

# Community Living Burlington

## Financial Statements

For the year ended March 31, 2013

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**Independent Auditors' Report**

To the Members of  
Community Living Burlington

**Independent Auditors' Report**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Community Living Burlington, which comprise the balance sheet as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of income (loss) and retained earnings and cash flows for the periods 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

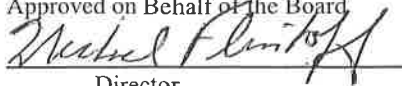

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Living Burlington as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the periods ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

May 28, 2013

Chartered Accountants  
Licensed Public Accountants

**Community Living Burlington**  
**Statement of Financial Position**  
**March 31, 2013**

	Assets		
	March 31, 2013	March 31, 2012 (Note 17)	April 1, 2011
<b>Current assets</b>			
Cash and cash equivalents	\$ 5,143	\$ 4,743	\$ 4,766
Internally restricted cash and investments (Note 4)	961,470	896,406	548,785
Investments	21,824	21,824	21,824
Accounts receivable (Note 5)	273,770	339,194	392,335
Prepays	199,655	143,561	70,458
	<b>1,461,862</b>	<b>1,405,728</b>	<b>1,038,168</b>
<b>Long-term investments (Note 6)</b>	<b>148,034</b>	<b>135,988</b>	<b>134,221</b>
<b>Fixed assets</b>	<b>6,582,645</b>	<b>6,819,406</b>	<b>7,037,106</b>
	<b>\$ 8,192,541</b>	<b>\$ 8,361,122</b>	<b>\$ 8,209,495</b>

Approved on Behalf of the Board  
  
 Director  
  
 Director

*The accompanying notes are an integral part of the financial statements.*

**Community Living Burlington**  
**Statement of Financial Position**  
**March 31, 2013**

	<b>Liabilities</b>		
	March 31, 2013	March 31, 2012 (Note 17)	April 1, 2011
<b>Current liabilities</b>			
Bank indebtedness (Note 8)	\$ 632,343	\$ 525,781	\$ 315,466
Accounts payable and accrued liabilities (Note 9)	1,034,185	1,069,324	1,073,016
Deferred revenue	58,106	42,704	68,429
Current portion of long-term debt (Note 10)	140,473	519,583	320,130
	<u>1,865,107</u>	<u>2,157,392</u>	<u>1,777,041</u>
<b>Long-term debt (Note 10)</b>	967,591	719,887	1,055,254
<b>Deferred fixed asset contributions (Note 11)</b>	2,303,720	2,424,387	2,553,620
	<u>5,136,418</u>	<u>5,301,666</u>	<u>5,385,915</u>
	<b>Net Assets</b>		
<b>Net assets restricted for endowment purposes (Note 6)</b>	148,034	135,988	134,221
<b>Unrestricted</b>	(773,375)	(626,165)	(472,904)
<b>Internally restricted funds</b>	510,606	394,084	54,161
<b>Invested in fixed assets</b>	3,170,858	3,155,549	3,108,102
	<u>3,056,123</u>	<u>3,059,456</u>	<u>2,823,580</u>
	<u>\$ 8,192,541</u>	<u>\$ 8,361,122</u>	<u>\$ 8,209,495</u>

