025 |
| Employee benefits | 1,204,812 | 1,146,459 | 1,108,822 |
| Staff travel | 119,312 | 100,531 | 100,474 |
| Supplies | 88,197 | 47,066 | 63,368 |
| Vehicle operation | 85,773 | 94,495 | 76,826 |
| Utilities and taxes | 154,864 | 165,757 | 167,346 |
| Purchased services | 143,507 | 181,546 | 154,597 |
| Insurance | 57,286 | 62,370 | 56,692 |
| Food | 195,460 | 199,296 | 188,174 |
| Personal needs | 71,645 | 65,294 | 66,204 |
| New furnishings and equipment | 39,176 | 56,018 | 61,486 |
| Advertising and promotion | 1,654 | 3,831 | 1,358 |
| Repairs and maintenance | 264,708 | 146,892 | 128,094 |
| Staff training and conferences | 65,709 | 34,577 | 32,255 |
| Rental | 175,941 | 142,484 | 140,149 |
| Loss (gain) on disposal of assets | - | - | (300) |
| Central administration - general (reallocation) | 220,264 | 235,054 | 206,193 |
| - staffing | 514,575 | 487,665 | 441,710 |
| | <u>10,378,228</u> | <u>10,072,800</u> | <u>9,841,473</u> |
| EXCESS OF REVENUES OVER | | | |
| EXPENDITURES BEFORE AMORTIZATION | - | 252,068 | 224,726 |
| Amortization | - | 250,027 | 221,552 |
| EXCESS OF REVENUES | | | |
| OVER EXPENDITURES | <u>\$ -</u> | <u>\$ 2,041</u> | <u>\$ 3,174</u> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - ADULT LEARNING CENTRE

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET <u>2011</u> | ACTUAL <u>2011</u> | ACTUAL <u>2010</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 714,779 | \$ 714,778 | \$ 641,847 |
| REVENUE: | | | |
| United Way | 18,625 | 21,896 | 27,970 |
| | <u>733,404</u> | <u>736,674</u> | <u>669,817</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 447,364 | 439,343 | 313,199 |
| Employee benefits | 74,184 | 74,518 | 91,128 |
| Staff travel | 13,614 | 3,282 | 9,551 |
| Supplies | 5,880 | 3,706 | 5,797 |
| Vehicle operation | 33,000 | 27,658 | 20,995 |
| Utilities and taxes | 30,882 | 36,407 | 46,745 |
| Purchased services | 16,018 | 20,092 | 18,510 |
| Insurance | 6,200 | 4,365 | 5,578 |
| Food | 1,800 | 2,040 | 1,994 |
| New furnishings and equipment | 1,250 | 6,673 | 11,952 |
| Advertising and promotion | 252 | 249 | 132 |
| Repairs and maintenance | 4,150 | 8,012 | 14,026 |
| Staff training and conferences | 1,748 | 1,002 | 2,755 |
| Rental | 47,675 | 48,326 | 48,176 |
| Central administration - general (reallocation) | 14,287 | 15,435 | 13,790 |
| - staffing | 35,100 | 34,061 | 57,261 |
| | <u>733,404</u> | <u>725,169</u> | <u>661,589</u> |
| EXCESS OF REVENUES OVER | | | |
| EXPENDITURES BEFORE AMORTIZATION | - | 11,505 | 8,228 |
| Amortization | - | 33,426 | 33,197 |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER EXPENDITURES | \$ - | \$ (21,921) | \$ (24,969) |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - GROUP HOMES

