

INDEPENDENT AUDITOR'S REPORT

To the members 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, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012 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, 2013, March 31, 2012 and April 1, 2011 and the results of its operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



**CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

**Pembroke, Ontario
June 20, 2013**

COMMUNITY LIVING UPPER OTTAWA VALLEY

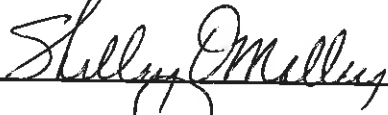
(Incorporated Without Share Capital Under the Laws of the Province of Ontario)

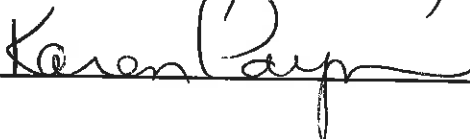
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>	<u>April 1,</u> <u>2011</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 423,508	\$ 494,706	\$ 442,292
Accounts receivable	55,233	42,270	56,817
Prepaid expenses	<u>666</u>	<u>893</u>	<u>1,592</u>
	<u>479,407</u>	<u>537,869</u>	<u>500,701</u>
CAPITAL ASSETS (Note 4)	<u>1,164,838</u>	<u>1,255,294</u>	<u>1,393,802</u>
ASSETS OF THE REPLACEMENT RESERVE FUND			
Cash and cash equivalents	82,712	82,595	52,042
Due from general fund	<u>12,180</u>	<u>9,365</u>	<u>30,444</u>
	<u>94,892</u>	<u>91,960</u>	<u>82,486</u>
	<u>\$ 1,739,137</u>	<u>\$ 1,885,123</u>	<u>\$ 1,976,989</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 571,493	\$ 568,845	\$ 568,948
Government remittances payable	43,628	40,800	39,287
Long-term debt payable within one year	24,925	304,083	16,784
Owing to replacement reserve fund	<u>12,180</u>	<u>9,365</u>	<u>30,444</u>
	<u>652,226</u>	<u>923,093</u>	<u>655,463</u>
LONG TERM DEBT (Note 5)	395,769	392,197	408,982
Less amount due within one year	<u>24,925</u>	<u>304,083</u>	<u>16,784</u>
	<u>370,844</u>	<u>88,114</u>	<u>392,198</u>
DEFERRED CONTRIBUTIONS (Note 6)	<u>728,747</u>	<u>776,964</u>	<u>843,288</u>
NET ASSETS (DEFICIT)			
Replacement reserve fund (Note 7)	94,892	91,960	82,486
Internally restricted (Note 8)	204,764	184,545	166,951
Capital fund (Note 9)	40,322	86,133	141,532
Unrestricted	<u>(352,658)</u>	<u>(265,686)</u>	<u>(304,929)</u>
	<u>(12,680)</u>	<u>96,952</u>	<u>86,040</u>
	<u>\$ 1,739,137</u>	<u>\$ 1,885,123</u>	<u>\$ 1,976,989</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, 2013

	<u>2013</u>	<u>2012</u>
REVENUE:		
Contributions - Province of Ontario	\$ 4,903,480	\$ 4,942,698
- United Fund	13,125	17,500
- other	58,779	16,288
Rental income	134,923	129,671
Nevada fundraising	31,989	22,404
Fundraising and donations	23,723	26,750
Amortization of deferred contributions related to capital assets (Note 6)	48,217	72,324
Membership fees	935	1,270
Interest and miscellaneous	6,468	12,142
Gain on vehicle disposal	3,073	-
	<u>5,224,712</u>	<u>5,241,047</u>
EXPENDITURE:		
Salaries	3,351,161	3,223,019
Employee benefits	629,467	588,383
Supplies and materials	37,926	47,517
Rent	53,702	51,970
Utilities and taxes	109,763	102,584
Repairs and maintenance	62,238	61,809
Insurance	82,859	32,980
Vehicle operating	29,648	40,658
Staff travel	82,016	85,779
Staff training	15,239	32,888
Minor furniture, equipment, and rentals	7,374	22,804
Purchased services	734,483	761,249
Advertising and promotion	856	3,724
Miscellaneous	9,076	10,824
Amortization of capital assets	114,230	148,511
Interest on long-term debt	14,306	15,436
	<u>5,334,344</u>	<u>5,230,135</u>
NET (EXPENDITURE) REVENUE	\$ <u>(109,632)</u>	\$ <u>10,912</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, 2013

	<u>Replacement Reserve Fund</u>	<u>Internally Restricted</u>	<u>Capital Fund</u>	<u>Unrestricted</u>	<u>2013</u>	<u>2012</u>
Net assets (deficit) at beginning of year	\$ 91,960	\$ 184,545	\$ 86,133	\$ (265,686)	\$ 96,952	\$ 86,040
Net revenue (expenditure)	2,932	20,219	(47,084)	(85,699)	(109,632)	10,912
Invested in capital assets	-	-	1,273	(1,273)	-	-
Net assets (deficit) at end of year	<u>\$ 94,892</u>	<u>\$ 204,764</u>	<u>\$ 40,322</u>	<u>\$ (352,658)</u>	<u>\$ (12,680)</u>	<u>\$ 96,952</u>

(See accompanying schedules and notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (expenditure) revenue	\$ (109,632)	\$ 10,912
Adjustments for:		
Amortization of capital assets	114,230	148,511
Amortization of deferred contributions related to capital assets	(48,217)	(72,324)
Net revenue of replacement reserve fund	<u>(2,932)</u>	<u>(9,474)</u>
	(46,551)	77,625
Changes in non-cash working capital components:		
Accounts receivable	(12,963)	14,545
Prepaid expenses	227	699
Accounts payable and accrued liabilities	2,648	(104)
Government remittances payable	2,828	1,513
Owing to replacement reserve fund	<u>2,815</u>	<u>(21,079)</u>
	<u>(50,996)</u>	<u>73,199</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	<u>(23,774)</u>	<u>(4,000)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Repayment of long-term debt	(18,928)	(16,785)
Long-term debt incurred	<u>22,500</u>	<u>-</u>
	<u>3,572</u>	<u>(16,785)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(71,198)	52,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>494,706</u>	<u>442,292</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 423,508</u>	<u>\$ 494,706</u>
Supplementary information:		
(a) Cash and cash equivalents consists of the following:		
Cash	\$ 265,508	\$ 349,706
Redeemable guaranteed investment certificate	<u>158,000</u>	<u>145,000</u>
	<u>423,508</u>	<u>494,706</u>

(See accompanying schedules and notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Administrative Office</u>		<u>Community Employment Supports</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ -	\$ -	\$ -	\$ 71,768
Fundraising and donations	4,908	6,071	-	-
Membership fees	935	1,270	-	-
Amortization of deferred contributions related to capital assets (Note 6)	50	50	-	-
Interest and miscellaneous	<u>1,185</u>	<u>673</u>	<u>-</u>	<u>30</u>
	<u>7,078</u>	<u>8,064</u>	<u>-</u>	<u>71,798</u>
EXPENDITURE:				
Salaries	219,330	257,715	-	52,762
Employee benefits	52,338	54,160	-	10,239
Supplies and materials	5,477	8,956	-	401
Rent	4,081	3,950	-	1,753
Utilities and taxes	3,702	4,164	-	1,309
Repairs and maintenance	2,931	13,044	-	24
Insurance	5,964	6,123	-	121
Staff travel	2,170	2,602	-	1,753
Staff training	333	1,082	-	258
Minor furniture, equipment and rentals	1,452	1,185	-	22
Purchased services	181,204	82,773	-	116
Advertising and promotion	856	1,156	-	39
Miscellaneous	8,640	9,824	-	-
Amortization of capital assets	23,555	34,220	-	-
Overhead allocation	<u>(483,505)</u>	<u>(455,683)</u>	<u>-</u>	<u>6,434</u>
	<u>28,528</u>	<u>25,271</u>	<u>-</u>	<u>75,231</u>
NET (EXPENDITURE) REVENUE	<u>\$ (21,450)</u>	<u>\$ (17,207)</u>	<u>\$ -</u>	<u>\$ (3,433)</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Community Access Supports</u>		<u>Community Respite Supports</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ 1,207,887	\$ 1,236,177	\$ 141,192	\$ 158,613
- other	31,860	16,288	-	-
Fundraising and donations	-	-	-	60
Interest and miscellaneous	-	476	-	-
	<u>1,239,747</u>	<u>1,252,941</u>	<u>141,192</u>	<u>158,673</u>
EXPENDITURE:				
Salaries	783,113	765,774	12,198	17,965
Employee benefits	146,224	144,187	2,476	3,519
Supplies and materials	1,895	3,513	218	362
Rent	43,840	38,701	322	364
Utilities and taxes	19,892	19,513	3,921	6,054
Repairs and maintenance	4,729	3,374	596	5,016
Insurance	18,361	5,906	2,006	1,049
Vehicle operating	8,392	9,536	-	-
Staff travel	35,001	31,490	82	1,557
Staff training	3,986	4,903	306	456
Minor furniture, equipment and rentals	63	763	7	46
Purchased services	120,509	101,732	88,124	103,650
Advertising and promotion	-	611	-	80
Overhead allocation	120,788	115,082	14,131	15,639
	<u>1,306,793</u>	<u>1,245,085</u>	<u>124,387</u>	<u>155,757</u>
NET (EXPENDITURE) REVENUE	\$ (67,046)	\$ 7,856	\$ 16,805	\$ 2,916

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Adult Living Supports</u>		<u>Associate Living Supports</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ 903,353	\$ 1,456,818	\$ 189,507	\$ 278,838
- other	4,516	-	22,404	-
Rental Income	16,200	-	-	-
Interest and miscellaneous	-	560	-	-
	<u>924,069</u>	<u>1,457,378</u>	<u>211,911</u>	<u>278,838</u>
EXPENDITURE:				
Salaries	543,359	880,633	15,791	79,972
Employee benefits	104,153	160,796	3,393	16,167
Supplies and materials	963	3,382	138	547
Rent	19,494	19,034	3,222	3,196
Utilities and taxes	11,193	15,376	1,048	2,547
Repairs and maintenance	4,550	527	215	85
Insurance	13,012	4,696	1,965	181
Vehicle operating	-	3,651	-	-
Staff travel	25,072	28,128	111	2,524
Staff training	2,884	5,210	411	1,091
Minor furniture, equipment and rentals	47	2,670	10	1,390
Purchased services	151,563	203,943	139,627	140,903
Advertising and promotion	-	710	-	148
Overhead allocation	90,338	128,633	18,930	27,790
	<u>966,628</u>	<u>1,457,389</u>	<u>184,861</u>	<u>276,541</u>
NET (EXPENDITURE) REVENUE	\$ (42,559)	\$ (11)	\$ 27,050	\$ 2,297

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Group Living Supports</u>		<u>Community Support Foundations</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ 1,865,254	\$ 1,461,427	\$ -	\$ 201,561
Rental income	74,400	91,625	-	-
Fundraising and donations	-	1,575	-	-
Amortization of deferred contributions related to capital assets (Note 6)	43,638	67,745	-	-
Interest and miscellaneous	5,133	557	-	141
Gain on disposal of vehicle	<u>3,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,991,498</u>	<u>1,622,929</u>	<u>-</u>	<u>201,702</u>
EXPENDITURE:				
Salaries	1,422,532	1,002,438	-	139,995
Employee benefits	257,478	174,813	-	20,599
Supplies and materials	4,280	8,364	-	396
Rent	3,008	3,001	-	2,235
Utilities and taxes	44,539	32,212	-	1,810
Repairs and maintenance	27,947	20,782	-	62
Insurance	31,030	9,707	-	342
Vehicle operating	21,256	27,471	-	-
Staff travel	13,300	11,211	-	5,815
Staff training	5,751	19,087	-	740
Minor furniture, equipment and rentals	3,341	14,106	-	59
Purchased services	17,676	90,358	-	19
Advertising and promotion	-	714	-	106
Miscellaneous	436	-	-	-
Amortization of capital assets	51,919	75,535	-	-
Overhead allocation	<u>185,420</u>	<u>140,532</u>	<u>-</u>	<u>19,792</u>
	<u>2,089,913</u>	<u>1,630,331</u>	<u>-</u>	<u>191,970</u>
NET (EXPENDITURE) REVENUE	<u>\$ (98,415)</u>	<u>\$ (7,402)</u>	<u>\$ -</u>	<u>\$ 9,732</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Mackay Street Apartments</u>		<u>Dedicated Housing Support</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ 532,734	\$ -	\$ 49,967	\$ 56,501
Rental income	28,060	22,200	16,263	15,846
Amortization of deferred contributions related to capital assets (Note 6)	4,529	4,529	-	-
Interest and miscellaneous	-	-	141	109
	<u>565,323</u>	<u>26,729</u>	<u>66,371</u>	<u>72,456</u>
EXPENDITURE				
Salaries	349,866	8,258	2,344	-
Employee benefits	62,685	1,442	249	-
Supplies and materials	607	663	271	401
Utilities and taxes	13,155	6,495	12,298	13,075
Repairs and maintenance	5,639	3,060	8,291	11,828
Insurance	8,273	1,301	2,188	3,555
Staff travel	6,277	-	-	-
Staff training	1,557	-	-	-
Minor furniture, equipment, and rentals	2,454	-	-	416
Purchased services	6,854	1,498	6,711	5,248
Advertising and promotion	-	-	-	155
Amortization of capital assets	4,529	4,529	25,534	25,534
Overhead allocation	53,273	-	-	-
Interest on long-term debt	-	-	14,306	15,436
	<u>515,169</u>	<u>27,246</u>	<u>72,192</u>	<u>75,648</u>
NET REVENUE (EXPENDITURE)	<u>\$ 50,154</u>	<u>\$ (517)</u>	<u>\$ (5,821)</u>	<u>\$ (3,192)</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Hunter Street Property</u>		<u>Partner Facility Renewal</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - Province of Ontario	\$ -	\$ -	\$ -	\$ 119
Rental income	<u>20,265</u>	<u>20,265</u>	<u>-</u>	<u>-</u>
	<u>20,265</u>	<u>20,265</u>	<u>-</u>	<u>119</u>
EXPENDITURE:				
Repairs and maintenance	-	4,001	-	-
Minor furniture, equipment, and rentals	-	-	-	2,141
Amortization of capital assets	<u>8,693</u>	<u>8,693</u>	<u>-</u>	<u>-</u>
	<u>8,693</u>	<u>12,694</u>	<u>-</u>	<u>2,141</u>
NET REVENUE (EXPENDITURE)	<u>\$ 11,572</u>	<u>\$ 7,571</u>	<u>\$ -</u>	<u>\$ (2,022)</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Nevada Fundraising</u>		<u>Fundraising/Bequests/Mural and Summer Program</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUE:				
Contributions - United Fund	\$ -	\$ -	\$ 13,125	\$ 17,500
Fundraising and donations	31,989	22,404	18,815	19,044
Interest and miscellaneous	8	4	-	-
	<u>31,997</u>	<u>22,408</u>	<u>31,940</u>	<u>36,544</u>
EXPENDITURE:				
Supplies and materials	17,816	13,774	6,261	6,720
Purchased services	-	-	19,641	19,864
Miscellaneous	-	-	-	1,000
	<u>17,816</u>	<u>13,774</u>	<u>25,902</u>	<u>27,584</u>
NET REVENUE	<u>\$ 14,181</u>	<u>\$ 8,634</u>	<u>\$ 6,038</u>	<u>\$ 8,960</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	Self Managed Support		Passports	
	2013	2012	2013	2012
REVENUE:				
Contributions - Province of Ontario	\$ 6,250	\$ -	\$ -	\$ 20,876
Interest and miscellaneous	-	-	-	9,483
	6,250	-	-	30,359
EXPENDITURE:				
Salaries	2,628	-	-	17,507
Employee benefits	471	-	-	2,461
Supplies and materials	-	-	-	38
Utilities and taxes	15	-	-	29
Repairs and maintenance	4	-	-	6
Insurance	60	-	-	-
Staff travel	3	-	-	699
Staff training	11	-	-	61
Minor furniture, equipment, and rentals	-	-	-	6
Purchased services	2,574	-	-	11,145
Advertising and promotion	-	-	-	5
Overhead allocation	625	-	-	1,781
	6,391	-	-	33,738
NET EXPENDITURE	\$ (141)	\$ -	\$ -	\$ (3,379)

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM
YEAR ENDED MARCH 31, 2013

	<u>Minor Capital Funding</u>	
	<u>2013</u>	<u>2012</u>
REVENUE:		
Contributions - Province of Ontario	\$ <u>7,336</u>	<u>-</u>
EXPENDITURE:		
Repairs and maintenance	<u>7,336</u>	<u>-</u>
NET REVENUE	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

NOTE 1 ORGANIZATION AND PURPOSE

The 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 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 (ASNFPFO) as reflected in Part III of the CICA Accounting Handbook.

The corporation's first reporting period using Canadian ASNFPFO is for the year ended March 31, 2013. As a result, the date of transition to Canadian ASNFPFO is April 1, 2011. The corporation presented financial statements under its previous Canadian generally accepted accounting principles (GAAP) 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 corporation has applied Canadian ASNFPFO, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Canadian ASNFPFO, First-time Adoption by Not-for-profit Organizations.

The corporation is required to apply Canadian ASNFPFO 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 net assets, and statement of cash flows for the year ended March 31, 2013 (including comparative amounts for 2012).

Section 1501 provides organizations with certain exemptions to the principle that an organization's opening statement of financial position shall comply with Canadian ASNFPFO. The corporation has not elected to use any of these exemptions upon adoption of Canadian ASNFPFO.

