

**INDEPENDENT LIVING CENTRE  
OF WATERLOO REGION**

**Financial Statements**

**For the Year Ended March 31, 2010**

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**

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**For the Year Ended March 31, 2010**

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## AUDITORS' REPORT

To the Members of Independent Living Centre of Waterloo Region

We have audited the financial position of Independent Living Centre of Waterloo Region as at March 31, 2010 and the statement of operations, changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, assets and fund balances.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kitchener, Ontario  
May 14, 2010

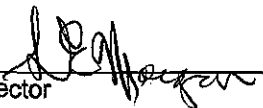
*Clarke Starke & Diegel LLP*

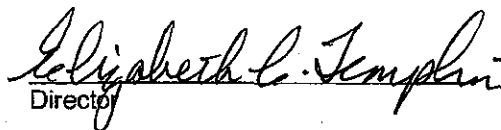
CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**  
**Statement of Financial Position**  
**For the Year Ended March 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 287,863	\$ 225,659
Accounts receivable	71,760	54,060
Prepaid expenses	<u>78,040</u>	<u>53,977</u>
	437,663	333,696
<b>CAPITAL (Note 3)</b>	<u>198,204</u>	<u>213,808</u>
	<u>\$ 635,867</u>	<u>\$ 547,504</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 328,803	\$ 271,661
Due to Ministry of Health and Long Term Care (Note 7)	<u>19,278</u>	<u>-</u>
	348,081	271,661
<b>DEFERRED CONTRIBUTIONS (Note 4)</b>	<u>27,337</u>	<u>2,045</u>
	<u>375,418</u>	<u>273,706</u>
<b>FUND BALANCE</b>		
Unappropriated	215,471	232,214
Appropriated	33,595	33,595
Access Fund	6,524	3,550
ILSM Network	<u>4,859</u>	<u>4,439</u>
	<u>260,449</u>	<u>273,798</u>
	<u>\$ 635,867</u>	<u>\$ 547,504</u>

**ON BEHALF OF THE BOARD**

  
 Director

  
 Director

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**

**Statement of Changes in Fund Balances**

**For the Year Ended March 31, 2010**

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	<u>Unappropriated</u>	<u>Appropriated</u>	<u>Access Fund</u>	<u>ILSM Network Fund</u>	<u>2010 Total</u>	<u>2009 Total</u>
<b>FUND BALANCES, OPENING</b>	\$ 232,214	\$ 33,595	\$ 3,550	\$ 4,439	\$ 273,798	\$ 285,211
Excess (deficiency) of revenues over expenditures	(16,743)	-	-	-	(16,743)	(11,950)
Contributions	-	-	-	15,106	15,106	33,808
Donations to fund	-	-	13,170	-	13,170	-
Disbursements	<u>-</u>	<u>-</u>	<u>(10,196)</u>	<u>(14,686)</u>	<u>(24,882)</u>	<u>(33,271)</u>
<b>FUND BALANCES, CLOSING</b>	\$ <u>215,471</u>	\$ <u>33,595</u>	\$ <u>6,524</u>	\$ <u>4,859</u>	\$ <u>260,449</u>	\$ <u>273,798</u>

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**

**Statement of Operations**

**For the Year Ended March 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Subsidy	\$ 5,141,955	\$ 4,953,838
Grants	209,965	207,168
Attendant service contracts	260,333	285,235
Other revenues	40,135	47,558
Sponsorship revenues	-	6,125
	<u>5,652,388</u>	<u>5,499,924</u>
<b>EXPENDITURES</b>		
Salaries, Wages and Benefits		
Salaries and wages - see schedule	4,196,999	4,063,130
Employee benefits	978,940	913,967
	<u>5,175,939</u>	<u>4,977,097</u>
Direct Attendant Service Expenses		
Staff training	10,923	8,156
Recruitment	1,431	4,391
Meetings	4,653	3,936
Travel	74,811	60,476
Supplies and equipment	14,989	11,427
Contract attendant services	-	41,600
Building occupancy	49,991	38,938
Miscellaneous	5,838	10,337
	<u>162,636</u>	<u>179,261</u>
Administrative Expenses		
Travel	4,238	3,641
Hiring, training and development	35,406	47,802
Occupancy cost	91,290	91,644
Stationery and supplies	32,132	34,397
Communications and postage	43,058	38,084
Advertising and promotion	8,705	9,459
Insurance	18,496	16,717
Board and volunteer	3,904	723
Contract and professional fees	37,354	62,215
Repair and maintenance	149	-
Capital acquisition	5,342	3,021
Amortization	34,392	40,471
Miscellaneous	16,090	7,342
	<u>330,556</u>	<u>355,516</u>
	<u>5,669,131</u>	<u>5,511,874</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (16,743)</u>	<u>\$ (11,950)</u>

