

INDEPENDENT AUDITOR'S REPORT

To the Directors of

COMMUNITY LIVING UPPER OTTAWA VALLEY

We have audited the accompanying financial statements of **COMMUNITY LIVING UPPER OTTAWA VALLEY**, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets and cash flows for the year 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.

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 auditor's judgement, 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 of our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **COMMUNITY LIVING UPPER OTTAWA VALLEY** as at March 31, 2015, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
August 20, 2015

Welch LLP – Chartered Accountants
P.O. Box 757 - 270 Lake Street, Pembroke, Ontario K8A 6X9
T: 613 735 1021 F: 613 735 2071 W: www.welchllp.com
An Independent Member of BKR International


COMMUNITY LIVING UPPER OTTAWA VALLEY
(Incorporated Without Share Capital Under the Laws of the Province of Ontario)

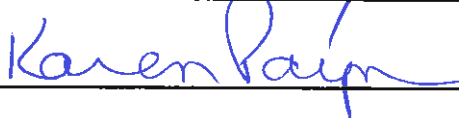
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 651,907	\$ 662,015
Accounts receivable	83,857	91,664
Prepaid expenses	<u>173,552</u>	<u>-</u>
	<u>909,316</u>	<u>753,679</u>
CAPITAL ASSETS (Note 3)	<u>1,338,710</u>	<u>1,088,070</u>
ASSETS OF THE REPLACEMENT RESERVE FUND (Note 4)		
Cash and cash equivalents	95,962	95,197
Due from general fund	<u>5,571</u>	<u>2,872</u>
	<u>101,533</u>	<u>98,069</u>
	<u>\$ 2,349,559</u>	<u>\$ 1,939,818</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 881,865	\$ 737,509
Government remittances payable	20,269	44,483
Long-term debt payable within one year	109,129	24,925
Owing to replacement reserve fund	<u>5,571</u>	<u>2,872</u>
	<u>1,016,834</u>	<u>809,789</u>
LONG TERM DEBT (Note 5)	633,468	402,204
Less amount due within one year	<u>109,129</u>	<u>24,925</u>
	<u>524,339</u>	<u>377,279</u>
DEFERRED CONTRIBUTIONS (Note 6)	<u>741,220</u>	<u>673,561</u>
NET ASSETS (DEFICIT)		
Replacement reserve fund (Note 4)	101,533	98,069
Internally restricted (Note 7)	246,321	224,385
Capital fund (Note 8)	(35,978)	12,305
Unrestricted	<u>(244,710)</u>	<u>(255,570)</u>
	<u>67,166</u>	<u>79,189</u>
	<u>\$ 2,349,559</u>	<u>\$ 1,939,818</u>

Approved by the Board:

S. O'Malley  Director

K. Payne  Director

(See accompanying schedules and notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
Contributions - Province of Ontario	\$ 5,556,763	\$ 5,342,216
- other	98,616	29,091
Rental income	133,483	131,680
Nevada fundraising	21,144	30,016
Fundraising and donations	33,834	20,360
Amortization of deferred contributions related to capital assets	63,215	55,186
Membership fees	1,397	1,045
Interest and miscellaneous	<u>6,694</u>	<u>89,681</u>
	<u>5,915,146</u>	<u>5,699,275</u>
EXPENDITURE:		
Salaries	3,676,671	3,335,123
Employee benefits	635,543	617,813
Supplies and materials	163,146	126,989
Rent	57,167	57,167
Utilities and taxes	125,036	116,003
Repairs and maintenance	235,919	234,480
Insurance	37,172	84,854
Vehicle operating	25,394	34,572
Staff travel	55,002	62,244
Staff training	74,482	76,916
Minor furniture, equipment, and rentals	41,563	17,540
Purchased services	632,397	699,414
Advertising and promotion	1,775	-
Miscellaneous	10,413	10,383
Amortization of capital assets	145,233	125,523
Interest on long-term debt	<u>10,256</u>	<u>8,385</u>
	<u>5,927,169</u>	<u>5,607,406</u>
NET (EXPENDITURE) REVENUE	<u>\$ (12,023)</u>	<u>\$ 91,869</u>

