



Financial Statements

Port Colborne Community Association for
Resource Extension (PORT CARES)

March 31, 2009

Contents

	Page
Auditors' Report	1-2
Statement of Revenue, Expenses and Fund Balance	3
Balance Sheet	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-11
Summary of Excess Revenue over Expenses by Program	12

Auditors' report

Grant Thornton LLP
Suite B
222 Catharine Street, PO Box 336
Port Colborne, ON
L3K 5W1

T (905) 834-3651
F (905) 834-5095
www.GrantThornton.ca

To the Board of Directors of

**Port Colborne Community Association for
Resource Extension (PORT CARES)**

We have audited the balance sheet of Port Colborne Community Association for Resource Extension (PORT CARES) as at March 31, 2009 and the statements of revenue, expenses, 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, PORT CARES derives part of its receipts from donations, 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 donation revenues, excess of revenue over expenses, assets and fund balance.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations 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, 2009 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Port Colborne, Ontario
July 30, 2009

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

**Port Colborne Community Association for
Resource Extension (PORT CARES)
Statement of Revenue, Expenses and Fund Balance**

Year Ended March 31	2009	2008
Revenue		
Program government grants	\$ 1,460,176	\$ 1,465,331
Other grants and contributions	169,930	74,796
United Way	86,078	91,158
Interest earned	8,313	14,314
Donations and memberships	13,761	14,486
Fundraising	57,431	67,352
Rental income	91,028	48,991
Other income	38,117	80,007
Amortization of deferred grants for capital assets	<u>64,958</u>	<u>74,046</u>
	<u>1,989,792</u>	<u>1,930,481</u>
Expenses		
Board expenses	5,497	7,050
Depreciation	91,876	83,953
Fundraising	16,809	22,540
Insurance	19,451	17,408
Interest on long term debt	3,060	
Office supplies	24,165	19,887
Professional fees	21,829	12,161
Program supplies	170,044	220,088
Property taxes	4,345	
Rent	210,863	196,778
Repairs and maintenance	41,393	40,552
Salaries and benefits	1,304,557	1,221,099
Telephone	25,246	28,505
Training	14,871	15,419
Travel	15,126	17,761
Utilities	8,139	
Van	<u>2,961</u>	<u>601</u>
	<u>1,980,232</u>	<u>1,903,802</u>
Net program excess of revenue over expenses before other income	9,560	26,679
Other income	5,201	12,605
Repayable to funders	<u>(767)</u>	<u>(1,324)</u>
Excess of revenue over expenses	13,994	37,960
Fund balance, beginning of year	<u>258,880</u>	<u>220,920</u>
Fund balance, end of year	<u>\$ 272,874</u>	<u>\$ 258,880</u>

See accompanying notes to the financial statements.

**Port Colborne Community Association for
Resource Extension (PORT CARES)
Balance Sheet**

March 31	2009	2008
Assets		
Current		
Cash and temporary investments (Note 3)	\$ 165,770	\$ 448,172
Receivables	88,976	117,387
Prepaid expenses	<u>2,820</u>	<u>2,873</u>
	257,566	568,432
Capital assets (Note 4)	<u>497,477</u>	<u>145,605</u>
	<u>\$ 755,043</u>	<u>\$ 714,037</u>
Liabilities		
Current		
Payables and accrued charges	\$ 127,912	\$ 186,121
Deferred revenue (Note 5)	121,265	140,603
Repayable to funders	767	1,324
Current portion of long term debt (Note 6)	<u>12,109</u>	<u> </u>
	262,053	328,048
Long term debt (Note 6)	132,996	
Deferred grants for capital assets (Note 7)	<u>87,120</u>	<u>127,109</u>
	<u>482,169</u>	<u>455,157</u>
Fund Balances		
Invested in capital assets (Note 8)	265,251	18,496
Unrestricted (Note 8)	<u>7,623</u>	<u>240,384</u>
	<u>272,874</u>	<u>258,880</u>
	<u>\$ 755,043</u>	<u>\$ 714,037</u>

Commitments (Note 9)

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Port Colborne Community Association for Resource Extension (PORT CARES) Statement of Cash Flows

Year Ended March 31 2009 2008

Increase (decrease) in cash and cash equivalents:

Operating		
Excess of revenue over expenses	\$ 13,994	\$ 37,960
Items not affecting cash		
Depreciation	91,876	83,953
Amortization of deferred grants	<u>(64,958)</u>	<u>(74,046)</u>
	40,912	47,867
Changes in non-cash operating assets and liabilities		
Receivables	28,411	(12,863)
Prepaid expenses	53	(881)
Payables and accrued charges	(58,209)	40,741
Deferred revenue	(19,338)	12,961
Repayable to funders	<u>(557)</u>	<u>(888)</u>
	<u>(8,728)</u>	<u>86,937</u>
Investing		
Grants for equipment, computers and leaseholds	24,970	27,515
Purchase of		
Buildings	(414,103)	
Office furniture and equipment	(6,209)	(9,237)
Computer equipment	(23,437)	(20,036)
Computer software		(5,974)
Leasehold improvements		<u>(3,432)</u>
	<u>(418,779)</u>	<u>(11,164)</u>
Financing		
Proceeds from issuance of long term debt	150,000	
Repayments of long term debt	<u>(4,895)</u>	
	<u>145,105</u>	
Increase (decrease) in cash and cash equivalents	(282,402)	75,773
Cash and cash equivalents		
Beginning of year	<u>448,172</u>	<u>372,399</u>
End of year	<u>\$ 165,770</u>	<u>\$ 448,172</u>

See accompanying notes to the financial statements.

Port Colborne Community Association for Resource Extension (PORT CARES) Notes to the Financial Statements

March 31, 2009

1. Nature of operations

The non-profit corporation, incorporated without share capital under the Ontario Business Corporations Act provides a number of programs throughout the Niagara Region. Its main objective is to identify the needs of the residents of Port Colborne and surrounding area and to undertake initiatives in response to those needs. The organization is funded by, and works closely with various government agencies in this regard. The organization is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

Cash and cash equivalents

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

Capital assets

Equipment, computers and leaseholds are stated at cost and are depreciated using the straight-line method over their estimated useful life.

The revenue used to acquire these assets has been deferred and will be recognized as income at the same rate as the asset is depreciated in order to better match revenues and expenses.

Depreciation

Rates of depreciation applied to write-off the cost less estimated salvage value of property and equipment over their estimated lives are as follows:

Buildings	4%
Office furniture and equipment	20%
Computer equipment	25%
Computer software	50%
Leasehold improvements	20%

Revenue recognition

a) Government and other charitable organization funding

The organization recognizes contributions using the deferral method. Grants are subject to final approval by the various funding agencies and any adjustments are recorded by the organization in the year in which the adjustment is received. Contracts under which these grants are provided are renewable on a periodic basis. Any funding in excess of expenses for a particular fiscal period may be recovered by the funding agency.

Port Colborne Community Association for Resource Extension (PORT CARES) Notes to the Financial Statements

March 31, 2009

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

b) Donations in kind

Certain organizations contribute to Port Colborne Community Association for Resource Extension (PORT CARES) by donating goods or services rather than cash. Donations in kind in the amount of \$ 50,028 (2008 - \$ 7,052) have been received by the organization and have not been recorded in the financial statements.

Financial instruments

Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in the statement of revenue and expenses. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading will be measured at amortized cost. Available-for-sale financial assets will be measured at fair value.

The organization has classified its financial instruments as follows:

Cash and cash equivalents	Held-for-trading
Receivables	Loans and receivables
Payables and accruals	Other liabilities

New accounting standards

Effective April 1, 2008, the organization adopted the accounting and disclosure requirements of the CICA's two new accounting standards, Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation.

Effective April 1, 2008, the organization also adopted the CICA's new accounting standard, Section 1535, Capital Disclosures, which requires the disclosure of both quantitative and qualitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital.

These new standards did not have an effect on the financial position of the organization.

3. Cash and temporary investments

	<u>2009</u>	<u>2008</u>
Petty cash	\$ 500	\$ 500
Cash in bank	60,760	155,875
Short term investments	<u>104,510</u>	<u>291,797</u>
	<u>\$ 165,770</u>	<u>\$ 448,172</u>

Port Colborne Community Association for Resource Extension (PORT CARES)

Notes to the Financial Statements

March 31, 2009

4. Capital assets			<u>2009</u>	<u>2008</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building	\$ 414,102	\$ 16,565	\$ 397,537	
Office furniture and equipment	132,060	113,092	18,968	\$ 25,772
Computer equipment	249,126	213,423	35,703	36,024
Computer software	31,703	31,703		2,988
Leasehold improvements	<u>401,597</u>	<u>356,328</u>	<u>45,269</u>	<u>80,821</u>
	<u>\$ 1,228,588</u>	<u>\$ 731,111</u>	<u>\$ 497,477</u>	<u>\$ 145,605</u>