*The accompanying notes are an integral part of the financial statements.*

## Community Living Burlington

### Statement of Operations

Year Ended March 31, 2013

	2013	2012 (Note 17)
<b>Revenue</b>		
Province of Ontario	\$ 11,745,979	\$ 11,474,048
Residents' fees	1,351,123	1,344,206
Regional Municipality	409,768	411,691
Program service fees	212,214	264,665
Program grants	161,578	230,083
Amortization of deferred fixed asset contributions	122,704	129,233
Contract work sales	113,729	119,671
Passages subsidy	99,371	97,768
United way grant	97,734	100,509
Miscellaneous revenue	91,994	60,579
Job placements	76,063	84,141
Freeman Foundation	65,745	86,939
	<b>14,548,002</b>	<b>14,403,533</b>
<b>Expenses</b>		
Staff salaries and benefits	11,760,148	11,698,766
Repairs and maintenance	506,088	261,188
Purchased services for clients	402,527	420,617
Food	367,524	357,930
Amortization of fixed assets	296,503	281,950
Occupancy costs	287,584	313,548
Automobile and travel	283,256	313,463
Personal and health care needs	232,460	209,806
Supplies	160,270	183,994
Trainees payroll	157,005	169,347
Insurance	84,213	83,343
Professional fees	80,107	81,540
Telephone and postage	70,598	71,203
Equipment	61,643	24,301
Other rentals	41,817	36,292
Staff training	27,249	27,624
Renovations	15,743	85,544
Bank charges and interest	14,051	21,331
Miscellaneous expense	8,460	13,261
	<b>14,857,246</b>	<b>14,655,048</b>
<b>Deficiency of revenues over expenditures from operations</b>	<b>(309,244)</b>	<b>(251,515)</b>
Donations	138,978	69,439
Fundraising revenue (Note 12)	133,365	102,538
Fischer estate donation	40,473	311,000
Investment income	18,877	16,938
Unrealized gains on investments	5,714	19,682
Loss on sale of fixed assets	(1,535)	(442)
Fundraising expense (Note 12)	(42,007)	(33,531)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (15,379)</b>	<b>\$ 234,109</b>

The accompanying notes are an integral part of the financial statements.

**Community Living Burlington**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2013**

	Restricted for Endowment Purposes	Unrestricted	Internally restricted funds	Invested in Fixed Assets	2013 Total	2012 Total
Net assets, beginning of year	\$ 135,988	\$ (626,165)	\$ 394,084	\$ 3,155,549	\$ 3,059,456	\$ 2,823,580
Excess (deficiency) of revenues over expenditures	-	(15,379)	-	-	(15,379)	234,109
Allocation to internally restricted funds	-	(91,358)	91,358	-	-	-
Change in net assets invested in fixed assets (Note 13)	-	-	(15,309)	15,309	-	-
Net gain on investments	12,046	-	-	-	12,046	1,767
Contribution from the Fischer Estate	-	(40,473)	40,473	-	-	-
<b>Net assets, end of year</b>	<b>\$ 148,034</b>	<b>\$ (773,375)</b>	<b>\$ 510,606</b>	<b>\$ 3,170,858</b>	<b>\$ 3,056,123</b>	<b>\$ 3,059,456</b>

The accompanying notes are an integral part of the financial statements.

## Community Living Burlington

### Statement of Cash Flows

Year Ended March 31, 2013

	2013	2012 (Note 17)
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ (15,379)	\$ 234,109
Charges not involving cash		
Amortization of fixed assets	296,503	281,950
Amortization of deferred fixed asset contributions	(122,704)	(129,233)
Loss on sale of fixed assets	1,535	442
Unrealized gains on investments	(5,714)	(19,682)
	<u>154,241</u>	<u>367,586</u>
Net change in accounts receivable	65,424	53,141
Net change in accounts payable and accrued liabilities	(35,141)	(3,692)
Net change in other operating working capital balances	(40,692)	(98,828)
Cash flows from operating activities	<u>143,832</u>	<u>318,207</u>
<b>Cash flows from financing activities</b>		
Change in bank indebtedness	106,562	210,315
Decrease in long-term debt	(131,406)	(135,914)
Cash flows from (used in) financing activities	<u>(24,844)</u>	<u>74,401</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(59,350)	(527,938)
Proceeds on disposal of investments	-	200,000
Purchase of fixed assets	(62,175)	(65,993)
Proceeds on disposal of fixed assets	900	1,300
Deferred fixed asset contributions	2,037	-
Cash flows used in investing activities	<u>(118,588)</u>	<u>(392,631)</u>
Net increase (decrease) in cash and cash equivalents	400	(23)
Cash and cash equivalents, beginning of year	4,743	4,766
Cash and cash equivalents, end of year	<u>\$ 5,143</u>	<u>\$ 4,743</u>

The accompanying notes are an integral part of the financial statements.