(See accompanying schedules and notes)

Welch LLP

An Independent Member of BKR International

COMMUNITY LIVING UPPER OTTAWA VALLEY
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)
YEAR ENDED MARCH 31, 2015

	<u>Replacement Reserve Fund</u>	<u>Internally Restricted</u>	<u>Capital Fund</u>	<u>Unrestricted</u>	<u>2015</u>	<u>2014</u>
Net assets (deficit) at beginning of year	\$ 98,069	\$ 224,385	\$ 12,305	\$ (255,570)	\$ 79,189	\$ (12,680)
Net revenue (expenditure)	<u>3,464</u>	<u>21,936</u>	<u>(48,283)</u>	<u>10,860</u>	<u>(12,023)</u>	<u>91,869</u>
Net assets (deficit) at end of year	<u>\$ 101,533</u>	<u>\$ 246,321</u>	<u>\$ (35,978)</u>	<u>\$ (244,710)</u>	<u>\$ 67,166</u>	<u>\$ 79,189</u>

(See accompanying schedules and notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (expenditure) revenue	\$ (12,023)	\$ 91,869
Adjustments for:		
Amortization of capital assets	145,233	125,523
Amortization of deferred contributions related to capital assets	(63,215)	(55,186)
Net revenue of replacement reserve fund	<u>(3,464)</u>	<u>(3,177)</u>
	66,531	159,029
Changes in non-cash working capital components:		
Accounts receivable	7,808	(36,432)
Prepaid expenses	(173,552)	666
Accounts payable and accrued liabilities	144,356	166,017
Government remittances payable	(24,214)	855
Owing to replacement reserve fund	<u>2,699</u>	<u>(9,308)</u>
	<u>23,628</u>	<u>280,827</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	<u>(395,874)</u>	<u>(48,754)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Repayment of long-term debt	(32,962)	(24,923)
Deferred contributions related to capital assets	130,874	-
Long-term debt incurred	<u>264,226</u>	<u>31,357</u>
	<u>362,138</u>	<u>6,434</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,108)	238,507
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>662,015</u>	<u>423,508</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>651,907</u>	\$ <u>662,015</u>
Supplementary information:		
(a) Cash and cash equivalents consists of the following:		
Cash	\$ 466,863	\$ 478,537
Term deposit	25,366	25,126
Redeemable guaranteed investment certificates	<u>159,678</u>	<u>158,352</u>
	<u>651,907</u>	<u>662,015</u>

(See accompanying schedules and notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Administrative Office</u>		<u>Adaptive Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ -	\$ -	\$ 19,700	\$ 63,520
- other	400	-	-	-
Fundraising and donations	14,049	3,578	-	-
Membership fees	1,397	1,045	-	-
Amortization of deferred contributions related to capital assets	50	50	-	-
Interest and miscellaneous	<u>6,221</u>	<u>89,141</u>	-	-
	<u>22,117</u>	<u>93,814</u>	<u>19,700</u>	<u>63,520</u>
EXPENDITURE:				
Salaries	374,752	283,563	-	-
Employee benefits	69,702	46,402	-	-
Supplies and materials	12,021	11,326	17,430	7,365
Rent	5,046	3,087	-	-
Utilities and taxes	6,222	2,246	-	-
Repairs and maintenance	4,043	473	-	-
Insurance	6,092	6,083	-	-
Staff travel	3,164	2,829	-	-
Staff training	2,116	177	300	56,155
Minor furniture, equipment and rentals	216	1,547	-	-
Purchased services	51,343	123,213	-	-
Advertising and promotion	1,064	-	-	-
Miscellaneous	8,443	8,630	1,970	-
Amortization of capital assets	28,948	28,948	-	-
Overhead allocation	<u>(526,199)</u>	<u>(491,431)</u>	-	-
	<u>46,973</u>	<u>27,093</u>	<u>19,700</u>	<u>63,520</u>
NET (EXPENDITURE) REVENUE	<u>\$ (24,856)</u>	<u>\$ 66,721</u>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Community Access Supports</u>		<u>Community Respite Supports</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ 1,208,413	\$ 1,207,887	\$ 128,861	\$ 141,192
- other	20,000	22,375	-	-
Rental income	500	-	580	-
	<u>1,228,913</u>	<u>1,230,262</u>	<u>129,441</u>	<u>141,192</u>
EXPENDITURE:				
Salaries	725,791	712,662	11,599	11,620
Employee benefits	128,378	138,548	1,624	2,203
Supplies and materials	17,761	4,439	1,914	597
Rent	55,957	57,843	290	229
Utilities and taxes	18,320	17,979	4,284	3,995
Repairs and maintenance	5,302	11,370	846	2,400
Insurance	6,992	18,647	751	2,156
Vehicle operating	11,538	7,758	-	-
Staff travel	22,883	17,083	94	95
Staff training	6,605	2,953	705	220
Minor furniture, equipment and rentals	2,929	-	353	-
Purchased services	112,219	109,526	79,266	102,135
Advertising and promotion	172	-	20	-
Miscellaneous	-	275	-	32
Interest on long term debt	682	51	-	-
Overhead allocation	122,758	120,788	14,119	14,119
	<u>1,238,287</u>	<u>1,219,922</u>	<u>115,865</u>	<u>139,801</u>
NET (EXPENDITURE) REVENUE	<u>\$ (9,374)</u>	<u>\$ 10,340</u>	<u>\$ 13,576</u>	<u>\$ 1,391</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Adult Living Supports</u>		<u>Associate Living Supports</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ 918,631	\$ 921,642	\$ 226,462	\$ 250,491
- other	-	-	1,000	-
Rental Income	<u>16,700</u>	<u>16,200</u>	<u>-</u>	<u>-</u>
	<u>935,331</u>	<u>937,842</u>	<u>227,462</u>	<u>250,491</u>
EXPENDITURE:				
Salaries	506,670	501,566	25,232	26,610
Employee benefits	98,073	93,983	3,700	5,009
Supplies and materials	13,986	3,156	3,278	823
Rent	13,887	15,035	3,223	2,687
Utilities and taxes	14,274	13,579	1,240	1,173
Repairs and maintenance	6,160	7,488	254	804
Insurance	4,533	13,396	262	2,736
Staff travel	15,556	19,528	164	168
Staff training	4,557	2,013	1,234	860
Minor furniture, equipment and rentals	977	-	162	-
Purchased services	151,631	152,957	163,814	143,647
Advertising and promotion	129	-	35	-
Miscellaneous	-	245	-	57
Overhead allocation	<u>92,164</u>	<u>92,163</u>	<u>25,049</u>	<u>25,049</u>
	<u>922,597</u>	<u>915,109</u>	<u>227,647</u>	<u>209,623</u>
NET REVENUE (EXPENDITURE)	<u>\$ 12,734</u>	<u>\$ 22,733</u>	<u>\$ (185)</u>	<u>\$ 40,868</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Group Living Supports</u>		<u>Dedicated Housing Support</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ 2,940,522	\$ 2,629,170	\$ 67,374	\$ 46,409
- other	4,953	3,591	-	-
Rental income	98,050	98,800	17,653	16,680
Amortization of deferred contributions related to capital assets	63,165	55,136	-	-
Interest and miscellaneous	-	-	674	386
	<u>3,106,690</u>	<u>2,786,697</u>	<u>85,701</u>	<u>63,475</u>
EXPENDITURE:				
Salaries	2,026,465	1,789,799	2,492	6,994
Employee benefits	333,223	329,911	470	1,320
Supplies and materials	64,447	71,869	-	66
Rent	2,764	2,286	-	-
Utilities and taxes	65,879	62,414	14,817	14,590
Repairs and maintenance	145,066	123,326	27,429	9,957
Insurance	16,404	39,634	2,138	2,149
Vehicle operating	13,856	26,814	-	-
Staff travel	12,537	22,538	-	-
Staff training	13,938	14,530	-	-
Minor furniture, equipment and rentals	34,378	15,993	-	-
Purchased services	60,753	58,132	6,847	7,059
Advertising and promotion	355	-	-	-
Miscellaneous	-	1,144	-	-
Amortization of capital assets	89,053	67,775	18,539	20,107
Interest on long-term debt	1,763	51	7,811	8,283
Overhead allocation	272,109	238,687	-	-
	<u>3,152,990</u>	<u>2,864,903</u>	<u>80,543</u>	<u>70,525</u>
NET (EXPENDITURE) REVENUE	<u>\$ (46,300)</u>	<u>\$ (78,206)</u>	<u>\$ 5,158</u>	<u>\$ (7,050)</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>March of Dimes</u>		<u>Ontario Trillium Foundation</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - other	\$ <u>11,012</u>	\$ <u>-</u>	\$ <u>61,251</u>	\$ <u>-</u>
EXPENDITURE				
Salaries	3,670	-	-	-
Employee benefits	373	-	-	-
Supplies and materials	-	-	13,072	-
Staff travel	-	-	604	-
Staff training	-	-	45,027	-
Minor furniture, equipment, and rentals	-	-	2,548	-
Purchased services	<u>6,969</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,012</u>	<u>-</u>	<u>61,251</u>	<u>-</u>
NET REVENUE	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Hunter Street Property</u>		<u>Partner Facility Renewal</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ -	\$ -	\$ -	\$ 46,000
Rental income	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>-</u>
	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>46,000</u>
EXPENDITURE:				
Repairs and maintenance	-	-	-	45,859
Amortization of capital assets	<u>8,693</u>	<u>8,693</u>	<u>-</u>	<u>-</u>
	<u>8,693</u>	<u>8,693</u>	<u>-</u>	<u>45,859</u>
NET REVENUE	<u>\$ 15,307</u>	<u>\$ 15,307</u>	<u>\$ -</u>	<u>\$ 141</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Nevada Fundraising</u>		<u>Fundraising/Bequests/Mural and Summer Program</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Fundraising and donations	21,144	30,016	19,785	16,782
Interest and miscellaneous	<u>244</u>	<u>154</u>	<u>-</u>	<u>-</u>
	<u>21,388</u>	<u>30,170</u>	<u>19,785</u>	<u>16,782</u>
EXPENDITURE:				
Supplies and materials	<u>11,391</u>	<u>21,185</u>	<u>7,846</u>	<u>6,146</u>
NET REVENUE	<u>\$ 9,997</u>	<u>\$ 8,985</u>	<u>\$ 11,939</u>	<u>\$ 10,636</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2015