5. Deferred revenue

Funds received by the organization prior to year end and relating to expenses anticipated to be incurred subsequent to year end are reported as deferred revenue and are broken down as follows:

	<u>2009</u>	<u>2008</u>
Ontario Early Years Centre	\$ 3,196	\$ 4,543
Employment Resource Centre	9,365	13,630
Educational Resource Centre / Literacy Plus	3,525	2,812
Ministry of Community and Social Services – Pay Equity		25,147
Niagara Community Foundation	10,000	
Pre-employment Preparation Program	15,538	36,690
Regional Municipality of Niagara	8,000	8,000
Youth Justice Committee	5,298	5,298
Academic and Career Entrance	509	
Job Creation Program	215	
Niagara Emergency Energy Fund	3,848	
Employment Support Program for Ontario Works	47,683	
Community Resource Centre	8,610	38,865
Reach-Out Centre	<u>5,478</u>	<u>5,618</u>
	<u>\$ 121,265</u>	<u>\$ 140,603</u>

Port Colborne Community Association for Resource Extension (PORT CARES) Notes to the Financial Statements

March 31, 2009

6. Long term debt 2009

Mortgage payable, due in 2019, interest at 5%, payable in twelve monthly instalments of principal and interest of \$ 1,591. As security, the organization has pledged specific buildings **\$ 145,105**

Less: current portion 12,109

\$ 132,996

Principal repayments in each of the next five years are due as follows:

2010	\$	12,109
2011		12,728
2012		13,368
2013		14,074
2014		14,781

7. Deferred grants for capital assets 2009 2008

Balance, beginning of year **\$ 728,849** \$ 701,334

Grants received during the year for acquisition of capital assets 24,970 27,515

Balance, end of year **753,819** 728,849

Less: accumulated amortization (666,699) (601,740)

\$ 87,120 **\$ 127,109**

8. Changes in net assets

	<u>Invested in Assets</u>	<u>Unrestricted</u>	<u>Total</u>
Balance, April 1, 2008	\$ 18,496	\$ 240,384	\$ 258,880
Purchase of capital assets	443,749	(443,749)	Nil
Funding for capital assets	(24,970)	24,970	Nil
Excess of revenue over expenses (expenses over revenue)	<u>(172,024)</u>	<u>186,018</u>	<u>13,994</u>
Balance, March 31, 2009	<u>\$ 265,251</u>	<u>\$ 7,623</u>	<u>\$ 272,874</u>

Port Colborne Community Association for Resource Extension (PORT CARES) Notes to the Financial Statements

March 31, 2009

9. Lease commitments

The organization has leased various premises with the following terms:

<u>Location</u>	<u>Expiry</u>	<u>Notes</u>
Unit 101 – 92 Charlotte Street, Port Colborne	March 31, 2013	(1)
Unit 102 – 92 Charlotte Street, Port Colborne	March 31, 2013	(1)
Unit 103 – 92 Charlotte Street, Port Colborne	March 31, 2013	(1)
Unit 104 – 92 Charlotte Street, Port Colborne	March 31, 2013	(1)
Unit 201 – 92 Charlotte Street, Port Colborne	March 31, 2013	(1)
Unit 1 – 172 Catharine Street, Port Colborne	July 31, 2009	(2)
Unit 2 – 172 Catharine Street, Port Colborne	July 31, 2009	(2)
Unit 3 – 172 Catharine Street, Port Colborne	July 31, 2009	(2)
Unit 4 – 172 Catharine Street, Port Colborne	July 31, 2009	(2)
57 Clarence Street, Port Colborne	March 31, 2010	(3)
People's Memorial United Church	August 31, 2010	(4)
Smithville United Church	None	(5)
230 Main Street West, Port Colborne	March 31, 2012	(6)

- (1) The organization entered into a new lease agreement for these premises on July 1, 2008. Rent is payable on a monthly basis at \$ 10,710 plus GST until June 30, 2010. Starting on July 1, 2010 the monthly rent will increase to \$ 10,924 per month until the expiry of the lease.
- (2) For the period ending July 1, 2009 the monthly rental payments are \$ 600 for Unit 1; \$ 450 for Unit 2; \$ 475 for Unit 3 and \$ 475 for Unit 4.
- (3) This lease was renewed in the current year at a monthly rate of \$ 2,620 plus GST less a landlord discount of \$ 395 per month.
- (4) The organization leases these premises for ten months out of the year on a month to month basis at \$ 500 plus GST per month.
- (5) The organization leases these premises for ten months out of the year on a month to month basis at \$ 400 plus GST per month.
- (6) The monthly rate for this lease for the term April 1, 2008 to March 31, 2012 will be \$ 1,200 plus GST.