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET 2011 | ACTUAL 2011 | ACTUAL 2010 |
|---|------------------------|------------------------|------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 6,315,099 | \$ 6,315,101 | \$ 6,099,821 |
| REVENUE: | | | |
| Rent | 658,080 | 643,823 | 596,279 |
| Children's Aid Society | 316,802 | 322,936 | 227,158 |
| Pathways | 18,104 | 18,104 | 18,104 |
| | <u>992,986</u> | <u>984,863</u> | <u>841,541</u> |
| SUPPORT: | | | |
| Amortization of Deferred Contributions (Note 8) | - | 107,512 | 103,880 |
| | <u>7,308,085</u> | <u>7,407,476</u> | <u>7,045,242</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 5,012,119 | 4,965,291 | 4,817,893 |
| Employee benefits | 901,782 | 845,523 | 775,032 |
| Staff travel | 64,092 | 57,590 | 53,080 |
| Supplies | 59,523 | 31,503 | 43,168 |
| Vehicle operation | 51,348 | 59,695 | 50,180 |
| Utilities and taxes | 111,726 | 113,824 | 106,995 |
| Purchased services | 74,313 | 106,903 | 80,509 |
| Insurance | 38,933 | 45,418 | 38,981 |
| Food | 180,700 | 174,770 | 163,906 |
| Personal needs | 69,645 | 55,469 | 60,619 |
| New furnishings and equipment | 36,570 | 18,566 | 45,671 |
| Advertising and promotion | 1,080 | 2,825 | 951 |
| Repairs and maintenance | 67,940 | 84,740 | 94,621 |
| Staff training and conferences | 19,844 | 1,139 | 19,142 |
| Rental | 58,128 | 50,572 | 45,208 |
| Loss on disposal of assets | - | - | (300) |
| Central administration - general (reallocation) | 162,092 | 173,261 | 146,969 |
| - staffing | 398,250 | 374,670 | 330,378 |
| | <u>7,308,085</u> | <u>7,161,759</u> | <u>6,873,003</u> |
| EXCESS OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION | - | 245,717 | 172,239 |
| Amortization | - | 193,547 | 168,552 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ - | \$ 52,170 | \$ 3,687 |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - SUPPORTED INDEPENDENT LIVING

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET <u>2011</u> | ACTUAL <u>2011</u> | ACTUAL <u>2010</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 686,473 | \$ 686,472 | \$ 871,195 |
| REVENUE: | | | |
| Children's Aid Society | 200,423 | 202,240 | 272,233 |
| | <u>886,896</u> | <u>888,712</u> | <u>1,143,428</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 658,490 | 630,839 | 875,506 |
| Employee benefits | 107,060 | 117,509 | 108,312 |
| Staff travel | 22,870 | 23,752 | 21,592 |
| Supplies | 2,828 | 3,695 | 5,803 |
| Insurance | 4,767 | 6,737 | 5,305 |
| Utilities and taxes | 870 | 2,362 | 1,037 |
| Advertising and promotion | 149 | 393 | 136 |
| Staff training and conferences | 2,032 | 1,950 | 3,356 |
| Rental | 31,978 | 5,386 | 8,605 |
| Repairs and maintenance | 5,053 | 6,297 | 10,515 |
| Personal needs | - | 7,811 | 3,388 |
| New furnishings and equipment | 500 | 4,240 | 1,560 |
| Purchased services | 4,087 | 4,378 | 5,875 |
| Vehicle operation | (6,720) | (5,508) | (3,300) |
| Central administration - general (reallocation) | 23,007 | 24,061 | 25,524 |
| - staffing | 29,925 | 29,117 | 25,985 |
| | <u>886,896</u> | <u>863,019</u> | <u>1,099,199</u> |
| EXCESS OF REVENUE OVER | | | |
| EXPENDITURES BEFORE AMORTIZATION | - | 25,693 | 44,229 |
| Amortization | - | 10,596 | 10,335 |
| EXCESS OF REVENUE | | | |
| OVER EXPENDITURES | \$ - | \$ 15,097 | \$ 33,894 |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - RESPITE PROGRAM