## Community Living Burlington

### Notes to Financial Statements

Year Ended March 31, 2013

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#### 1. Purpose of the Organization

Community Living Burlington ("CLB") was incorporated as a company without share capital on May 17, 1963 by letters patent issued under the Corporations Act of the Province of Ontario, as a not-for-profit organization and is a registered charity under the Income Tax Act. The purpose of CLB is to administer various programs for individuals with developmental disabilities.

#### 2. Significant accounting policies

##### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

##### Fixed assets and amortization

Fixed assets are recorded at acquisition cost. Amortization is provided as follows:

Buildings	30 year straight-line
Computer equipment	20% declining balance
Furniture and fixtures	20% declining balance
Vehicles	30% declining balance

##### Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

##### Revenue recognition

CLB 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.

Revenues from fundraising activities are recorded when received.

Revenue pertaining to contract work is recorded in the period in which the income is determinable and collection is reasonably assured.

##### Contributed services

In common with many not-for-profit organizations, CLB receives contributions from individuals in the form of contributed services. Because of the difficulty determining their fair value, contributed services are not recognized in the financial statements.

##### Deferred fixed asset contributions

Contributions received and spent for fixed assets are deferred in the accounts and amortized over the same terms and on the same basis as the related fixed assets.

*The accompanying notes are an integral part of the financial statements.*



**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

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**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 expense during the period. Actual results could differ from those estimates.

**Financial instruments**

The Organization's financial instruments consist of cash and cash equivalents, internally restricted cash and investments, investments, accounts receivable, long-term investments, bank indebtedness, accounts payable and accrued liabilities, and long-term debt. All of the Association's investments are initially recognized and subsequently measured at fair value without adjustment for transaction costs that would be incurred on disposal and exclude adjustment for premiums and discounts associated with corporate bonds. Changes in fair value are recognized in income in the period.

All other financial instruments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

**Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks. Bank borrowings to finance capital and operating expenditures are considered to be financing activities.

**3. Adoption of accounting standards for not-for-profit organizations**

Effective April 1, 2011, the Organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations. These are the Organization's first financial statements prepared in accordance with these accounting standards for not-for-profit organizations (ASNFPO) and the transitional provisions of Section 1501 First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 30, 2012 and in the preparation of an opening ASNFPO balance sheet at April 1, 2011 (the Organization's date of transition).

The Organization issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and equity of the Organization, and accordingly, no adjustments have been recorded in the comparative balance sheet, income statement, statement of retained earnings and the cash flow statement. Certain of the Organization's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

*The accompanying notes are an integral part of the financial statements.*

**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

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**4. Internally restricted cash and investments**

Internally restricted cash and investments consists of the following:

	2013	2012
Restricted cash	\$ 351,473	\$ 311,000
Short-term investments	609,997	585,406
	<u>\$ 961,470</u>	<u>\$ 896,406</u>

The funds held by CLB in short-term investments arose from the sale of Branchton Camp during the year ended March 31, 2006. The disposition resulted in net proceeds of \$505,889 of which all investment income earned is reinvested into additional fixed income investments in accordance with CLB's investment policy. Income earned on these investments during the year was \$24,591 (2012 - \$36,620).

The restricted cash balance represents donations received from the Fischer Estate.

CLB's policy is that the internally restricted cash and investments are only drawn upon after receiving board approval.

**5. Accounts receivable**

	2013	2012
Trade accounts receivable	\$ 72,893	\$ 48,092
WSIB recoverable	-	53,352
H.S.T recoverable	105,264	45,364
Funding receivable	95,613	192,386
	<u>\$ 273,770</u>	<u>\$ 339,194</u>

**6. Long-term investments**

The long-term investment represents an endowment contribution to Community Living Burlington. Due to the nature of the endowment contribution, only the income earned on the investment can be used for operations. The contribution has been invested in a balanced investment portfolio.