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**

**Schedule of Salaries and Wages**

**For the Year Ended March 31, 2010**

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	<u>2010</u>	<u>2009</u>
Direct wages and supervisor salaries	\$ 3,065,285	\$ 2,961,031
Administrative and program support salaries	619,924	622,266
Training and development	61,874	69,097
Statutory holidays and vacation	388,278	347,027
Sick and compassionate	<u>61,638</u>	<u>63,709</u>
<b>TOTAL SALARIES AND WAGES</b>	<b>\$ <u>4,196,999</u></b>	<b>\$ <u>4,063,130</u></b>

INDEPENDENT LIVING CENTRE OF WATERLOO REGION

Statement of Cash Flows

For the Year Ended March 31, 2010

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	<u>2010</u>	<u>2009</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ (16,743)	\$ (11,950)
Items not involving cash		
Amortization	<u>34,392</u>	<u>40,471</u>
	17,649	28,521
Net changes in non-cash working capital balances		
Accounts receivable	(17,700)	14,405
Prepaid expenses	(24,063)	(10,002)
Accounts payable and accrued liabilities	57,142	(11,583)
Due to Ministry of Health and Long Term Care	19,278	-
Deferred contributions	25,292	(6,523)
Access Fund	2,974	(3,469)
Transportation Fund	-	(433)
ILSM Network Fund	<u>420</u>	<u>4,439</u>
	<u>80,992</u>	<u>15,355</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(18,788)</u>	<u>(38,434)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	62,204	(23,079)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>225,659</u>	<u>248,738</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 287,863</u>	<u>\$ 225,659</u>

The accompanying notes form an integral part of these financial statements



# INDEPENDENT LIVING CENTRE OF WATERLOO REGION

## Notes to Financial Statements

For the Year Ended March 31, 2010

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### 1. PURPOSE OF THE ORGANIZATION

The purpose of the organization is to support persons with disabilities in the Region of Waterloo by facilitating individual growth towards greater independence, creating opportunities to make informed choices and assisting in the removal of barriers to full participation. The organization is incorporated under the laws of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Fund Accounting

Fund accounting is used to ensure the observance of the purposes, limitations, and restriction on the use of resources. The organization has established the following funds:

The Unappropriated fund accounts for the revenue and expenditures related to providing the funded services.

The Appropriated fund has been established to ensure funding is available for future programming support, accessibility needs in the community, quality improvement initiatives, and information technology enhancement.

The Access fund is funds available to persons with physical disabilities in the form of grants to assist with the purchase of equipment. The Access fund was started in 2002 - 2003 with an allocation of \$10,000, as approved by the Board of Directors. Additional contributions were received through a fundraising campaign.

In 2009, ILC began to administer the funds of the Independent Living Senior Manager's (ILSM) Network. The Independent Living Senior Manager's (ILSM) Network fund accounts for the revenue from annual membership and conference fees and the expenditures of the steering committee meetings and the conference.

#### Revenue Recognition

The organization follows the restricted fund method of accounting for its contributions. Unrestricted contributions are included as revenue of the Unappropriated fund in the year received. Restricted contributions for which a fund has been established are recorded as revenue in the year received. Restricted contributions for which a fund has not been established are recorded as revenue in the Unappropriated fund in the year in which the related expenses are incurred.

Grant and subsidy revenues are recognized as revenue in the period in which the funded services are provided.

Attendant service contracts are recognized as revenue in the period in which the service has been provided if the amount receivable can be reasonably estimated and collection is reasonably assured.

# INDEPENDENT LIVING CENTRE OF WATERLOO REGION

## Notes to Financial Statements

For the Year Ended March 31, 2010

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalent

Cash and cash equivalents include cash deposited in financial institutions and short term deposits with maturities of less than 90 days.