Port Colborne Community Association for Resource Extension (PORT CARES) Notes to the Financial Statements

March 31, 2009

10. Financial instruments

Fair value of financial instruments

The carrying value of cash and temporary investments, receivables, payables and accrued charges reflected in the balance sheet approximate their respective fair value due to the relatively short term maturities of these instruments. Investments consist of guaranteed investment certificates and their fair value approximates their cost.

Interest rate risk

The interest rate risk is the risk that arises from fluctuations in interest rates and the degree of volatility of these rates. The organization does not use derivative instruments to reduce its exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the organization cannot meet a demand for cash or fund obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. Management manages liquidity risk and monitors the cash and funding needs on a daily basis.

11. Capital management

The organization considers its cash and temporary investments as capital and its capital management objective is to maintain adequate funds to ensure future working capital needs are met. The organization has no externally imposed capital requirements.

12. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

**Port Colborne Community Association for
Resource Extension (PORT CARES)
Summary of Excess Revenue over Expenses by Program**

(Unaudited)

Year Ended March 31, 2009

	Port Cares <u>Admin</u>	Client <u>Services</u>	The Learning <u>Centre</u>
Revenue			
Program government grants	\$ 12,676	\$ 7,834	\$ 132,969
Other grants and contributions		115,795	47,288
United Way		86,078	
Interest earned	8,313		
Donations and memberships	13,761		
Fundraising	57,431		
Rental income	87,268	3,760	
Other income	37,367	750	
Amortization of deferred grants for capital assets	<u>7,370</u>	<u>6,698</u>	<u>5,230</u>
	<u>224,186</u>	<u>220,915</u>	<u>185,487</u>
Expenses			
Administration fees	(169,117)	26,190	20,679
Board expenses	5,497		
Depreciation	32,123	7,066	5,230
Fundraising	16,809		
Insurance	1,549	3,082	600
Interest	3,060		
Office supplies	6,280	2,193	2,539
Professional fees	1,100	1,750	500
Program supplies	17,865	30,817	15,154
Property taxes	4,345		
Rent	23,739	19,903	26,174
Repairs and maintenance	21,283	11	505
Salaries and benefits	237,543	125,580	104,554
Telephone	841	2,914	3,128
Training	1,445	185	5,084
Travel	1,175	1,592	573
Utilities	8,139		
Van			
	<u>213,676</u>	<u>221,283</u>	<u>184,720</u>
Excess of revenue over expenses (expenses over revenue) before other income	10,510	(368)	767
Other income, net	3,484	368	
Repayable to funders			<u>(767)</u>
Excess of revenue over expenses	<u>\$ 13,994</u>	<u>\$ Nil</u>	<u>\$ Nil</u>

<u>The Job Centre</u>	<u>Youth Justice Committee</u>	<u>The Training Centre</u>	<u>Ontario Early Years Centre</u>	<u>2009 Total</u>
\$ 374,107 6,847	\$ 70,605	\$ 311,100	\$ 550,885	\$ 1,460,176 169,930 86,078 8,313 13,761 57,431 91,028 38,117
<u>10,237</u>	<u>2,335</u>	<u>8,480</u>	<u>24,608</u>	<u>64,958</u>
<u>391,191</u>	<u>72,940</u>	<u>319,580</u>	<u>575,493</u>	<u>1,989,792</u>
35,599	6,000	26,704	53,945	Nil 5,497
10,685	2,335	8,886	25,551	91,876 16,809
3,000	1,000	1,500	8,720	19,451 3,060
4,281	1,092	1,405	6,375	24,165
5,127	1,000	6,352	6,000	21,829
19,930	10,934	40,889	34,455	170,044 4,345
47,284	3,762	24,659	65,342	210,863
8,382	128	10,301	783	41,393
247,721	43,144	187,860	358,155	1,304,557
4,613	900	5,018	7,832	25,246
3,360	1,692	2,631	474	14,871
1,209	953	3,781	5,843	15,126 8,139
			<u>2,961</u>	<u>2,961</u>
<u>391,191</u>	<u>72,940</u>	<u>319,986</u>	<u>576,436</u>	<u>1,980,232</u>
Nil	Nil	(406)	(943)	9,560
		406	943	5,201
				<u>(767)</u>
<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ Nil</u>	<u>\$ 13,994</u>