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|---|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 502,844 | \$ 502,845 | \$ 488,633 |
| REVENUE: | | | |
| Respite | 24,500 | 21,080 | 20,779 |
| United Way | 21,800 | 24,078 | 21,283 |
| | <u>46,300</u> | <u>45,158</u> | <u>42,062</u> |
| | <u>549,144</u> | <u>548,003</u> | <u>530,695</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 369,012 | 360,658 | 364,836 |
| Employee benefits | 62,800 | 60,187 | 60,268 |
| Staff travel | 8,814 | 8,917 | 10,229 |
| Supplies | 7,104 | 6,270 | 6,049 |
| Vehicle operation | 5,850 | 9,180 | 6,658 |
| Utilities and taxes | 5,986 | 8,969 | 7,734 |
| Purchased services | 1,954 | 4,119 | 2,078 |
| Insurance | 3,384 | 3,174 | 3,162 |
| Food | 12,960 | 12,960 | 11,880 |
| New furnishings and equipment | 500 | 2,350 | 2,303 |
| Advertising and promotion | 100 | 201 | 75 |
| Repairs and maintenance | 3,365 | 6,670 | 8,896 |
| Staff training and conferences | 4,266 | 1,270 | 1,522 |
| Rental | 23,160 | 23,200 | 21,230 |
| Central administration - general (reallocation) | 11,539 | 12,324 | 11,232 |
| - staffing | 28,350 | 27,365 | 12,526 |
| | <u>549,144</u> | <u>547,814</u> | <u>530,678</u> |
| EXCESS OF REVENUES OVER | | | |
| EXPENDITURES BEFORE AMORTIZATION | - | 189 | 17 |
| Amortization | - | 2,839 | - |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER EXPENDITURES | \$ - | \$ (2,650) | \$ 17 |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - FAMILY HOME PROGRAM

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET <u>2011</u> | ACTUAL <u>2011</u> | ACTUAL <u>2010</u> |
|--|-------------------------------|-------------------------------|-------------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 105,835 | \$ 105,835 | \$ 105,550 |
| REVENUE: | | | |
| Rent | 15,168 | 15,566 | 15,169 |
| Children's Aid Society | 5,820 | - | - |
| | <u>20,988</u> | <u>15,566</u> | <u>15,169</u> |
| | <u>126,823</u> | <u>121,401</u> | <u>120,719</u> |
| EXPENDITURES: | | | |
| Wages and salaries | 53,117 | 58,447 | 44,019 |
| Employee benefits | 9,295 | 8,598 | 12,269 |
| Staff travel | 2,784 | 262 | 450 |
| Supplies | 10,436 | 174 | 356 |
| Vehicle operation | 2,295 | 3,435 | 2,293 |
| Utilities and taxes | 4,108 | 4,194 | 4,677 |
| Purchased services | 19,811 | 19,076 | 21,341 |
| Insurance | 1,105 | 453 | 675 |
| Personal needs | 2,000 | 2,014 | 2,197 |
| New furnishings and equipment | 356 | 276 | - |
| Repairs and maintenance | - | (52) | 12 |
| Advertising and promotion | 15 | 29 | 14 |
| Staff training and conferences | 803 | 230 | 338 |
| Rental | 15,000 | 15,000 | 16,930 |
| Food | - | 9,526 | 10,194 |
| Central administration - general (reallocation) | 1,648 | 1,757 | 1,529 |
| - staffing | 4,050 | (2,049) | 3,427 |
| | <u>126,823</u> | <u>121,370</u> | <u>120,721</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION | - | 31 | (2) |
| Amortization | - | 9,491 | 9,468 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ - | \$ (9,460) | \$ (9,470) |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - FOUNDATIONS

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|---|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 242,926 | \$ 242,925 | \$ 242,837 |
| EXPENDITURES: | | | |
| Wages and salaries | 179,824 | 183,371 | 186,375 |
| Employee benefits | 31,471 | 28,661 | 31,106 |
| Staff travel | 3,966 | 5,732 | 4,976 |
| Supplies | 2,186 | 1,445 | 1,593 |
| Vehicle operation | - | 26 | - |
| Purchased services | 36 | 599 | 44 |
| Insurance | 1,466 | 1,618 | 1,464 |
| Advertising and promotion | 43 | 96 | 37 |
| Staff training and conferences | 3,647 | 1,511 | 2,284 |
| Utilities and taxes | 1,292 | 1 | 158 |
| Repairs and maintenance | - | (175) | 10 |
| New furnishings and equipment | - | 919 | - |
| Central administration - general (reallocation) | 5,495 | 5,869 | 5,106 |
| - staffing | 13,500 | 13,164 | 9,676 |
| | <u>242,926</u> | <u>242,837</u> | <u>242,829</u> |
| EXCESS OF REVENUE OVER | | | |
| EXPENDITURES BEFORE AMORTIZATION | - | 88 | 8 |
| Amortization | - | 98 | - |
| EXCESS (DEFICIENCY) OF REVENUE | | | |
| OVER EXPENDITURES | \$ - | \$ (10) | \$ 8 |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - FAMILY SUPPORT

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET <u>2011</u> | ACTUAL <u>2011</u> | ACTUAL <u>2010</u> |
|--|-------------------------------|-------------------------------|-------------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 53,740 | \$ 53,740 | \$ 20,558 |
| EXPENDITURES: | | | |
| Wages and salaries | 14,962 | 21,395 | 11,793 |
| Employee benefits | 2,618 | 2,866 | 3,399 |
| Staff travel | 469 | (7) | 207 |
| Supplies | 44 | 97 | 83 |
| Insurance | 495 | 151 | 256 |
| Purchased services | 31 | 55 | 31 |
| Repairs and maintenance | - | (17) | 6 |
| Staff training and conferences | 33,207 | 27,199 | 1,938 |
| Advertising and promotion | 15 | 10 | 4 |
| New furnishings and equipment | - | 92 | - |
| Vehicle operation | - | 3 | - |
| Central administration - general (reallocation) | 549 | 587 | 511 |
| - staffing | 1,350 | 1,311 | 2,329 |
| | <u>53,740</u> | <u>53,742</u> | <u>20,557</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE AMORTIZATION | - | (2) | 1 |
| Amortization | - | 7 | - |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>\$ -</u> | <u>\$ (9)</u> | <u>\$ 1</u> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - INDIVIDUALIZED RESIDENTIAL SUPPORTS

FOR THE YEAR ENDED MARCH 31, 2011

| | BUDGET <u>2011</u> | ACTUAL <u>2011</u> | ACTUAL <u>2010</u> |
|--|-------------------------------|-------------------------------|-------------------------------|
| SUPPORT: | | | |
| OMCSS - operating | \$ 171,943 | \$ 171,943 | \$ 171,882 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES: | | | |
| Wages and salaries | 140,968 | 144,461 | 130,441 |
| Employee benefits | 6,560 | - | 18,837 |
| Staff training and conferences | - | - | 684 |
| Supplies | - | - | 510 |
| Purchased services | 21,256 | 20,194 | 20,199 |
| Staff travel | 2,675 | 1,003 | 358 |
| Insurance | 484 | - | 850 |
| Central administration - staffing | - | 6,298 | - |
| | <hr/> | <hr/> | <hr/> |
| | 171,943 | 171,956 | 171,879 |
| | <hr/> | <hr/> | <hr/> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ - | \$ (13) | \$ 3 |
| | <hr/> | <hr/> | <hr/> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - PASSPORTS

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|--|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 115,103 | \$ 115,103 | \$ 115,055 |
| EXPENDITURES: | | | |
| Wages and salaries | 99,489 | 99,660 | 103,964 |
| Employee benefits | 9,042 | 8,598 | 8,471 |
| Purchased services | 36 | 164 | 44 |
| Staff travel | 28 | 1 | 31 |
| Supplies | 196 | 174 | 210 |
| Insurance | 452 | 453 | 420 |
| Advertising and promotion | - | 29 | 10 |
| Staff training and conferences | 162 | 277 | 236 |
| Repairs and maintenance | - | (52) | 7 |
| New furnishings and equipment | - | 276 | - |
| Vehicle operation | - | 8 | - |
| Central administration - general (reallocation) | 1,648 | 1,761 | 1,532 |
| - staffing | 4,050 | 3,727 | 129 |
| | <u>115,103</u> | <u>115,076</u> | <u>115,054</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| BEFORE AMORTIZATION | - | 27 | 1 |
| Amortization | - | 23 | - |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER EXPENDITURES | \$ - | \$ 4 | \$ 1 |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - WATER

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|--|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 5,965 | \$ 5,965 | \$ 5,965 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES: | | | |
| Purchased services | 5,965 | 5,965 | 5,965 |
| | <hr/> | <hr/> | <hr/> |
| EXCESS (DEFICIENCY) OF REVENUES | | | |
| OVER EXPENDITURES | \$ - | \$ - | \$ - |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - REPAIRS AND MAINTENANCE

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|--|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 66,186 | \$ 27,463 | \$ - |
| EXPENDITURES: | | | |
| New furnishings and equipment | - | 11,610 | - |
| Repairs and maintenance | 66,186 | 38,457 | - |
| | <u>66,186</u> | <u>50,067</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ -</u> | <u>\$ (22,604)</u> | <u>\$ -</u> |

COMMUNITY LIVING DURHAM NORTH

STATEMENT OF OPERATIONS - PARTNER FACILITY RENEWAL

FOR THE YEAR ENDED MARCH 31, 2011

| | <u>BUDGET</u> <u>2011</u> | <u>ACTUAL</u> <u>2011</u> | <u>ACTUAL</u> <u>2010</u> |
|--|--|--|--|
| SUPPORT: | | | |
| OMCSS - operating | \$ 118,014 | \$ 5,464 | \$ - |
| EXPENDITURES: | | | |
| New furnishings and equipment | - | 11,016 | - |
| Repairs and maintenance | 118,014 | 3,014 | - |
| | <u>118,014</u> | <u>14,030</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ - | \$ (8,566) | \$ - |

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

1. Status and Nature of Activities

Community Living Durham North is a registered charity which provides services, accommodation and education to individuals who are intellectually disabled in the Scugog, Brock and Uxbridge Townships.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements present the financial position and results of operations of Community Living Durham North.

The statements have been departmentalized in accordance with the funding and budgeting requirements prescribed by the Ontario Ministry of Community and Social Services (OMCSS).

(b) Donated Materials and Services

The organization does not record the value of donated materials and services as it is felt to be impracticable from a record keeping and valuation point of view.

(c) Pledges

The organization does not account for the value of pledges. Accordingly, donations are recorded on a cash basis.

(d) Tax Status

The organization is a registered charity under the provisions of the Income Tax Act.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

2. Summary of Significant Accounting Policies - continued

(e) Capital Assets

Capital assets are stated at cost. Amortization charges are calculated on a straight-line basis at the following rates:

| | |
|------------------------|-----|
| Buildings | 5% |
| Equipment | 10% |
| Computers | 15% |
| Furniture and fixtures | 10% |
| Vehicles | 15% |

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(f) Revenue Recognition

Community Living Durham North follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

2. Summary of Significant Accounting Policies - continued

(h) Allocation of Expenses

The organization provides various programs on behalf of the Ontario Ministry of Community and Social Services (OMCSS). The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The organization allocates these expenses to the departments in accordance with the approved budgets.

3. Accounts Receivable

Accounts receivable are represented by rent receivables and taxes recoverable.

4. Deferred Revenue

Revenues earned are recognized as the expenses relating to these funds are incurred. The unearned portion of these funds are recorded on the Statement of Financial Position as deferred revenue.

5. Mortgages Payable

| | <u>2011</u> | <u>2010</u> |
|--|-------------------|-------------------|
| Royal Bank of Canada, bearing interest at 3.95%, repayable in monthly payments of principal and interest of \$2,580, due April 2, 2015 | \$ 116,490 | \$ 142,148 |
| Royal Bank of Canada, bearing interest at 4.30%, repayable in monthly payments of principal and interest of \$1,090, due November 16, 2014 | 193,825 | 198,460 |
| | <u>\$ 310,315</u> | <u>\$ 340,608</u> |

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

5. Mortgages Payable - continued

Principal repayments in the next five years are as follows assuming the mortgage is refinanced when it matures:

| | | |
|------|----|----------------|
| 2012 | \$ | 31,792 |
| 2013 | | 33,078 |
| 2014 | | 34,416 |
| 2015 | | 35,808 |
| 2016 | | 8,214 |
| | \$ | <u>143,308</u> |

6. Bank Credit Facility

The organization has entered into an agreement with the Royal Bank of Canada. The details of this agreement are as follows:

- a) A demand operating loan in the amount of \$700,000. This loan bears interest at the Royal Bank Prime rate. As at March 31, 2011 there was no amount outstanding on this loan.
- b) A lease line of credit in an aggregate principal amount of \$150,000, which is made available at the sole discretion of the Royal Bank. This loan bears interest at the Royal Bank Prime rate plus .50%. As at March 31, 2011 there was no amount outstanding on this loan.

Security pledged with the Royal Bank consists of a general security agreement constituting a first ranking security interest in all the assets of the organization except real property. In addition, the Royal Bank has collateral mortgages on 89 Victoria Drive, Uxbridge, Ontario in the amount of \$245,000, 49 South Balsam Street, Uxbridge, Ontario in the amount of \$261,000, 18500 Island Road, Port Perry, Ontario in the amount of \$200,000 and on 163 Maple Street, Uxbridge, Ontario for the amount of \$197,229.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

7. Term Loans Payable

| | <u>2011</u> | <u>2010</u> |
|--|------------------|------------------|
| Royal Bank of Canada, bearing interest at RBP plus 1% on a variable rate basis, repayable in monthly payments of principal and interest of \$470, due October 29, 2018 | \$ 32,285 | \$ 37,165 |
| Royal Bank of Canada, bearing interest at RBP plus 0.5%, repayable in monthly payments of principal and interest of \$492, due December 11, 2011 | 3,622 | 9,314 |
| Ford Credit, without interest, monthly principal payments of \$373, maturing June 30, 2015 | 18,997 | - |
| General Motors Acceptance Corporation, without interest, monthly principal payments of \$533, maturing May 25, 2012 | 7,456 | 13,848 |
| General Motors Acceptance Corporation, without interest, monthly payments of \$329, maturing October 9, 2012 | 6,244 | 10,187 |
| | <u>\$ 68,604</u> | <u>\$ 70,514</u> |
| Remaining principal repayments are as follows: | | |
| 2012 | \$ 22,926 | |
| 2013 | 12,500 | |
| 2014 | 9,313 | |
| 2015 | 9,495 | |
| 2016 and beyond | 14,370 | |
| | <u>\$ 68,604</u> | |

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

8. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represents the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization expense related to capital assets.

| | <u>2011</u> | <u>2010</u> |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 1,912,062 | \$ 1,980,942 |
| Additional contributions received - net | 151,273 | 35,000 |
| | <hr/> | <hr/> |
| | 2,063,335 | 2,015,942 |
| Less: Amounts amortized to revenue | 107,512 | 103,880 |
| | <hr/> | <hr/> |
| Balance, end of year | <u>\$ 1,955,823</u> | <u>\$ 1,912,062</u> |

9. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

| | <u>2011</u> | <u>2010</u> |
|---|---------------------|---------------------|
| Capital assets | \$ 3,655,550 | \$ 3,645,601 |
| Less: Amount financed by deferred contributions | (1,955,823) | (1,912,062) |
| Mortgage payable | (310,315) | (340,608) |
| Term loans payable | (68,604) | (70,514) |
| | <hr/> | <hr/> |
| | <u>\$ 1,320,808</u> | <u>\$ 1,322,417</u> |

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

9. Investment in Capital Assets - continued

(b) Change in net assets invested in capital assets is calculated as follows:

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|------------------|
| Excess of revenue over expenses | | |
| (expenses over revenue) | | |
| Amortization of deferred contributions | \$ 107,512 | \$ 103,880 |
| Less: Amortization of capital assets | (252,428) | (225,154) |
| | <u>(144,916)</u> | <u>(121,274)</u> |
| | | |
| Net change in invested in capital assets | | |
| Purchase of capital assets | 262,377 | 450,119 |
| Amounts funded by deferred contributions | (151,273) | (35,000) |
| Mortgage payable | 30,293 | (175,087) |
| Term loans payable | 1,910 | (21,268) |
| | <u>143,307</u> | <u>218,764</u> |
| | <u>\$ (1,609)</u> | <u>\$ 97,490</u> |

10. Prior Year Adjustment Due to Ministry of Community and Social Services Review

Each fiscal year, the organization is required to perform a year end reconciliation to determine any amounts repayable to or recoverable from the Ministry of Community and Social Services, in accordance with the organization's operating agreement. This amount represents the changes in amounts applied for and received.

11. Statement of Cash Flows

A statement of cash flows has not been presented as all investing and financing activities are separately disclosed within these financial statements.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

12. Budget Figures

The budget figures presented for comparison purposes represent the annual budget approved by the organization's Board of Directors for the year ended March 31, 2011 which have not been audited or reviewed.

13. Economic Dependence

In common with other publicly funded agencies, the organization derives the majority of its revenue from the Province of Ontario. Further, the Province of Ontario through the Ministry of Community and Social Services, have an encumbrance on specific real properties held in the name of the organization.

14. Lease Commitments

The organization is committed to lease obligations for facilities on a monthly basis amounting to approximately \$6,190 plus HST where applicable.

In addition, the organization leases its Port Perry office for an annual amount of \$60,463 plus HST, with term expiring March 31, 2012.

15. Financial Instruments and Risk Management

The organization's significant financial assets and liabilities are classified and measured as follows:

| <u>Assets/Liabilities</u> | <u>Classification</u> | <u>Measurement</u> |
|---------------------------|-----------------------------|--------------------|
| Cash | Held for trading | Fair value |
| Accounts receivable | Loans and receivables | Amortized cost |
| Accounts payable | Other financial liabilities | Amortized cost |
| Mortgages payable | Other financial liabilities | Amortized cost |
| Term loans payable | Other financial liabilities | Amortized cost |

The carrying amounts of financial instruments, including cash, accounts receivable and accounts payable approximate fair value due to the short maturity of these instruments.

The carrying amounts of long-term debt approximate fair value because the interest rates charged on these instruments approximate the current rates on such instruments.

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

15. Financial Instruments and Risk Management (continued)

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, credit or market risks arising from financial instruments.

Credit risk

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The organization is subject to credit risk through their receivables. Account monitoring procedures are utilized to minimize risk of loss.

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The organization is subject to interest rate risk through their mortgages payable and two term loans payable. The organization monitors the current interest rate to ensure that their interest rates do not vary much from market rate.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the organization to a risk of loss. There is no market risk as the organization conducts no investment activities.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.

Currency Risk

Currency risk arises because of the fluctuation in exchange rates. There is no currency risk as the organization conducts no activities in a foreign currency

COMMUNITY LIVING DURHAM NORTH

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2011

16. Capital Management

The organization considers its capital to be comprised of its invested in capital assets, internally restricted, and unrestricted fund balances. The organization receives funding from the Ontario Ministry of Community and Social Services (OMCSS) to provide the services, accommodation and education to individuals who are intellectually disabled. Management is responsible for adhering to the provisions of their funding agreements with the Ontario Ministry of Community and Social Services.

The organization manages capital to safeguard its ability to operate and to meet its financial obligations as they become due so it can continue to provide delivery of its mandatory services.

Management maintains its capital by ensuring annual operating budgets are developed and approved by the Board of Directors based on known and estimated sources of funding each year to ensure the capital of the organization is maintained.