Community Living Burlington  
Notes to Financial Statements  
Year Ended March 31, 2013

7. Fixed assets	2013		
	Cost	Accumulated Amortization	Net Book Value
<b>Land and buildings<sup>(a)</sup></b>			
Alconbury House	\$ 216,236	\$ 78,899	\$ 137,337
Berkshire House	232,363	88,247	144,116
Daryl House	277,050	124,355	152,695
Deerwood House	227,793	85,276	142,517
Duncaster House	228,513	84,914	143,599
Dynes House	244,179	115,192	128,987
Fairfax House	398,697	74,858	323,839
Freeman House	260,056	87,550	172,506
Fisher House	379,000	20,924	358,076
Hammond House	215,024	88,800	126,224
Headon Forest House	299,407	87,755	211,652
Headon Road House	250,573	107,149	143,424
Kirkburn House	198,076	88,842	109,234
Mainway	2,053,898	882,749	1,171,149
Moss Glen House	278,712	113,602	165,110
New Street 1	381,977	60,166	321,811
New Street 2	729,840	130,887	598,953
Pinecove House	214,491	84,343	130,148
Rotary House	294,489	75,718	218,771
Rubens Court 1	395,554	89,416	306,138
Rubens Court 2	361,139	68,854	292,285
Ryerson House	329,613	92,446	237,167
Stratton House	250,484	123,038	127,446
Wanda House	459,440	23,096	436,344
Wedgewood House	197,587	72,217	125,370
	<b>\$ 9,374,191</b>	<b>\$ 2,949,293</b>	<b>\$ 6,424,898</b>
<b>Other assets</b>			
Computer- Administration	\$ 69,962	\$ 47,933	\$ 22,029
Computer- Life Skills	8,920	7,049	1,871
Furniture and Fixtures	123,560	115,225	8,335
Vehicles	672,954	547,442	125,512
	<b>875,396</b>	<b>717,649</b>	<b>157,747</b>
	<b>\$ 10,249,587</b>	<b>\$ 3,666,942</b>	<b>\$ 6,582,645</b>

The accompanying notes are an integral part of the financial statements.

**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

7. Fixed assets (cont'd)	2012		
	Cost	Accumulated Amortization	Net Book Value
Land and buildings <sup>(a)</sup>			
Alconbury House	\$ 216,236	\$ 73,968	\$ 142,268
Berkshire House	232,363	82,732	149,631
Daryl House	277,050	118,433	158,617
Deerwood House	227,793	79,947	147,846
Duncaster House	228,513	79,607	148,906
Dynes House	244,179	110,386	133,793
Fairfax House	398,697	63,370	335,327
Freeman House	260,056	80,881	179,175
Fisher House	379,000	11,449	367,551
Hammond House	215,024	83,566	131,458
Headon Forest House	299,407	80,233	219,174
Headon Road House	250,573	98,800	151,773
Kirkburn House	198,076	84,166	113,910
Mainway	2,053,898	821,736	1,232,162
Moss Glen House	278,712	107,252	171,460
New Street 1	381,977	50,259	331,718
New Street 2	729,840	109,184	620,656
Pinecove House	214,491	80,660	133,831
Rotary House	294,489	68,331	226,158
Rubens Court 1	395,554	79,481	316,073
Rubens Court 2	361,139	59,774	301,365
Ryerson House	329,613	84,167	245,446
Stratton House	250,484	117,688	132,796
Wanda House	459,440	11,548	447,892
Wedgewood House	197,587	68,934	128,653
	<u>\$ 9,374,191</u>	<u>\$ 2,706,552</u>	<u>\$ 6,667,639</u>
Other assets			
Computer- Administration	\$ 69,962	\$ 42,426	\$ 27,536
Computer- Life Skills	8,920	6,582	2,338
Furniture and Fixtures	123,560	113,141	10,419
Vehicles	698,056	586,582	111,474
	<u>900,498</u>	<u>748,731</u>	<u>151,767</u>
	<u>\$ 10,274,689</u>	<u>\$ 3,455,283</u>	<u>\$ 6,819,406</u>

<sup>(a)</sup> Included in the total amount of land and building costs are land costs of \$2,401,135 (2012 - \$2,401,135) which are not being amortized.