The adoption of Canadian ASNFPFO had no impact on the previously recorded assets, liabilities 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 net assets and cash flow statement. Certain disclosures have been added to these financial statements to comply with new ASNFPFO disclosure requirements.

COMMUNITY LIVING UPPER OTTAWA VALLEY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

NOTE 3 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, 2013.

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.

Interest is recognized as earned.

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

Cash and cash equivalents

Cash and cash equivalents include cash and a redeemable guaranteed investment certificate.

Capital assets and amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution, if determinable.

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 real estate and leasehold improvements and 20% for all other capital assets.

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. All other financial instruments are measured at their amortized cost.

COMMUNITY LIVING UPPER OTTAWA VALLEY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 the estimated useful life of its capital assets. Actual results could differ from these estimates.

NOTE 4 CAPITAL ASSETS

Capital assets and accumulated amortization consist of the following:

	2013		2012	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Real Estate				
Dedicated Housing Support Program \$	567,441	\$ 487,592	\$ 567,441	\$ 462,058
Mackay Street	110,586	78,101	110,586	73,572
New Places to Live	456,694	173,092	456,694	153,859
Heritage Drive	296,290	106,516	296,290	93,201
Hunter Street	205,786	60,054	205,786	51,361
Steffen Street	407,827	132,240	407,827	122,348
Leasehold improvements	229,213	126,067	229,213	114,607
Furniture and equipment	369,175	339,397	369,175	325,509
Computer equipment	146,989	141,124	146,989	138,192
Vehicles	210,350	191,330	256,824	256,824
	3,000,351	\$ 1,835,513	3,046,825	\$ 1,791,531
Less accumulated amortization	<u>1,835,513</u>		<u>1,791,531</u>	
	<u>\$ 1,164,838</u>		<u>\$ 1,255,294</u>	

COMMUNITY LIVING UPPER OTTAWA VALLEY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2013</u>	<u>2012</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.	\$ 88,113	\$ 94,236
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.	286,656	297,961
Vehicle loan payable - due November 1, 2017 and payable in monthly instalments of \$375 with 0% interest. Secured by specified vehicle.	<u>21,000</u>	<u>-</u>
	<u>\$ 395,769</u>	<u>\$ 392,197</u>

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

2014	\$ 24,925
2015	\$ 25,405
2016	\$ 94,605
2017	\$ 19,573
2018	\$ 231,261

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>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 776,964	843,288
Contributions received during the year:		
Province of Ontario capital grants	-	6,000
Less amounts amortized to revenue	<u>(48,217)</u>	<u>(72,324)</u>
Balance at end of year	<u>\$ 728,747</u>	<u>\$ 776,964</u>

NOTE 7 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 (2012 - \$9,365) was received from the Province of Ontario for the replacement reserve fund and \$0 (2012 - \$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, 2013

NOTE 8 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets of \$204,764 (2012 - \$184,545) 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 2013</u>	<u>Total 2012</u>
Balance at beginning of year	\$ 24,292	\$ 160,253	\$ 184,545	\$ 166,951
Net revenue	<u>14,181</u>	<u>6,038</u>	<u>20,219</u>	<u>17,594</u>
Balance at end of year	\$ <u>38,473</u>	\$ <u>166,291</u>	\$ <u>204,764</u>	\$ <u>184,545</u>

NOTE 9 CAPITAL FUND

Capital fund balance is as follows:

	<u>2013</u>	<u>2012</u>
Capital assets	\$ 1,164,838	\$ 1,255,294
Amounts financed by:		
Long-term debt	(395,769)	(392,197)
Deferred contributions	<u>(728,747)</u>	<u>(776,964)</u>
	\$ <u>40,322</u>	\$ <u>86,133</u>

NOTE 10 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 11 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.

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

The organization is required to make current service contributions to OMERS for the 2013 calendar year of 9.0% (2012 - 8.3%) of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% (2012 - 12.4%) 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 \$226,374 (2012 - \$210,585). These contributions were matched with identical employee contributions for both years.

At December 31, 2012, OMERS disclosed an actuarial deficiency of \$9.924 billion.

COMMUNITY LIVING UPPER OTTAWA VALLEY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

NOTE 12 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, market, or credit risks arising from its financial instruments.

NOTE 13 INTERNAL REVENUE AND EXPENDITURE TRANSACTION

Rent income of \$20,265 (2012 - \$20,265) 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.

NOTE 14 COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year.