

## 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, 2014, 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, 2014, 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  
June 19, 2014

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

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

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 662,015	\$ 423,508
Accounts receivable	91,664	55,233
Prepaid expenses	-	666
	<u>753,679</u>	<u>479,407</u>
<b>CAPITAL ASSETS (Note 3)</b>	<u>1,088,070</u>	<u>1,164,838</u>
<b>ASSETS OF THE REPLACEMENT RESERVE FUND</b>		
Cash and cash equivalents	95,197	82,712
Due from general fund	2,872	12,180
	<u>98,069</u>	<u>94,892</u>
	<u>\$ 1,939,818</u>	<u>\$ 1,739,137</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 737,509	\$ 571,493
Government remittances payable	44,483	43,628
Long-term debt payable within one year	32,964	24,925
Owing to replacement reserve fund	2,872	12,180
	<u>817,828</u>	<u>652,226</u>
<b>LONG TERM DEBT (Note 4)</b>	402,204	395,789
Less amount due within one year	32,964	24,925
	<u>369,240</u>	<u>370,844</u>
<b>DEFERRED CONTRIBUTIONS (Note 5)</b>	<u>673,561</u>	<u>728,747</u>
<b>NET ASSETS (DEFICIT)</b>		
Replacement reserve fund (Note 6)	98,069	94,892
Internally restricted (Note 7)	224,385	204,764
Capital fund (Note 8)	12,305	40,322
Unrestricted	(255,570)	(352,658)
	<u>79,189</u>	<u>(12,680)</u>
	<u>\$ 1,939,818</u>	<u>\$ 1,739,137</u>

Approved by the Board:

S. O'Malley  Director

K. Payne  Director

(See accompanying schedules and notes)



An Equal Opportunity Member of the B.I. Group

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>		
Contributions - Province of Ontario	\$ 5,342,216	\$ 4,903,480
- United Fund	-	13,125
- other	29,091	58,779
Rental income	131,680	134,923
Nevada fundraising	30,016	31,989
Fundraising and donations	20,360	23,723
Amortization of deferred contributions related to capital assets	55,186	48,217
Membership fees	1,045	935
Interest and miscellaneous	89,681	6,468
Gain on vehicle disposal	-	3,073
	<u>5,699,275</u>	<u>5,224,712</u>
<b>EXPENDITURE:</b>		
Salaries	3,335,123	3,351,161
Employee benefits	617,813	629,467
Supplies and materials	126,989	37,926
Rent	57,167	53,702
Utilities and taxes	116,003	109,763
Repairs and maintenance	234,480	62,238
Insurance	84,854	82,859
Vehicle operating	34,572	29,648
Staff travel	62,244	82,016
Staff training	76,916	15,239
Minor furniture, equipment, and rentals	17,540	7,374
Purchased services	699,414	734,483
Advertising and promotion	-	856
Miscellaneous	10,383	9,076
Amortization of capital assets	125,523	114,230
Interest on long-term debt	8,385	14,306
	<u>5,607,406</u>	<u>5,334,344</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 91,869</u>	<u>\$ (109,632)</u>

(See accompanying schedules and notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)**  
**YEAR ENDED MARCH 31, 2014**

	<u>Replacement Reserve Fund</u>	<u>Internally Restricted</u>	<u>Capital Fund</u>	<u>Unrestricted</u>	<u>2014</u>	<u>2013</u>
Net assets (deficit) at beginning of year	\$ 94,892	\$ 204,764	\$ 40,322	\$ (352,658)	\$ (12,680)	\$ 96,952
Net revenue (expenditure)	3,177	19,621	(33,188)	102,259	91,869	(109,632)
Invested in capital assets	-	-	5,171	(5,171)	-	-
Net assets (deficit) at end of year	<u>\$ 98,069</u>	<u>\$ 224,385</u>	<u>\$ 12,305</u>	<u>\$ (255,570)</u>	<u>\$ 79,189</u>	<u>\$ (12,680)</u>