The Ministry of Community and Social Services ("the Ministry") has an interest in certain of the fixed assets of CLB. Therefore, CLB is not at liberty to dispose of, or otherwise encumber the title in relation to these assets without the Ministry's prior written approval.

## Community Living Burlington

### Notes to Financial Statements

Year Ended March 31, 2013

#### 8. Bank indebtedness

CLB has an operating line of credit secured by a General Security Agreement covering all personal property of CLB, including receivables, inventory and equipment. The amount of credit authorized is \$700,000, at prime plus 0.75%. At March 31, 2013, the amount drawn from this operating line was \$211,786 (2012 - \$113,364).

#### 9. Accounts payable and accrued liabilities

	2013	2012
Accounts payable and accrued liabilities	\$ 285,742	\$ 179,390
Payroll deductions payable	166,747	168,490
Salaries payable	581,696	721,444
	<u>\$ 1,034,185</u>	<u>\$ 1,069,324</u>

#### 10. Long-term debt

	2013	2012
7.5% mortgage, payable in blended monthly payments of \$6,000, maturing April 2018. Secured by the Mainway land and building.	\$ 318,761	\$ 365,335
3.80% mortgage, payable in blended monthly payments of \$901, maturing June 2016. Secured by the Hammond House land and building.	75,786	83,554
6.3% mortgage, payable in blended weekly payments of \$194, maturing July 2014. Secured by Wedgewood House land and building.	62,165	68,220
2.94% mortgage, payable in blended weekly payments of \$77, maturing August 2013. Secured by Moss Glen House land and building.	22,843	26,045
6.3%, payable in blended weekly payments of \$258, maturing July 2014. Secured by Duncaster House land and building.	20,353	32,352
6.3%, payable in blended weekly payments of \$140, maturing July 2014. Secured by Deerwood House land and building.	44,955	49,363
Balance forward	\$ 544,863	\$ 624,869

The accompanying notes are an integral part of the financial statements.

**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

**10. Long-term debt (cont'd.)**

	2013	2012
Balance forward	\$ 544,863	\$ 624,869
3.3% mortgage, payable in blended monthly payments of \$971, maturing December 2015. Secured by Berkshire House land and building.	68,046	77,304
3.80% mortgage, payable in blended monthly payments of \$558, maturing June 2016. Secured by Headon Forest House land and building.	70,682	74,616
3.3% mortgage, payable in blended monthly payments of \$2,422, maturing October 2012. Secured by Ryerson House land and building.	-	16,760
3.3% mortgage, payable in blended monthly payments of \$1,408, maturing December 2015. Secured by Sovereign House land and building.	114,225	127,144
Variable rate mortgage at prime plus 0.7%, payable in blended weekly payments of \$386, maturing March 2016. Secured by Wanda House land and building.	310,248	318,777
	<b>\$ 1,108,064</b>	<b>\$ 1,239,470</b>
Less: Current portion	(140,473)	(519,583)
	<b>\$ 967,591</b>	<b>\$ 719,887</b>

Interest expense on mortgages in 2013 amounted to \$57,255 (2012 - \$66,628), and is included in the statement of operations as a component of occupancy costs.

Minimum required principal repayments are as follows:

2014	\$	140,473
2015		203,337
2016		499,100
2017		171,099
2018		67,301
Thereafter		26,754
		<b>\$ 1,108,064</b>

*The accompanying notes are an integral part of the financial statements.*

**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

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**11. Deferred fixed asset contributions**

	2013	2012
Balance, beginning of year	\$ 2,424,387	\$ 2,553,620
Contributions received and spent in year	2,037	-
Amortization for the year	(122,704)	(129,233)
Balance, end of year	<u>\$ 2,303,720</u>	<u>\$ 2,424,387</u>

Deferred fixed asset contributions represent the unamortized amount of donations and grants received for the purchase of fixed assets. The amortization of deferred fixed asset contributions is recorded as revenue from the Province of Ontario in the statement of operations.