	<u>Self Managed Support</u>		<u>Repairs and Maintenance</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUE:				
Contributions - Province of Ontario	\$ -	\$ 3,125	\$ 46,800	\$ 32,780
- Other	-	3,125	-	-
	<u>-</u>	<u>6,250</u>	<u>46,800</u>	<u>32,780</u>
EXPENDITURE:				
Salaries	-	2,309	-	-
Employee benefits	-	437	-	-
Supplies and materials	-	17	-	-
Utilities and taxes	-	27	-	-
Repairs and maintenance	-	23	46,819	32,780
Insurance	-	53	-	-
Staff travel	-	3	-	-
Staff training	-	8	-	-
Purchased services	-	2,745	-	-
Overhead allocation	-	625	-	-
	<u>-</u>	<u>6,247</u>	<u>46,819</u>	<u>32,780</u>
NET REVENUE (EXPENDITURE)	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ (19)</u>	<u>\$ -</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

NOTE 1 ORGANIZATION AND PURPOSE

Community Living Upper Ottawa Valley is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act.

The organization provides individualized supports and services to people with developmental disabilities so they may enjoy safe, secure, productive lives. Furthermore, the organization promotes acceptance and the elimination of barriers to community living.

The goal of the organization is that all persons live in a state of dignity, share in all elements of living in the community and have the opportunity to participate effectively.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Under several provincial acts and the regulations thereto, the organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Community and Social Services. These financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2015.

The organization follows the deferral method of accounting for contributions which include donations and government grants.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Where a portion of an externally restricted contribution relates to a future period, it is deferred and recognized in the subsequent period. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Rental and fundraising revenue is recognized when earned and collection is reasonably assured.

Interest and miscellaneous revenue is recognized as earned.

Nevada fundraising revenue and membership fees are recognized as revenue when received.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit with financial institutions, a term deposit and redeemable guaranteed investment certificates with maturities of less than one year.

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets and amortization

Purchased capital assets are recorded at cost.

In accordance with agreements with the Ministry of Community and Social Services, amortization is provided annually in an amount equal to the principal reduction of the mortgages payable secured by the real estate acquired for the Dedicated Housing Support Program.

Amortization for capital assets is provided on a straight-line basis over their estimated useful lives generally using annual rates of 5% for buildings which are not specifically funded under the Dedicated Housing Support Program and 20% for all other capital assets excluding land and leasehold improvements. Leasehold improvements are amortized over the life of the lease plus one renewal period.

Contributed materials

Contributed materials are recorded at fair value at the date of contribution, if determinable and only recognized if they are used in the normal course of operations and would otherwise have been purchased.

Compensated absences

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the organization's benefits plan for vacation pay.

Financial instruments

The organization measures its cash and cash equivalents at their fair value at the date of the statement of financial position. All other financial instruments are measured at their amortized cost at the date of the statement of financial position.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Pension plan

All full time permanent employees of the organization are eligible to be members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. OMERS is financed by employer and employee contributions and by investment earnings of the OMERS Fund.

The organization accounts for the plan as a defined contribution plan due to insufficient information to account for it as a defined benefit plan.

Contributions for current service are recorded as expenditures in the year in which they became due.

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Management makes accounting estimates when determining significant accruals and the estimated useful life of its capital assets. Actual results could differ from these estimates.

NOTE 3 CAPITAL ASSETS

Capital assets and accumulated amortization consist of the following:

	2015		2014	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Real Estate				
Dedicated Housing Support Program	\$ 567,441	\$ 526,238	\$ 567,441	\$ 507,699
Mackay Street	110,586	83,097	110,586	80,599
New Places to Live	456,694	211,556	456,694	192,324
Heritage Drive	296,290	133,145	296,290	119,830
Hunter Street	205,786	77,440	205,786	68,747
Steffen Street	407,827	170,022	407,827	151,131
Macy Avenue	369,974	16,099	-	-
Leasehold improvements	229,213	148,988	229,213	137,528
Furniture and equipment	400,246	374,422	374,346	354,319
Computer equipment	146,989	146,989	146,989	144,057
Vehicles	<u>228,728</u>	<u>193,068</u>	<u>228,728</u>	<u>179,596</u>
	3,419,774	\$ 2,081,064	3,023,900	\$ 1,935,830
Less accumulated amortization	<u>2,081,064</u>		<u>1,935,830</u>	
	<u>\$ 1,338,710</u>		<u>\$ 1,088,070</u>	

NOTE 4 REPLACEMENT RESERVE FUND

As specified by the Ministry of Community and Social Services the organization must maintain a replacement reserve fund for the Dedicated Housing Support Program. The amount and disposition of the reserve fund is subject to the direction and approval of the Ministry of Community and Social Services.

During the year funding of \$2,791 (2014 - \$2,791) was received from the Province of Ontario for the replacement reserve fund and \$0 (2014 - \$0) was spent from the reserve fund for repairs and maintenance as approved by the Ministry.

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2015</u>	<u>2014</u>
Mortgage payable - due June 1, 2015 and payable in monthly instalments of \$719 including interest at 2.76% per annum. Secured by land and building of the Dedicated Housing Support Program.	\$ 75,365	\$ 81,826
Vehicle loan payable - due November 1, 2017 and payable in monthly instalments of \$375 with 0% interest. Secured by specified vehicle.	12,000	16,501
Mortgage payable - due March 1, 2018 and payable in monthly instalments of \$1,677 including interest at 2.148% per annum. Secured by land and building of the Dedicated Housing Support Program.	258,080	272,520
Vehicle loan payable - due March 2, 2018 and payable in bi-weekly instalments of \$167 including interest at 4.98% per annum. Secured by specified vehicle.	11,896	15,679
Vehicle loan payable - due March 2, 2018 and payable in bi-weekly instalments of \$166 including interest at 4.99% per annum. Secured by specified vehicle.	11,901	15,678
Mortgage payable - due February 13, 2025 and payable in bi-weekly instalments of \$609 including interest at 3.46% per annum. Secured by specified land and building.	<u>264,226</u>	<u>-</u>
	<u>\$ 633,468</u>	<u>\$ 402,204</u>

Principal payments during the next five years on existing long-term debt are as follows:

2016	\$ 109,129
2017	\$ 35,030
2018	\$ 246,370
2019	\$ 7,599
2020	\$ 7,865

NOTE 6 DEFERRED CONTRIBUTIONS

Deferred contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations at a rate corresponding with the amortization rate for the related capital assets.

Deferred contributions related to capital assets consist of the following:

	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 673,561	728,747
Contributions received during the year:		
Province of Ontario capital grants	130,874	-
Less amounts amortized to revenue	<u>(63,215)</u>	<u>(55,186)</u>
Balance at end of year	<u>\$ 741,220</u>	<u>\$ 673,561</u>

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

NOTE 7 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets of \$246,321 (2014 - \$224,385) represents fundraising, bequests and donations designated by the board of directors to be applied towards expenditures in future years. This internally restricted amount is not available for unrestricted purposes without approval of the board of directors and is comprised of the following:

	<u>Nevada Fundraising</u>	<u>Fundraising/ Bequests/Mural & Summer Program</u>	<u>Total 2015</u>	<u>Total 2014</u>
Balance at beginning of year	\$ 47,458	\$ 176,927	\$ 224,385	\$ 204,764
Net revenue	<u>9,997</u>	<u>11,939</u>	<u>21,936</u>	<u>19,621</u>
Balance at end of year	\$ <u>57,455</u>	\$ <u>188,866</u>	\$ <u>246,321</u>	\$ <u>224,385</u>

NOTE 8 CAPITAL FUND

Capital fund balance is as follows:

	<u>2015</u>	<u>2014</u>
Capital assets	\$ 1,338,710	\$ 1,088,070
Amounts financed by:		
Long-term debt	(633,468)	(402,204)
Deferred contributions	<u>(741,220)</u>	<u>(673,561)</u>
	\$ <u>(35,978)</u>	\$ <u>12,305</u>

NOTE 9 COMMITMENT

The organization has entered into a commitment in respect of the lease of premises for the administrative office. The lease provides for an annual rental of \$55,000 to November 30, 2017 plus municipal taxes and other occupancy charges with an option to renew for an additional five year period at a rental to be negotiated. The administrative office rent is allocated to programs as applicable based on usage.

NOTE 10 PENSION PLAN

The organization is required to make current service contributions to OMERS for the 2015 calendar year of 9.0% (2014 - 9.0%) of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% (2014 - 14.6%) on pensionable earnings above the amount. Employees of the organization are required to make current service contributions of the same amount.

Total service contributions by the organization to OMERS during the year was \$275,575 (2014 - \$239,998). These contributions were matched with identical employee contributions for both years.

At December 31, 2014, OMERS disclosed an actuarial deficiency of \$7.1 billion.

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2015

NOTE 11 FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, government remittances payable, and long-term debt. The organization is not exposed to significant liquidity, interest, currency, or market risks arising from its financial instruments. There has been no change in risk exposures from the previous period.

a) *Credit risk*

The organization provides credit to select groups of clients in the normal course of operations. The organization reviews outstanding amounts on a continuing basis and determined that a provision for uncollectible amounts is not required. Due to the limited group of clients who require credit, the organization does not believe there are significant concentrations of credit risks.

NOTE 12 INTERNAL REVENUE AND EXPENDITURE TRANSACTION

Rent income of \$24,000 (2014 - \$24,000) reported in the supplementary schedule of operations - by program for the Hunter Street Property represents an internal charge to the Community Access Supports Program for the use of the premises in that program.

Administrative fee revenue of \$445 (2014 - \$ NIL) reported as interest and miscellaneous revenue in the supplementary schedule of operations - by program for the Administrative Office represents an internal charge to the March of Dimes program for managing funds of specific individuals.