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net revenue (expenditure)	\$ 91,869	\$ (109,632)
Adjustments for:		
Amortization of capital assets	125,523	114,230
Amortization of deferred contributions related to capital assets	(55,186)	(48,217)
Net revenue of replacement reserve fund	<u>(3,177)</u>	<u>(2,932)</u>
	159,029	(46,551)
Changes in non-cash working capital components:		
Accounts receivable	(36,432)	(12,963)
Prepaid expenses	666	227
Accounts payable and accrued liabilities	166,017	2,648
Government remittances payable	855	2,828
Owing to replacement reserve fund	<u>(9,308)</u>	<u>2,815</u>
	<u>280,827</u>	<u>(50,996)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(48,754)</u>	<u>(23,774)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(24,923)	(18,928)
Long-term debt incurred	<u>31,357</u>	<u>22,500</u>
	<u>6,434</u>	<u>3,572</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	238,507	(71,198)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>423,508</u>	<u>494,706</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ <u>662,015</u>	\$ <u>423,508</u>
Supplementary information:		
(a) Cash and cash equivalents consists of the following:		
Cash	\$ 418,222	\$ 265,508
Redeemable guaranteed investment certificate	<u>243,793</u>	<u>158,000</u>
	<u>662,015</u>	<u>423,508</u>

(See accompanying schedules and notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Administrative Office</u>		<u>Adaptive Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ -	\$ 63,520	\$ -
Fundraising and donations	3,578	4,908	-	-
Membership fees	1,045	935	-	-
Amortization of deferred contributions related to capital assets	50	50	-	-
Interest and miscellaneous	89,141	1,185	-	-
	<u>93,814</u>	<u>7,078</u>	<u>63,520</u>	<u>-</u>
<b>EXPENDITURE:</b>				
Salaries	283,563	219,330	-	-
Employee benefits	46,402	52,338	-	-
Supplies and materials	11,326	5,477	7,365	-
Rent	3,087	4,081	-	-
Utilities and taxes	2,246	3,702	-	-
Repairs and maintenance	473	2,931	-	-
Insurance	6,083	5,964	-	-
Staff travel	2,829	2,170	-	-
Staff training	177	333	56,155	-
Minor furniture, equipment and rentals	1,547	1,452	-	-
Purchased services	123,213	181,204	-	-
Advertising and promotion	-	856	-	-
Miscellaneous	8,630	8,640	-	-
Amortization of capital assets	28,948	23,555	-	-
Overhead allocation	(491,431)	(483,505)	-	-
	<u>27,093</u>	<u>28,528</u>	<u>63,520</u>	<u>-</u>
<b>NET REVENUE (EXPENDITURE)</b>	<b>\$ 66,721</b>	<b>\$ (21,450)</b>	<b>\$ -</b>	<b>\$ -</b>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Community Access Supports</u>		<u>Community Respite Supports</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 1,207,887	\$ 1,207,887	\$ 141,192	\$ 141,192
- other	<u>22,375</u>	<u>31,860</u>	<u>-</u>	<u>-</u>
	<u>1,230,262</u>	<u>1,239,747</u>	<u>141,192</u>	<u>141,192</u>
<b>EXPENDITURE:</b>				
Salaries	712,662	783,113	11,620	12,198
Employee benefits	138,548	146,224	2,203	2,476
Supplies and materials	4,439	1,895	597	218
Rent	57,843	43,840	229	322
Utilities and taxes	17,979	19,892	3,995	3,921
Repairs and maintenance	11,370	4,729	2,400	596
Insurance	18,647	18,361	2,156	2,006
Vehicle operating	7,758	8,392	-	-
Staff travel	17,083	35,001	95	82
Staff training	2,953	3,986	220	306
Minor furniture, equipment and rentals	-	63	-	7
Purchased services	109,526	120,509	102,135	88,124
Miscellaneous	275	-	32	-
Interest on long term debt	51	-	-	-
Overhead allocation	<u>120,788</u>	<u>120,788</u>	<u>14,119</u>	<u>14,131</u>
	<u>1,219,922</u>	<u>1,306,793</u>	<u>139,801</u>	<u>124,387</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 10,340</u>	<u>\$ (67,046)</u>	<u>\$ 1,391</u>	<u>\$ 16,805</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Adult Living Supports</u>		<u>Associate Living Supports</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 921,642	\$ 903,353	\$ 250,491	\$ 189,507
- other	-	4,516	-	22,404
Rental Income	<u>16,200</u>	<u>16,200</u>	<u>-</u>	<u>-</u>
	<u>937,842</u>	<u>924,069</u>	<u>250,491</u>	<u>211,911</u>
<b>EXPENDITURE:</b>				
Salaries	501,566	543,359	26,610	15,791
Employee benefits	93,983	104,153	5,009	3,393
Supplies and materials	3,156	963	823	138
Rent	15,035	19,494	2,687	3,222
Utilities and taxes	13,579	11,193	1,173	1,048
Repairs and maintenance	7,488	4,550	804	215
Insurance	13,396	13,012	2,736	1,965
Staff travel	19,528	25,072	168	111
Staff training	2,013	2,884	860	411
Minor furniture, equipment and rentals	-	47	-	10
Purchased services	152,957	151,563	143,647	139,627
Miscellaneous	245	-	57	-
Overhead allocation	<u>92,163</u>	<u>90,338</u>	<u>25,049</u>	<u>18,930</u>
	<u>915,109</u>	<u>966,628</u>	<u>209,623</u>	<u>184,861</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 22,733</u>	<u>\$ (42,559)</u>	<u>\$ 40,868</u>	<u>\$ 27,050</u>

(See accompanying notes)



**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Group Living Supports</u>		<u>Dedicated Housing Support</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 2,629,170	\$ 2,397,988	\$ 46,409	\$ 49,967
- other	3,591	-	-	-
Rental income	98,800	102,460	16,680	16,263
Amortization of deferred contributions related to capital assets	55,136	48,167	-	-
Interest and miscellaneous	-	5,133	386	141
Gain on disposal of vehicle	-	3,073	-	-
	<u>2,786,697</u>	<u>2,556,821</u>	<u>63,475</u>	<u>66,371</u>
<b>EXPENDITURE:</b>				
Salaries	1,789,799	1,772,398	6,994	2,344
Employee benefits	329,911	320,164	1,320	249
Supplies and materials	71,869	4,883	66	271
Rent	2,286	3,007	-	-
Utilities and taxes	62,414	57,695	14,590	12,298
Repairs and maintenance	123,326	33,587	9,957	8,291
Insurance	39,634	39,304	2,149	2,188
Vehicle operating	26,814	21,258	-	-
Staff travel	22,538	19,578	-	-
Staff training	14,530	7,309	-	-
Minor furniture, equipment and rentals	15,993	5,794	-	-
Purchased services	58,132	24,530	7,059	6,711
Miscellaneous	1,144	437	-	-
Amortization of capital assets	67,775	56,448	20,107	25,534
Interest on long-term debt	51	-	8,283	14,306
Overhead allocation	238,687	238,693	-	-
	<u>2,864,903</u>	<u>2,605,085</u>	<u>70,525</u>	<u>72,192</u>
<b>NET (EXPENDITURE)</b>	<u>\$ (78,206)</u>	<u>\$ (48,264)</u>	<u>\$ (7,050)</u>	<u>\$ (5,821)</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Hunter Street Property</u>		<u>Partner Facility Renewal</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ -	\$ -	\$ 46,000	\$ -
Rental income	<u>24,000</u>	<u>20,265</u>	<u>-</u>	<u>-</u>
	<u>24,000</u>	<u>20,265</u>	<u>46,000</u>	<u>-</u>
<b>EXPENDITURE:</b>				
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>45,859</u>	<u>-</u>
<b>NET REVENUE</b>	<u>\$ 15,307</u>	<u>\$ 11,572</u>	<u>\$ 141</u>	<u>\$ -</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Nevada Fundraising</u>		<u>Fundraising/Bequests/Mural and Summer Program</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - United Fund	\$ -	\$ -	\$ -	\$ 13,125
Fundraising and donations	30,016	31,989	16,782	18,815
Interest and miscellaneous	154	8	-	-
	<u>30,170</u>	<u>31,997</u>	<u>16,782</u>	<u>31,940</u>
<b>EXPENDITURE:</b>				
Supplies and materials	21,185	17,816	6,146	6,261
Purchased services	-	-	-	19,641
	<u>21,185</u>	<u>17,816</u>	<u>6,146</u>	<u>25,902</u>
<b>NET REVENUE</b>	<u>\$ 8,985</u>	<u>\$ 14,181</u>	<u>\$ 10,636</u>	<u>\$ 6,038</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM**  
**YEAR ENDED MARCH 31, 2014**

	<u>Self Managed Support</u>		<u>Repairs and Maintenance</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE:</b>				
Contributions - Province of Ontario	\$ 3,125	\$ 6,250	\$ 32,780	\$ 7,336
- Other	<u>3,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,250</u>	<u>6,250</u>	<u>32,780</u>	<u>7,336</u>
<b>EXPENDITURE:</b>				
Salaries	2,309	2,629	-	-
Employee benefits	437	471	-	-
Supplies and materials	17	3	-	-
Utilities and taxes	27	11	-	-
Repairs and maintenance	23	4	32,780	7,336
Insurance	53	60	-	-
Staff travel	3	3	-	-
Staff training	8	11	-	-
Purchased services	2,745	2,574	-	-
Overhead allocation	625	625	-	-
	<u>6,247</u>	<u>6,391</u>	<u>32,780</u>	<u>7,336</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>\$ 3</u>	<u>\$ (141)</u>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2014**

**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 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, 2014.

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 buildings included in real estate, 5% for leasehold improvements and 20% for all other capital assets excluding land.

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**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.

**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 3 CAPITAL ASSETS**

Capital assets and accumulated amortization consist of the following:

	2014		2013	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
<b>Real Estate</b>				
Dedicated Housing Support Program \$	567,441	\$ 507,699	\$ 567,441	\$ 487,592
Mackay Street	110,586	80,599	110,586	78,101
New Places to Live	456,694	192,324	456,694	173,092
Heritage Drive	296,290	119,830	296,290	106,516
Hunter Street	205,786	68,747	205,786	60,054
Steffen Street	407,827	151,131	407,827	132,240
Leasehold improvements	229,213	137,528	229,213	126,067
Furniture and equipment	374,346	354,319	369,175	339,397
Computer equipment	146,989	144,057	146,989	141,124
Vehicles	<u>228,728</u>	<u>179,596</u>	<u>210,350</u>	<u>191,330</u>
	3,023,900	<u>\$ 1,935,830</u>	3,000,351	<u>\$ 1,835,513</u>
Less accumulated amortization	<u>1,935,830</u>		<u>1,835,513</u>	
	<u>\$ 1,088,070</u>		<u>\$ 1,164,838</u>	

**COMMUNITY LIVING UPPER OTTAWA VALLEY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2014**

**NOTE 4 LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>2014</u>	<u>2013</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.	\$ 81,826	\$ 88,113
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.	272,520	286,656
Vehicle loan payable - due November 1, 2017 and payable in monthly instalments of \$375 with 0% interest. Secured by specified vehicle.	16,501	21,000
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.	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.	<u>15,678</u>	<u>-</u>
	<u>\$ 402,204</u>	<u>\$ 395,769</u>

Principal payments required to discharge existing long-term debt are as follows:

2015	\$		\$	32,964
2016	\$		\$	102,277
2017	\$		\$	27,937
2018	\$		\$	239,026

**NOTE 5 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>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 728,747	776,964
Less amounts amortized to revenue	(55,186)	(48,217)
Balance at end of year	<u>\$ 673,561</u>	<u>\$ 728,747</u>

**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

**NOTE 6 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 (2013 - \$2,791) was received from the Province of Ontario for the replacement reserve fund and \$0 (2013 - \$0) was spent from the reserve fund for repairs and maintenance as approved by the Ministry.

**NOTE 7 INTERNALLY RESTRICTED NET ASSETS**

Internally restricted net assets of \$224,385 (2013 - \$204,764) 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 &amp; Summer Program</u>	<u>Total 2014</u>	<u>Total 2013</u>
Balance at beginning of year	\$ 38,473	\$ 166,291	\$ 204,764	\$ 184,545
Net revenue	<u>8,985</u>	<u>10,636</u>	<u>19,621</u>	<u>20,219</u>
Balance at end of year	<u>\$ 47,458</u>	<u>\$ 176,927</u>	<u>\$ 224,385</u>	<u>\$ 204,764</u>

**NOTE 8 CAPITAL FUND**

Capital fund balance is as follows:

	<u>2014</u>	<u>2013</u>
Capital assets	\$ 1,088,070	\$ 1,164,838
Amounts financed by:		
Long-term debt	(402,204)	(395,769)
Deferred contributions	<u>(673,561)</u>	<u>(728,747)</u>
	<u>\$ 12,305</u>	<u>\$ 40,322</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.



**COMMUNITY LIVING UPPER OTTAWA VALLEY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2014**

**NOTE 10 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 2014 calendar year of 9.0% (2013 - 9.0%) of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% (2013 - 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 \$239,998 (2013 - \$226,374). These contributions were matched with identical employee contributions for both years.

At December 31, 2013, OMERS disclosed an actuarial deficiency of \$8.6 billion.

**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, market, or credit risks arising from its financial instruments.

**NOTE 12 INTERNAL REVENUE AND EXPENDITURE TRANSACTION**

Rent income of \$24,000 (2013 - \$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 13 COMPARATIVE FIGURES**

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