**12. Fundraising revenue and expense**

	2013	2012
Fundraising revenue	\$ 133,365	\$ 102,538
Fundraising expenses	(42,007)	(33,531)
Fundraising revenue, net of expenses	<u>\$ 91,358</u>	<u>\$ 69,007</u>

Included in the above are three fundraising events that CLB sponsors annually. Contributions reported in the Statement of Operations from the Walk 'N Roll event include net revenues from this event of \$28,318. Gross revenues and expenses related to this event were \$32,811 and \$4,493, respectively.

Contributions reported in the Statement of Operations from the Golf Tournament include net revenues from this event of \$34,248. Gross revenues and expenses related to this event were \$58,510 and \$24,262, respectively.

Contributions reported in the Statement of Operations from the Easter Extravaganza include net revenues from this event of \$27,898. Gross revenues and expenses related to this event were \$40,430 and \$12,532, respectively.

Contributions reported in the Statement of Operations from other events include net revenues of \$894. Gross revenues and expenses related to other events were \$1,614 and \$720, respectively.

The above noted expenses do not include any allocation of administration or overhead costs.

**Community Living Burlington**  
**Notes to Financial Statements**  
**Year Ended March 31, 2013**

**13. Net assets invested in fixed assets**

	2013	2012
Fixed assets	\$ 6,582,645	\$ 6,819,406
Amounts funded by deferred fixed asset contributions	(2,303,720)	(2,424,387)
Amounts funded by long term debt	(1,108,067)	(1,239,470)
	<u>\$ 3,170,858</u>	<u>\$ 3,155,549</u>

The change in net assets invested in fixed assets is as follows:

Purchase of fixed assets	\$ 62,174	\$ 65,992
Proceeds on disposal	(900)	(1,300)
Loss on sale	(1,535)	(442)
Amounts funded by deferred fixed asset contributions	(2,037)	-
Amortization of fixed assets	(296,503)	(281,950)
Amortization of deferred fixed asset contributions	122,704	129,233
Decrease in long term debt	131,406	135,914
	<u>\$ 15,309</u>	<u>\$ 47,447</u>

**14. Operating lease commitments**

Future minimum payments for operating leases that have initial or remaining terms of one year or more consist of the following amounts:

2014	\$ 95,817
2015	87,817
2016	23,718
	<u>\$ 207,352</u>

**15. Economic dependence**

CLB receives the majority of its funding for operating and capital activities during the year from the Province of Ontario.

*The accompanying notes are an integral part of the financial statements.*



## Community Living Burlington

### Notes to Financial Statements

Year Ended March 31, 2013

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#### 16. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, and long-term debt.

##### Interest rate risk

CLB has an operating line of credit and mortgages that bears interest at a floating rate subject to fluctuations in the bank prime. Changes in the bank prime lending rate can cause fluctuation in interest payments and cash flows. The Organization does not use derivative financial instruments to mitigate the effect of this risk.

##### Market risk

CLB's investments in publicly-traded securities exposes the organization to price risks as equity investments are subject to price changes in an open market. CLB does not use derivative financial instruments to alter the effects of this risk.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, liquidity, interest, market, or currency risks.

#### 17. Comparative information

The comparative figures for 2012 have been reclassified where necessary to conform with the audited 2013 financial statement presentation.

To the Directors of  
Community Living Burlington

**Additional Comments of Auditors for the Year Ended March 31, 2013**

The accompanying schedule of operations is presented as supplementary information only. In this respect, it does not form part of the financial statements of Community Living Burlington for the year ended March 31, 2013 and hence is excluded from the opinion expressed in our report dated May 28, 2013 to the Members on such financial statements. The information in this schedule has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the Organization and, in our opinion, is fairly presented in all respects material to those financial statements.

May 28, 2013

Chartered Accountants  
Licensed Public Accountants