#### Improvements

Costs incurred to improve living accommodations of program recipients are expensed as incurred.

#### Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on the declining balance basis at the following rates:

Furniture and fixtures	20%
Computer equipment	30%
Computer software	50%
Leasehold improvements	20 years straight line

#### Financial Instruments

The organization has adopted the following classifications for its financial assets and financial liabilities:

Cash and cash equivalents are classified as held-for-trading. These assets are measured at fair value and changes in fair value during the year, if any, are recorded in other revenues in the statement of operations. Transaction costs are expensed as incurred.

Accounts receivable is classified as loans and receivables. This asset is initially recorded at fair value and subsequently measured at amortized cost less any provision for impairment.

Accounts payable and accrued liabilities are classified as other financial liabilities. These liabilities are initially recorded at fair value and subsequently measured at amortized cost.

#### Contributed Services

Volunteers contribute a significant number of hours per year to assist Independent Living Centre of Waterloo Region in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### Measurement Uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- the estimated useful lives of assets;
- the estimated allowance for doubtful accounts;
- the estimated accrued expenses.

**INDEPENDENT LIVING CENTRE OF WATERLOO REGION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2010**

**3. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2010 Net Book Value</u>	<u>2009 Net Book Value</u>
Furniture and fixtures	\$ 271,981	\$ (207,216)	\$ 64,765	\$ 65,656
Computer equipment	161,388	(151,512)	9,876	10,621
Computer software	29,170	(23,633)	5,537	11,074
Leasehold improvements	<u>168,609</u>	<u>(50,583)</u>	<u>118,026</u>	<u>126,457</u>
	<u>\$ 631,148</u>	<u>\$ (432,944)</u>	<u>\$ 198,204</u>	<u>\$ 213,808</u>

**4. DEFERRED CONTRIBUTIONS**

Deferred contributions represent restricted operating funding received in the current and prior period that is related to a subsequent period. Changes in the deferred contributions balance are as follows:

	<u>2010</u>	<u>2009</u>
Beginning balance	\$ 2,045	\$ 8,568
Less - amount recognized as revenue in the year	(7,514)	(6,523)
Add - amount received related to a following year	<u>32,806</u>	<u>-</u>
Ending balance	<u>\$ 27,337</u>	<u>\$ 2,045</u>

**5. PENSION COSTS**

The organization sponsors a defined contribution pension plan for its employees. The employees contribute 3% of their earnings and the organization matches the contribution. Pension benefits vest after two years of service. The total pension costs of the organization for the year were \$78,982 (2009 - \$79,616).

**6. LEASE COMMITMENT**

The organization entered into a 20-year lease to rent its premises, commencing August 1, 2004, with minimum lease payments of \$85,554 per annum.

**7. DUE TO MINISTRY OF HEALTH AND LONG TERM CARE**

The amount of subsidies received from the Ministry of Health and Long Term Care for the fiscal year are subject to a number of factors, one of which is the organization's cost to deliver services in that year. Subsequent to each year end the cost to deliver services is compared to the subsidies received. A portion of amounts received may have to be repaid. Any such changes are recorded as adjustments to income based on management's best estimate, but are subject to change as a result of review and approval by the Ministry. Included in Due to Ministry of Health and Long Term Care is \$19,278 related to the fiscal 2010.

# INDEPENDENT LIVING CENTRE OF WATERLOO REGION

## Notes to Financial Statements

For the Year Ended March 31, 2010

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### 8. CAPITAL DISCLOSURE

The organization's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide the appropriate level of benefits and services to its customers.

The organization monitors and assesses its financial performance to ensure its capital structure is appropriately maintained. The capital structure is defined as the amount included in fund balances. The Board of Directors and management carefully consider subsidies, grants, attendant service contracts, sponsorship revenue and other revenues to ensure that sufficient funds will be available to meet the organization's short and long term objectives.

A portion of the organization's capital structure is restricted and the organization has to meet certain requirements to utilize these restricted funds, as described in Note 2. The organization has been in compliance with these restrictions throughout the year.

### 9. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant currency, interest rate or credit risks arising from these financial instruments.

The organization's carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments.